Community Health Centers

Preparing for Participation
In the ACA Health Insurance Exchange

Presented to

NCSL Task Force on Federal Health Reform Implementation

at

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Brief History of Health Centers

- **Health Centers: Five Basic Characteristics -**
  - **Location in *high-need areas***
  - ***Comprehensive* health and related services (especially 'enabling' services)**
  - **Open to all residents, *regardless of ability to pay*, with charges prospectively set based on income**
  - **Governed by *community boards*, to assure responsiveness to local needs**
  - **Held to strict *performance/accountability standards* for administrative, clinical, and financial operations**

Services Offered by Health Centers

- Primary Medical Care
- Preventive Health Care
- Prenatal, Perinatal, & Newborn Care
- Gynecological Care
- HIV Care
- Hearing/Vision Screening
- Oral Health
- Mental Health
- Substance Abuse
- Pharmacy
- X-Rays and Lab
- Specialty Medical Care
- ***Enabling Services***

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Community Health Centers: A Unique & Proven Primary Care Model

Access	***Quality***
-Serve as health care homes to over 20 million patients in 8,000+ rural and urban underserved communities. -Open to all regardless of insurance status; offer care on sliding-fee scale. -Will reach 40 million people in need by 2015.	-Medicaid beneficiaries receiving health center care 19% less likely to use emergency department, 11% less likely to be hospitalized for ambulatory care-sensitive conditions than beneficiaries using other providers. -Ensure that all patients receive recommended screenings and health promotion services.
Cost-Effectiveness	***Economic Engine***
-Save $1,200+ per patient annually in total health care costs. -Drive $24 billion annual savings from reduced emergency, hospital, and specialty care costs, including $6 billion in combined state and federal Medicaid savings.	-Generated over $20 billion in total economic benefits for low-income communities in 2009. -Produced nearly 190,000 jobs that same year. -Will create 284,000 new jobs and generate $54 billion in overall economic benefits by 2015.

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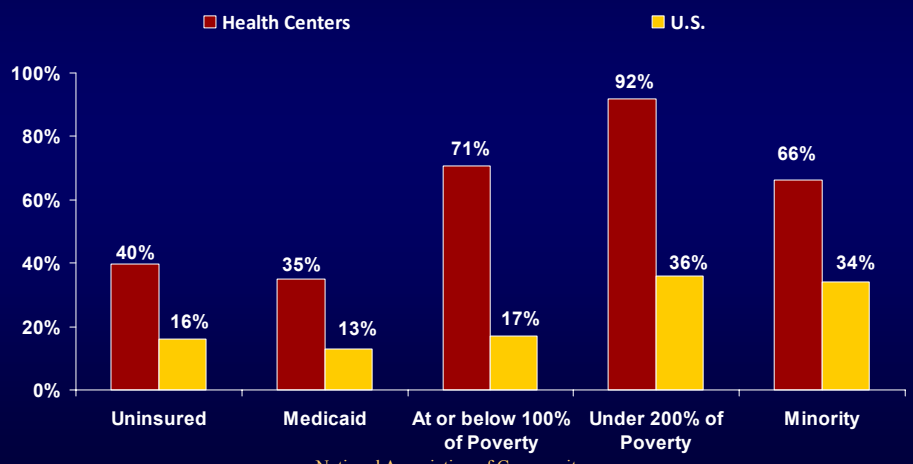
Health Center Patients are Poorer, More Uninsured and More Minority than US Pop



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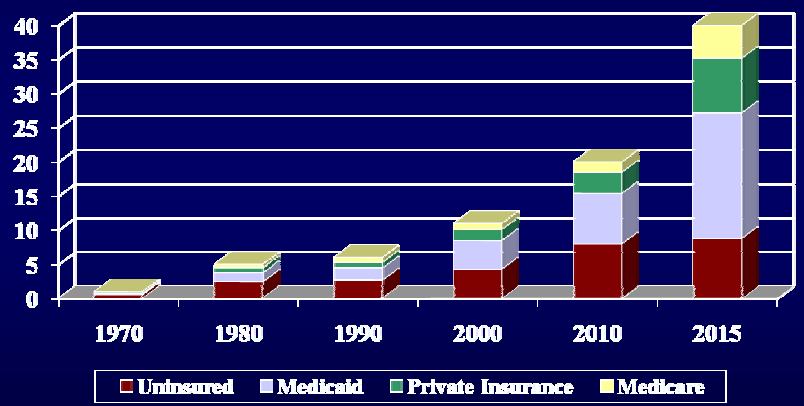
Growth of Health Centers: 1970-2010 (and 2015)

Number of Persons Served by Coverage Source



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Health Insurance Exchange

- Created in Section 1 of Affordable Care Act (PL 111-148).
- Proposed Rule published in Federal Register August 2011 *(76 FR 51202-51237, August 17, 2011).*
- 45 CFR Parts 155 and 156.
- Exchanges are state-based competitive virtual marketplaces where individuals and small businesses can purchase qualified health plans (QHPs).
- Operational by January 1, 2014.

Health Insurance Exchange

The proposed rule requires each QHP issuer to include within its network a sufficient number of essential community providers, that serve predominantly low-income, medically-underserved individuals, including:

Health care providers defined in Section 340B(a)(4) of the PHS Act (lists **FQHCs**),

Health Insurance Exchange

In proposed rule, CMS discusses QHP contracting and payment to FQHCs:

1) *Section 1311(c)(2)*—n**o** requirement for QHP issuers to contract with essential community providers that refuse to accept generally applicable payment rates.
2) *Section 1302(g)*—requirement for QHP issuers to reimburse FQHCs at their Medicaid PPS rates.

Health Insurance Exchange

HHS suggests two potential approaches:

1) Require QHP issuers to pay at least Medicaid PPS rate to each FQHC participating in QHPs network, *or*
2) Permit issuers to negotiate mutually agreed upon rates with FQHCs, with generally applicable payment rates as the minimum.

NACHC's Comments

Suggested approach:

- ✓ Interpret Section 1302(g) as requiring a *methodology* (provided for in Section 1902(bb) of the SSA), not a specific payment rate.
- ✓ Require QHPs to contract with "any willing FQHC"

NACHC's Comments

- ✓ These two policies would accomplish a number of goals:
  - Helps meet the ACA's and proposed rules requirements of exchange network adequacy (42CFR155.1050 and 156.230)
    - Focus on sufficient choice of primary care providers in medically underserved areas (Section 1311(c) (1)(B) of ACA)

NACHC's Comments

- Broadly defines the types of providers that furnish primary care services such as nurse practitioners.
- Assures QHPs contract with essential community providers
- Assures fair payment to FQHCs
- Consistent with payment to FQHCs in Medicaid and CHIP and Congressional support of FQHCs

- Payment to FQHCs could include a wrap-around via "user fees" or QHPs risk-adjustments.

NACHC's Comments

Health Center Activity in the States

In a number of states Primary Care Associations and their FQHC membership have been working with appropriate state officials, Legislators, and stakeholders to develop effective exchanges: CO, CA, WI, AL, MS, ND and SD