



Health Center Program Requirements

Tonya Bowers, MHS

Director, Office of Policy and Program Development
Bureau of Primary Health Care



Health Center Program: Background



- The Health Center Program (authorized under section 330 of the Public Health Service (PHS) Act) includes:
 - Community Health Center Program – section 330(e)
 - Migrant Health Center Program – section 330(g)
 - Health Care for the Homeless Program – section 330(h)
 - Public Housing Primary Care Program – section 330(i)
- HRSA provides Federal grant funding to over 1,100 health center grantees in every State, the District of Columbia, Puerto Rico, the Virgin Islands, and the Pacific Basin that deliver primary and preventive care through almost 8,000 comprehensive service sites.
- Grantees are eligible for:
 - Reimbursement under Prospective Payment System (PPS) or state-approved alternative methodology for services provided under Medicaid and cost-based reimbursement for services provided under Medicare
 - Participation in the 340B Drug Pricing Program
 - Automatic Health Professional Shortage Area Designation
 - Federal Tort Claims Act (FTCA) malpractice coverage



Health Center Program Overview Calendar Year 2009

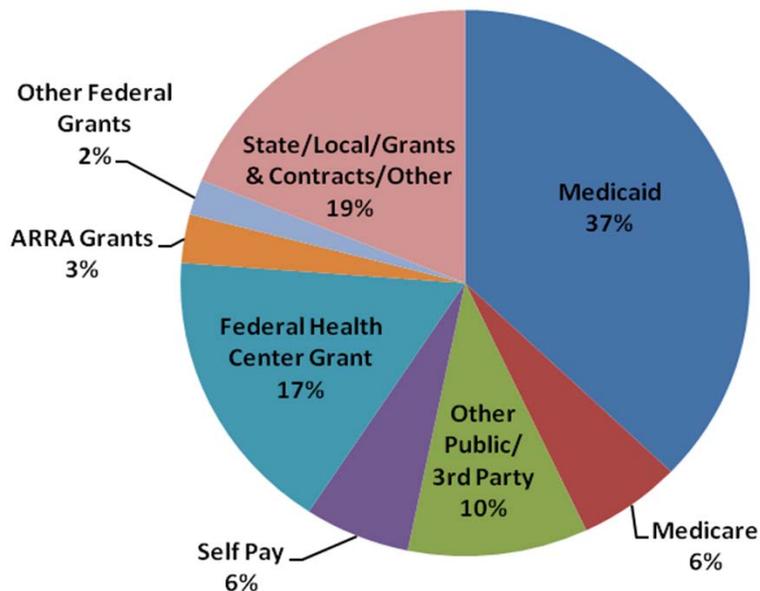


18.8 Million Patients

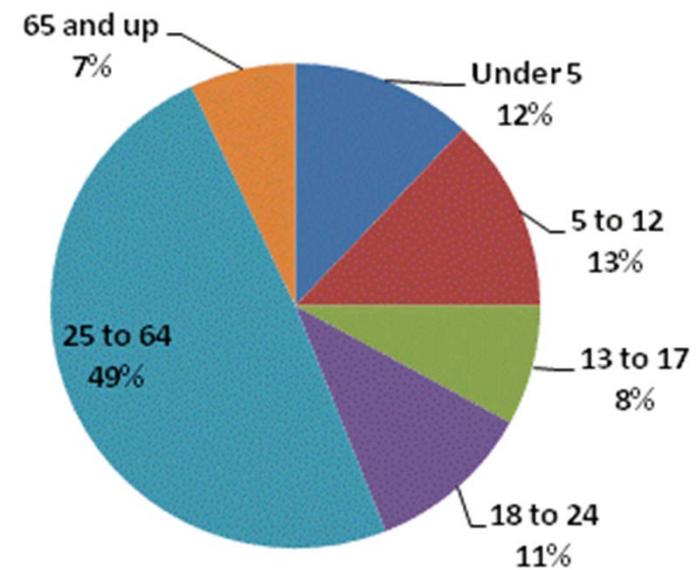
- 92% At or Below 200% Poverty
- 38% Uninsured
- 63% Racial/Ethnic Minorities

73.8 Million Patient Visits Over 123,000 Staff

Health Center Revenue Sources



Health Centers Serve All Ages



Source: Uniform Data System, 2009



FQHC Background



Medicare and Medicaid statutes define a provider type: “Federally Qualified Health Center” (FQHC)

– *Respectively, Social Security Act §1861(aa)(4) and §1905(l)(2)(B)*

- Entity that receives a grant under section 330 of the Public Health Service Act – Health Center Program
- Entity that is determined by HHS to meet requirements to receive funding without actually receiving a grant (*i.e.*, FQHC “Look-Alike” entity – PINs 2009-06 and 2009-07)
- Entities that are outpatient health programs or facilities operated by a tribe or tribal organization under the Indian Self-Determination Act or by an Indian organization receiving funds under Title V of the Indian Health Care Improvement Act.



Requirements: Statutory and Regulatory



- All FQHCs must demonstrate compliance with applicable Section 330 statutory and regulatory requirements, and HRSA/BPHC policies.
 - Community Health Centers: Section 330(e)
 - Migrant Health Centers: Section 330(e) and Section 330(g)
 - Health Care for the Homeless: Section 330(e) and Section 330(h)
 - Public Housing Primary Care: Section 330(e) and Section 330(i)
- There are some allowable waivers of program requirements and regulatory differences for the special population only grantees.
- Health Center Program Requirements:
<http://www.bphc.hrsa.gov/about/requirements.htm>



Health Center Program: Requirements



- Private non-profit or public agency that must serve a **high need community or population**, i.e. medically underserved areas (MUA) or medically underserved populations (MUP).
- **Promote access to affordable, high quality care**
 - Provide services at locations and times that meet the needs of the target population assure services are accessible promptly and in a manner that assures continuity care
 - Provide professional coverage during hours when the center is closed
 - Maintain a core staff as necessary to carry out all required services and additional health services as appropriate either directly or through established arrangements.
 - Must have ongoing quality improvement/quality assurance programs that include clinical services and management and that maintains the confidentiality of patient records



Health Center Program: Requirements



- Provide, either directly or through contract or established written arrangement, **comprehensive primary and preventive care services** as well as enabling/supportive services;
 - All required primary and preventive services
 - Supplementary services including referrals to other providers (specialists when medically indicated) and health related-services (substance abuse and mental health services)
 - Case management services (counseling referral, and follow-up) and other services designed to assist patients in establishing eligibility for programs that provide financial assistance
 - Enabling services including outreach, transportation and translation
 - Education regarding the availability and proper use of health services
 - Additional health services as appropriate to meet the needs of the population including behavioral and mental health and substance abuse services, recuperative care and environmental health services



Health Center Program: Requirements



- Services are available to all with fees adjusted based upon ability to pay:
 - Must assure that no patient is denied health care services due to an inability to pay
 - Must have a schedule of charges designed to cover the reasonable costs of operation and consistent with locally prevailing rates
 - Must have a corresponding schedule of discounts adjusted based on a patient's ability to pay for those between 100 and 200 percent of poverty (full discounts for persons below 100 percent of poverty [nominal fees]; no discounts for those over 200 percent of poverty)
 - Must have a contractual or other arrangement for the payment of services under Medicaid and Medicare (all sites must have appropriate numbers).
 - Must have systems in place to maximize collections and reimbursement for its costs in providing health services including written billing, credit and collection policies and procedures



Health Center Program: Requirements



- Establish linkages and collaborative arrangements with other community providers to maximize resources and efficiencies in service delivery systems;
 - Ongoing referral arrangements with one or more hospitals
 - Referrals for specialty, medical, diagnostic and therapeutic services, as needed
 - Admitting privileges to assure continuity of care (or arrangements for hospitalization, discharge planning, and patient tracking)
 - Secure letter(s) of support from existing FQHCs in the service area or provide an explanation for why such letter(s) of support cannot be obtained.



Health Center Program: Requirements



- Meet other performance and accountability requirements regarding administrative, clinical, and financial operations.
 - Must maintain a fully staffed management team as appropriate for the health center's size and needs.
 - Must exercise appropriate oversight and authority over all contracted, including assuring that any subrecipient(s) meets Health Center Program requirements.
 - Must have systems which accurately collect and organize data for program reporting and support management decision-making.
 - Must have accounting and internal control systems that are appropriate to the size and complexity of the organization reflecting GAAP and separate functions appropriate to organizational size to safeguard assets.
 - Must assure an annual independent audit in accordance with Federal audit requirements, including submission of a corrective action plan addressing all findings, questioned costs, reportable conditions, and material weaknesses cited in the Audit Report.
 - Must develop a budget that reflects the costs of operations, expenses, and revenues (including the Federal grant) necessary to accomplish the service delivery plan.
 - Maintain funded scope of project (i.e., sites, services, service area, target population, and providers), including any increases based on recent grant awards.



Health Center Program: Requirements



- **Governed by a community board which represents the population served;**
 - Composed of individuals, a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center in terms of demographic factors such as race, ethnicity, and gender.
 - Board has at least 9 but no more than 25 members, as appropriate for the organization.
 - If funded under more than one section 330 program, demonstrates appropriate representation from each of the populations served by the health center.
 - The non-consumer members of the board shall be representative of the community in which the center's service area is located and shall be selected for their expertise in community affairs, local government, finance and banking, legal affairs, etc.
 - No more than one half (50%) of the non-consumer board members may derive more than 10% of their annual income from the health care industry.
 - Must maintain appropriate authority to oversee the health center operation.
 - Must have written corporate policy that includes provisions that prohibit conflict of interest or the appearance of conflict of interest by Board members, employees, consultants and those who furnish goods or services to the health center.



Program Requirements: Special Populations



- Section 330(g) Migrant Health Center Program:
 - Must provide special occupational and environmental related health services (*i.e.*, screening for infectious diseases) and injury prevention programs (*i.e.*, prevention of exposure to unsafe levels of pesticides)
- Section 330(h) Health Care for the Homeless Program:
 - Must provide substance abuse, detoxification, risk reduction, outpatient treatment, residential treatment and rehabilitation
- Section 330(i) Public Housing Primary Care Program:
 - Must consult with the residents in the preparation of the application
 - Must provide for ongoing consultation with the residents regarding the planning and administration of the program



Program Administration



- Health Center Program:
 - Discretionary grant program administered by HRSA.
 - Competitive application reviews with announced deadlines.
 - Project periods up to 5 years.
- FQHC Look-Alike Program:
 - Operated under an intra-agency agreement between HRSA and Centers for Medicare and Medicaid Services (CMS).
 - HRSA is responsible for assuring compliance with requirements under section 330 and making recommendations to CMS for designation.
 - CMS has final authority to designate FQHC Look-Alikes.
 - Non-competitive process - applications reviewed on a rolling basis in the order received (no set deadline).



The Affordable Care Act



- The Affordable Care Act provides \$11 billion in funding over the next 5 years for the operation, expansion, and construction of health centers throughout the Nation.
- \$9.5 billion is targeted to:
 - Create new health center sites in medically underserved areas.
 - Expand preventive and primary health care services, including oral health, behavioral health, pharmacy, and/or enabling services, at existing health center sites.
- \$1.5 billion will support major construction and renovation projects at community health centers nationwide.
- This increased funding will enable health centers to nearly double the number of patients seen.



FY 2011 Funding Opportunities: New Access Points



- Approximately \$250 million will be available to support an estimated 350 grant awards in FY 2011. *Application deadline for FY 2011 has passed.*
 - Open to all private non-profit or public organizations including current Health Center Program grantees and new organizations.
 - Must propose to establish at least one new service delivery site to provide comprehensive primary care services.
 - Must propose to serve a federally designated MUA/MUP if requesting Community Health Center funding (*new starts only*).
 - Maximum annual grant request = \$650,000
 - \$150,000 may be used in Year 1 for one-time costs
 - Must be operational within 120 days of grant award.
 - Application instructions available at: <http://www.hrsa.gov/grants>.
- Planning Grants
- Grants for Expanded Services at existing health centers and continuation of services and sites initiated under ARRA.



Additional Resources



- Bureau of Primary Health Care web site:
 - <http://www.bphc.hrsa.gov>
- State/Regional Primary Care Associations:
 - <http://bphc.hrsa.gov/technicalassistance/pcadirectory.htm>
- National Technical Assistance:
 - <http://bphc.hrsa.gov/technicalassistance/ncadirectory.htm>



QUESTIONS?



Contact Information:



Tonya Bowers, MHS

Director

Office of Policy and Program Development

301-594-4300

TBowers@hrsa.gov