



December 2, 2024

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Democratic Leader
United States House of Representatives
Washington, DC 20515

The Honorable Charles D. Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

The Honorable Cathy McMorris Rodgers
Chair
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Bernie Sanders
Chairman
United States Senate
Senate Committee on Health, Education,
Labor, and Pensions
Washington, DC 20510

The Honorable Bill Cassidy, M.D.
Ranking Member
United States Senate
Committee on Health, Education,
Labor, and Pensions
Washington, DC 20510

Dear Speaker Johnson, Leader Jeffries, Majority Leader Schumer, Republican Leader McConnell, Chair McMorris Rodgers, Ranking Member Pallone, Chairman Sanders and Ranking Member Cassidy:

On behalf of the 1,496 Community Health Centers nationwide, I write to express our deep gratitude for your longstanding and continued support of health centers and primary care – especially at a time when health centers are grappling with limited resources and rising costs. As you finalize the year-end package, I urge you to send a strong statement of support for the millions of patients served by health centers by including \$5.8 billion for the Community Health Center Fund. This level would match the highest amount passed in a bipartisan manner by a Congressional committee this year. Additionally, I ask you to include robust investments for the next generation of primary care leaders by allocating \$950 million for the National Health Service Corps (NHSC) and ramping up funding for the Teaching Health Center Graduate Medical Education (THCGME) program to \$300 million. All three of these programs – currently set to expire without Congressional action – have a strong track record of success ensuring high-quality, cost-effective care in communities nationwide.

Community Health Centers are the best, most diverse, most innovative, and most resilient part of our nation's health system. For nearly sixty years, health centers have provided high-quality, comprehensive, affordable primary and preventive care, dental, behavioral health, pharmacy, vision, and other essential health services to America's most vulnerable, medically underserved patients in urban, rural, suburban, frontier, and island communities. Today, health centers serve nearly 32.5 million

patients, or 1 in 10 individuals, at over 16,000 locations. This includes almost 10 million (1 in 5) rural residents, more than 29 million (1 in 3) in poverty, and more than 5 million (1 in 5) uninsured people.

In addition to medical services, health centers provide dental, behavioral health, pharmacy services, and other “enabling” or support services that facilitate access to care for individuals and families in medically underserved communities, regardless of insurance status or ability to pay. NACHC maintains its role as the national voice for health centers and believes that high-quality primary health care is essential in creating healthy communities. The collective mission and mandate of NACHC and the 1,496 health centers nationwide is to close the primary care gap and provide access to high-quality, cost-effective primary and preventative medical care.

Beyond the meaningful social impact of having a healthier and more productive citizenry through this care model, the Congressional Budget Office (CBO) has recognized the financial impact of health centers. In particular, the CBO echoed past academic research demonstrating that health centers save Medicaid and Medicare money. The CBO¹ stated:

“Evidence suggests that such care leads to more cost-effective care and ultimately to lower federal spending for the Medicaid and Medicare populations they serve; the use of health care provided by CHCs generally is associated with lower spending in emergency departments, in inpatient hospital settings, and for other outpatient services.”

Yet, despite their incredible results and reach, health centers are experiencing significant financial distress. For example, the recent Medicaid unwinding caused an average loss of \$600,000 at health centers as individuals lost coverage, leaving many patients without other sources of coverage. Moreover, workforce shortages and intense labor competition have led to enormous increases in workforce costs. Lastly, the ongoing ambiguity of the 340B Drug Discount program and restrictions from drug manufacturers has led to substantial financial losses.

That Section 330 grants, along with Medicaid and Medicare reimbursements, do not cover the existing costs of health centers exacerbates this reality. For example, health centers’ per capita costs are \$1,471, but health centers only receive \$906 per uninsured patient, leading to a gap of over \$500 for uncompensated costs. That difference is almost \$4 billion this year but is expected to rise to over \$5 billion based on the recent CBO projections on the number of uninsured. This difference directly impacts whether health centers can compete for the limited pool of primary care providers and other staff. For example, NACHC compared internal compensation data with the median salaries of physicians, nurses, advanced practice professionals, and other core staff from the Bureau of Labor Statistics. Our examination found that, on average, health center staff are paid 11% less than medical professionals at other sites of service.

For these reasons, we urge you to increase health center funding and statutorily dedicate funding for health centers to maintain and expand services for patients while also addressing rising costs for technology advancements. Doing so would represent the first such allocation in a decade and would enable health centers to maintain patient services despite rising costs due to inflation and tight labor market conditions.

¹ Congressional Budget Office cost estimate of the Bipartisan Primary Care and Health Workforce Act (S. 2840), February 6, 2024 - <https://www.cbo.gov/system/files/2024-02/s2840.pdf>

Additionally, the Health Resources and Services Administration (HRSA) has identified gaps in comprehensive care for existing health center patients due to a lack of funding. For example, health centers can only serve 2.8 million patients for mental health services out of 10.3 million that need the services. Current resources only allow for 6 percent of patients with substance use disorder to be served, with another 5 million that could be. Roughly a third of health center patients who need access to dental services receive the care, and another 18.5 million need those services. Likewise, less than 1 million out of the 12.5 patients who need vision services receive them. Lastly, almost 3 million patients receive enabling services, such as nutrition counseling and transportation, but 8.4 million need those services.

Furthermore, there is compelling evidence that millions of Americans need access to basic primary care. A recent NACHC report spotlighted that barriers to health care in underserved communities prevent more than 100 million Americans from accessing primary care.² When patients have a usual source of primary care, they are less likely to use emergency departments, save money on health care costs, and enjoy better health outcomes. Health centers are a critical part of the solution to fix these disparities in access to care. A pending New Access Point competition from HRSA bore this out. The agency has received over 600 applications for funding but only anticipates funding 77 organizations if there is an additional \$50 million in funding.

Additionally, NACHC strongly supports healthcare pathway programs that incentivize primary care and community-based training opportunities. Increased funding for the NHSC will enable the next generation of health center clinicians to serve rural and underserved communities. Likewise, extending the THCGME program will establish greater pathways for primary care physicians trained in community-based settings. NACHC is also excited about Section 212 of the Senate bill, which would support innovative and replicable community-led workforce solutions that are building the next generation of healthcare professionals in communities nationwide.

Again, NACHC appreciates your steadfast support of health centers and strongly supports efforts to lower healthcare costs by investing in comprehensive primary care. We look forward to continuing to partner with you to position health centers as a solution for our nation's health care and economic challenges.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kyu Rhee'.

Kyu, Rhee, M.D., MPP
President and Chief Executive Officer

² “Closing the Primary Care Gap: How Community Health Centers Can Address the Nation’s Primary Care Crisis,” February 2023. Available at: <https://www.hcadvocacy.org/wp-content/uploads/2023/02/Closing-the-Primary-Care-Gap-Full-Report-2023-digital-final.pdf>.