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Senate Health, Education, Labor and Pensions Committee Hearing on Community Health Centers

On Thursday (March 2), the Senate Health, Education, Labor and Pensions (HELP) Committee held a hearing entitled, “Community Health Centers: Saving Lives, Saving Money.” During the hearing, committee members heard testimony from a panel of community health advocates, industry leaders, and academics, who urged Committee members to reauthorize the Community Health Center (CHC) Trust Fund before the September 30th deadline and make additional investments in CHCs and primary care. The panelists spoke about the financial headwinds facing CHCs, including declines in revenue from the 340B Drug Discount Program, the upcoming expiration of COVID-19 funding, and projected declines in Medicaid enrollment as a result of the Medicaid redetermination process. Committee members also heard from a representative from the Government Accountability Office (GAO) who provided an overview of CHCs’ revenue streams, funding levels, and service lines.

Committee members were aligned in their desire to reauthorize the CHC Trust Fund, but some Republican lawmakers, including Ranking Member Bill Cassidy (R-LA) and Sen. Ted Budd (R-NC), said lawmakers need to better understand the effectiveness of the CHC Trust Fund and CHCs’ revenue streams as part of that reauthorization process. Committee Chair Bernie Sanders (I-VT) ended the hearing with a promise to work on legislation to reauthorize the CHC Trust Fund and address the issues raised by the panelists.

- For more information: <https://www.help.senate.gov/hearings/community-health-centers-saving-lives-saving-money>

Opening statements

HELP Committee Chair Bernie Sanders (I-VT): In his opening statement, Sanders emphasized his desire to address the nation’s health care crisis in a bipartisan manner. He said, “Our challenge right now is to do the right thing by the American people and say that when you get sick there is a medical home for you to go to.” He added, “Our other job is to understand that in a health care system that spends \$13,000 per person, ... that when we invest in primary health care we save the system money.” Sanders said, “I do hope in a bipartisan way we can find a way to ensure patients can access health care and save the health care system substantial sums of money.” [Full statement](#).

HELP Committee Ranking Member Bill Cassidy (R-LA): In his opening statement, Cassidy also emphasized a desire to improve the nation’s primary care in a bipartisan manner and urged Chair Sanders to include Republicans in the hearing planning process. Sen. Cassidy said it is his priority to reauthorize the Community Health Center Fund before September 30. However, Sen. Cassidy said the Committee must first understand the current landscape for community health centers and the effectiveness of the Community Health Center Fund. He also said it is important that the reauthorization be paid for and for Hyde protections to be maintained. [Full statement](#)

Witness Testimony

Amanda Pears Kelly, CEO, Advocates for Community Health, Executive Director, Association of Clinicians for the Underserved: In her testimony, Ms. Kelly highlighted data showing the value of primary care and noted that CHCs in recent years have played key roles in confronting the COVID-19 pandemic, caring for rural communities with limited access to care, providing critical behavioral health services, addressing the social determinants of health (SDOH), and serving as major employers and economic drivers even in times of economic downturn. But Ms. Kelly said, CHCs are facing a “financial crisis.” Ms. Kelly said the unwinding of the COVID-19 pandemic and the potential coverage losses projected from the Medicaid redetermination process “could trigger a deficit of \$1.5 billion to \$2.5 billion in patient revenue for CHCs,” at the same time CHCs will see supplemental COVID-19 funding expire. In addition, Ms. Kelly said CHCs face workforce shortages and declines in their 340B revenue. Ms. Kelly urged Congress to extend the CHC Trust Fund at higher levels to ensure CHCs by 2030 can serve 40 million patients. [Full Testimony](#)

Ben Harvey, CEO, Indiana Primary Health Care Association: In his testimony, Mr. Harvey shared data that showed the economic impact of CHCs in Indiana was nearly \$1 billion annually. In addition, he said, CHCs provide workforce development opportunities to their communities and indirect economic benefits to the businesses that support CHC operations. Mr. Harvey also cited data that show “CHCs save at least \$24 billion in costs annually for the health care system.” Mr. Harvey encouraged Congress to reauthorize the CHC Trust Fund and enhance funding to enable CHCs to continue serving their vulnerable populations. [Full Testimony](#)

Robert S. Nocon, Assistant Professor, Kaiser Permanente Bernard J. Tyson School of Medicine: In his testimony, Dr. Nocon discussed the critical role of CHCs and their ability to generate cost savings for the health care system. He cited research that found CHCs saved Medicare and Medicaid an estimated \$25.3 billion in 2021. Dr. Nocon said “strong and stable funding of health centers is essential for these organizations to continue to serve as the backbone of the U.S. primary care safety net.” [Full Testimony](#)

Sue Veer, President and CEO, Carolina Health Centers: In her testimony, Ms. Veer discussed her experience leading a federally qualified health center that serves rural South Carolina. She shared data that show CHCs generate savings to the U.S. health care system, stimulate the local economies and support vulnerable populations. She noted that Carolina Health Centers focuses on care integration and now oversees a nurse home visitation program, a home visitation program to prevent child abuse, and an evidence-based interdisciplinary pediatric primary care program. However, she said, her CHCs, like others, are facing a financial crisis. She said, “Support for long-term, sustainable, and predictable funding enables me to confidently lead my health center into the future and empower the amazing team at CHC to continue the work of saving lives and saving money.” [Full Testimony](#)

Jessica Farb, Managing Director, Government Accountability Office (GAO): In her testimony, Ms. Farb highlighted trends in revenue and grants supported by the CHC Trust Fund, as well as the different revenue streams that CHCs rely on and the types of services they provide. Ms. Farb said GAO conducted an analysis of Health Resources and Services Administration data and found from 2010 through 2017, CHCs revenue more than doubled to \$26.3 billion, the number of CHCs rose from 1,124 to 1,373, and the number of patients served rose by 7.7 million. [Full Testimony](#)

Q&A

Committee Chair Sanders (I-VT) focused his comments on the belief that people should have a right to health care, and that providing more primary care would generate savings to the U.S. health care system. Ms. Kelly said she believed CHCs could be scaled up to provide care to the U.S. population with appropriate investments. Ms.

Veer said CHCs generate significant savings to the system, including reducing hospitals' uncompensated care costs. Chair Sanders also asked Mr. Harvey how limited access to care can impact deaths of despair. Mr. Harvey said without access to mental health care or substance use disorder treatment, suicide and rates of depression and overdose rise.

Ranking Member Cassidy (R-LA) asked the panel questions about the adequate level of funding needed for CHCs and the different sources of revenue for CHCs, including reimbursements from the 340B Drug Discount Program and enhanced payments from Medicare and Medicaid. Ms. Veer said her organization uses 340B revenue toward operating margin, while Mr. Harvey noted that enhanced payments from Medicare and Medicaid typically do not cover the total cost of care for CHCs, particularly Medicaid which vary by state. Sen. Cassidy also asked about look-a-like CHCs that operate successfully without federal grant funding, as well as the difference in revenue between CHCs in Affordable Care Act expansion states and those in non-expansion states.

Sen. Maggie Hassan (D-NH) asked what else Congress can do to ensure individuals with substance use disorders have access to medication assisted treatment (MAT). Mr. Harvey said extending the capacity of the mental health workforce and easing the administrative burden related to prescribing MATs. Sen. Hassan also asked about the role CHCs can play in reducing the need for inpatient psychiatric care and in training the workforce. Mr. Harvey said it is important for CHCs to have stable and reliable funding to provide behavioral health services to treat patients earlier. Ms. Veer said CHCs in her organization serve as rotation sites for medical professionals and to support recruitment efforts they provide living stipends for second year residents in exchange for a four-year service commitment.

Sen. Susan Collins (R-ME) asked given the current workforce crisis, if CHCs would have the manpower to increase capacity and services if Congress increased funding levels. Both Mr. Harvey and Ms. Veer said CHCs historically have been able to scale up services when revenues rise. Mr. Harvey also noted that in order to recoup volume losses stemming from the COVID-19 pandemic, CHCs will need to innovate and expand services, such as telehealth, to reach patients who have changed how they interact with the health system.

Sen. Tina Smith (D-MN) asked what non-workforce actions Congress could take to support rural CHCs. Mr. Harvey said sustained predictable funding, 340B reform, and investments in on-the-job training programs. Sen. Smith, who expressed a desire to alleviate some of the funding uncertainty for rural CHCs as part of the reauthorization, also asked about the value of wraparound services, like interpretive services, for CHCs. Ms. Veer said those services are essential to serving diverse, non-English speaking populations.

Sen. Mike Braun (R-IN) said no one should go broke accessing health care in the United States and spoke about the importance of entrepreneurialism occurring in the employer market to mitigate premium increases and costs for workers. The panellists said CHCs also innovate in ways that enable them to provide integrated, whole-person care at lower costs. However, Mr. Harvey said CHCs must deal with insurer burden and have to deal with administrative tasks like prior authorization.

Sen. John Hickenlooper (D-CO) spoke about innovations CHCs could use to improve efficiencies, such as telemedicine and interpretive language software. Ms. Veer said all of their CHCs use interpretive language software, but noted there can be issues in rural areas with connectivity. When asked how CHCs mobilize to get care into every community, Ms. Kelly said CHCs do market assessments to determine the community need and they need appropriate and stable funding to deliver care.

Sen. Roger Marshall (R-KS) discussed his experience working with CHCs in Kansas as an obstetrician and asked about concerns community pharmacists have raised with pharmacy benefit managers (PBMs) requiring contract pharmacies to disclose which 340B drugs they dispense and keeping a portion of the savings that would otherwise go to the safety-net providers. Ms. Veer said her organization has experienced similar problems with

the 340B program and PBMs. Sen. Marshall also asked about the patient-volume mix of CHCs and asked which patients are not accessing the care they need.

Sen. Ed Markey (D-MA) said CHCs in MA are at the forefront of providing care to communities ignored or mistreated by the health system, including LGBTQ patients. He also asked about CHCs' response to climate change and ways they are helping patients overcome structural barriers to MAT access. Ms. Kelly said climate change is a public health issue and continued investment enables CHCs to be responsive to climate change crises, including flooding. Panellists said CHCs' integrated care system enables them to identify when someone has a substance use disorder, connect the patient to treatment, and build that treatment around their constraints.

Sen. Ted Budd (R-NC) said lawmakers must understand how CHC resources are being used and asked where Congress could give CHCs more flexibility to innovate and meet patient needs. Ms. Veer said the ability to use resources to create incentives for workforce recruitment, invest in early childhood services programs, and the flexibility to look beyond the walls of a traditional medical practice. When asked, Ms. Farb said GAO has not conducted studies investigating duplication and overlap related to the CHC Trust Fund.

Sen. Tim Kaine (D-VA) spoke about his recently introduced bill, the Jumpstarting Our Businesses by Supporting Students (JOBS) Act, which would make job training programs eligible for Pell grants. Mr. Harvey said the bill could be a big catalyst and that Indiana relies on a similar state-level program.

Sen. Lisa Murkowski (R-AK) asked about the role of the National Health Service Corp to bolster the CHC workforce and shared concerns about how individuals who lose coverage as part of the Medicaid redetermination process will navigate the coverage market. Ms. Kelly said the National Health Service Corp is a critical component to bolstering the CHC workforce and Ms. Veer said CHCs are investing now in ways to help their Medicaid patients.

Sen. Tammy Baldwin (D-WI) asked about ways to invest in existing CHCs to enable service line expansions. Mr. Harvey said sustained investment is important for CHCs to expand service lines, including dental, opioid use disorder treatment, and more. Sen. Baldwin also asked how Medicaid cuts could impact CHCs and how CHCs participate in the 340B program. Ms. Kelly said CHCs would be challenged if Medicaid revenue declined and that it could impact the ability for CHCs to offer services. She and Ms. Veer noted that CHCs invest every 340B dollar back into patients and the community.

If you have questions, please contact [Heather Meade](#) or [Heather Bell](#).

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