

110TH CONGRESS  
1ST SESSION

# S. 941

To increase Federal support for Community Health Centers and the National Health Service Corps in order to ensure access to health care for millions of Americans living in medically-underserved areas.

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## IN THE SENATE OF THE UNITED STATES

MARCH 20, 2007

Mr. SANDERS (for himself and Ms. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To increase Federal support for Community Health Centers and the National Health Service Corps in order to ensure access to health care for millions of Americans living in medically-underserved areas.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Community Health  
5       Centers Investment Act”.

6       **SEC. 2. FINDINGS.**

7       Congress makes the following findings:

1           (1) An estimated 35,000,000 Americans have  
2           no regular source of health care, and lack access to  
3           the most basic health services.

4           (2) Access to health care is especially difficult  
5           for those Americans who live in medically under-  
6           served rural communities or inner city neighbor-  
7           hoods, who lack public or private health insurance  
8           coverage and the ability to pay directly for care, or  
9           who are members of other vulnerable groups, includ-  
10          ing individuals who are homeless or are migrant  
11          farm workers.

12          (3) The consequences of poor access to health  
13          care is evidenced in elevated infant and childhood  
14          mortality rates, dangerously low childhood immuni-  
15          zation rates, overutilization of hospital emergency  
16          rooms or other inappropriate providers of primary  
17          care services, and hospitalization rates for prevent-  
18          able conditions that are significantly higher than the  
19          national average.

20          (4) Community health centers, which serve  
21          more than 16,000,000 needy Americans in more  
22          than 5,000 communities across the country, provide  
23          an effective and proven model for extending access  
24          to all medically underserved Americans.

1           (5) Numerous independent studies confirm that  
2       these health centers have compiled a remarkable  
3       record of achievement in providing care of superior  
4       quality, with exceptional cost-effectiveness and effi-  
5       ciency, saving billions of dollars for both taxpayers  
6       and private payers.

7           (6) Over the past 5 years, with strong bipar-  
8       tisan support from the Congress and encouragement  
9       by the Executive Branch, nearly 900 underserved  
10      communities were funded to establish or expand a  
11      health center, offering care to almost 5,000,000  
12      more needy individuals. Yet during that same pe-  
13      riod, another 800 communities were approved for a  
14      health center but were not funded, because not  
15      enough funding was available for them, and there  
16      are thousands more underserved communities across  
17      America that need a health center but do not have  
18      one today.

19          (7) Furthermore, the existing, currently funded  
20      health centers have experienced reduced Federal  
21      grant support over the past 2 years, jeopardizing  
22      their ability to be sustained and meet the needs of  
23      the growing number of uninsured in their service  
24      areas. Growing new health centers without sup-  
25      porting existing ones is a failed policy that will ulti-

1 mately weaken this valuable resource for the most  
2 disadvantaged Americans.

3 (8) Critical to the growth of new and existing  
4 health centers is having a sufficient supply of pri-  
5 mary care health professionals to staff them. Cur-  
6 rently, health centers rely on the National Health  
7 Service Corps for over 20 percent of their physician  
8 workforce. Yet, fewer than half of all Corps place-  
9 ments are made to health centers, even though they  
10 are one of the strongest cords in the health care  
11 safety net.

12 (9) According to published research, health cen-  
13 ters in the last year experienced a 15 percent physi-  
14 cian vacancy rate and a 19 percent dentist vacancy  
15 rate nationally. In rural areas, vacancy rates were  
16 higher, 19 percent for physicians and 27 percent for  
17 dentists.

18 (10) Adequate reimbursement for the services  
19 that health centers provide is another pressing need  
20 if health centers are to fulfill their mission. While  
21 health centers provide care to more than 1,000,000  
22 medically underserved Medicare beneficiaries, their  
23 Medicare payments are subject to an arbitrary pay-  
24 ment cap that is now 15 years old and adversely af-  
25 fects more than three-quarters of all health centers,

1 causing annual revenue losses in excess of  
2 \$50,000,000 nationally.

3 **SEC. 3. COMMUNITY HEALTH CENTERS.**

4 (a) FUNDING.—To carry out the program authorized  
5 under section 330 of the Public Health Service Act (42  
6 U.S.C. 254b), there are authorized to be appropriated,  
7 and there are appropriated—

8 (1) for fiscal year 2008, \$2,563,000,000;

9 (2) for fiscal year 2009, \$2,863,000,000;

10 (3) for fiscal year 2010, \$3,263,000,000;

11 (4) for fiscal year 2011, \$3,663,000,000;

12 (5) for fiscal year 2012, \$4,163,000,000;

13 (6) for fiscal year 2013, \$4,663,000,000;

14 (7) for fiscal year 2014, \$5,263,000,000; and

15 (8) for fiscal year 2015, \$5,863,000,000.

16 (b) USE OF FUNDS.—In each of the fiscal years de-  
17 scribed in subsection (a), amounts appropriated under  
18 such section shall be used in accordance with the following  
19 priorities:

20 (1) FISCAL YEAR 2008.—With respect to fiscal  
21 year 2008:

22 (A) First priority shall be given to pro-  
23 viding continuing operating grants to all health  
24 centers that received operating grants under  
25 section 330 of the Public Health Service Act

1 (42 U.S.C. 254b) during the previous fiscal  
2 year, and which continue to meet all eligibility  
3 requirements for the receipt of funding under  
4 such section.

5 (B) Second priority shall be given to pro-  
6 viding an adjustment (not to exceed  
7 \$100,000,000 for all health centers) in the  
8 amount of each operating grant awarded to a  
9 health center pursuant to subparagraph (A) to  
10 account for—

11 (i) the increased cost of providing  
12 services through each such health center  
13 based on the average increase in costs per  
14 encounter reported by all health centers  
15 during the most recent reporting period for  
16 which such information is available prior to  
17 the beginning of the fiscal year; and

18 (ii) the change in the number of users  
19 reported by each such health center during  
20 the most recent reporting period for which  
21 such information is available prior to the  
22 beginning of the fiscal year;

23 (C) Third priority shall be given to pro-  
24 viding initial operating grants (or expanded op-  
25 erating grants, as the case may be) to all eligi-

ble applicants for New Access Point or Expanded Medical Capacity grants during fiscal years 2002 through 2007 (not to exceed \$225,000,000 for all such grantees), that—

(i) received a score of “Fully Acceptable” or better from an Objective Review Committee established by the Health Resources and Services Administration during that period; and

(ii) did not receive funding because of a lack of available appropriated funds during that period to permit the funding of such applications.

(D) Fourth priority shall be given to providing initial operating grants (or expanded operating grants, as the case may be) to all eligible applicants for New Access Point or Expanded Medical Capacity grants during fiscal year 2008, that received a score of “Fully Acceptable” or better from an Objective Review Committee established by the Health Resources and Services Administration during that fiscal year, subject to the availability of appropriations. Notwithstanding any funding criteria that may otherwise be utilized in the selection of

1 grantees under the programs described in this  
2 subparagraph, the criteria to be used for the  
3 approval of applications under this subpara-  
4 graph shall ensure an equitable geographic dis-  
5 tribution with respect to the service areas of the  
6 grantees that receive such assistance.

7 (E)(i) Fifth priority shall be given to sup-  
8 porting the planning and development of new  
9 health centers (not to exceed \$25,000,000 for  
10 all such support) in communities that dem-  
11 onstrate need for a health center under section  
12 330 of the Public Health Service Act (42  
13 U.S.C. 254b), including counties, other eligible  
14 geographic or governmental subdivisions such  
15 as cities, towns, neighborhoods, or groups of  
16 such subdivisions in contiguous areas.

17 (ii) Funds made available under clause (i)  
18 shall be used to award grants in accordance  
19 with section 330(c) of the Public Health Service  
20 Act (42 U.S.C. 254b(c)), particularly to entities  
21 that will serve medically underserved areas  
22 identified through the use of criteria including  
23 the distance of the area from other sources of  
24 primary medical or dental care, the lack of ac-  
25 cess to existing primary health care practices



1 among the population of the community, the  
2 lack of acceptance of Medicaid beneficiaries  
3 among existing primary health care practices in  
4 the community, significant disparities in health  
5 status, the percentage of uninsured and under-  
6 insured, and other measures that indicate bar-  
7 riers to appropriate primary health care.

8 (iii) Of the amount made available for  
9 grants under clause (i), not more than  
10 \$20,000,000 may be used to provide support to  
11 health center networks (as defined in section  
12 330(e)(1)(C) of the Public Health Service Act  
13 (42 U.S.C. 254b(e)(1)(C)), or to organizations  
14 that represent all health centers in a State, and  
15 that have established or have made a commit-  
16 ment to establishing Statewide systems of  
17 health centers that will ensure the presence of  
18 health centers in all underserved areas in that  
19 State.

20 (iv) Notwithstanding any funding criteria  
21 that may otherwise be utilized in awarding  
22 grants of the type described in this subpara-  
23 graph, the criteria used for the approval of ap-  
24 plications under this subparagraph shall ensure  
25 an equitable geographic distribution with re-

1           spect to the service areas of the grantees that  
2           receive such assistance.

3           (2) SUCCEEDING FISCAL YEARS.—For fiscal  
4           year 2009, and for each succeeding fiscal year,  
5           funds shall be distributed under this section in ac-  
6           cordance with the priorities described in subpara-  
7           graphs (A), (B), (D), and (E) of paragraph (1).

8   **SEC. 4. NATIONAL HEALTH SERVICE CORPS.**

9           (a) FUNDING.—To carry out the programs author-  
10          ized under sections 331 through 338G of the Public  
11          Health Service Act (42 U.S.C. 254d–254p), there are au-  
12          thorized to be appropriated, and there are appropriated—

- 13           (1) for fiscal year 2008, \$150,000,000;
- 14           (2) for fiscal year 2009, \$175,000,000;
- 15           (3) for fiscal year 2010, \$200,000,000;
- 16           (4) for fiscal year 2011, \$225,000,000;
- 17           (5) for fiscal year 2012, \$250,000,000;
- 18           (6) for fiscal year 2013, \$275,000,000;
- 19           (7) for fiscal year 2014, \$300,000,000; and
- 20           (8) for fiscal year 2015, \$325,000,000.

21          (b) ASSIGNMENT OF PERSONNEL.—

22           (1) IN GENERAL.—Section 333(a)(3) of the  
23          Public Health Service Corps (42 U.S.C. 254f(a)(3))  
24          is amended to read as follows:

1       “(3)(A) In approving applications for assignment of  
2 members of the Corps, the Secretary shall not discriminate  
3 against application from entities that are not receiving  
4 Federal financial assistance under this Act.

5       “(B) In approving such applications, the Secretary  
6 shall—

7               “(i) give preference to applications in which a  
8 nonprofit entity or public entity shall provide a site  
9 to which Corps members may be assigned; and

10              “(ii) give the highest preference to applica-  
11 tions—

12                      “(I) from entities described in clause (i)  
13 that are federally qualified health centers as de-  
14 fined in section 1905(l)(2)(B) of the Social Se-  
15 curity Act; and

16                      “(II) from entities described in clause (i)  
17 that primarily serve racial and ethnic minority  
18 and other health disparity populations with an-  
19 nual incomes at or below twice those set forth  
20 in the most recent poverty guidelines issued by  
21 the Secretary pursuant to section 673(2) of the  
22 Community Services Block Grant Act (42  
23 U.S.C. 9902(2)).”.

1           (2) PRIORITIES IN ASSIGNMENT OF CORPS PER-  
 2           SONNEL.—Section 333A of the Public Health Serv-  
 3           ice Act (42 U.S.C. 254f–1) is amended—

4                   (A) in subsection (a)—

5                           (i) by redesignating paragraphs (1),  
 6                           (2), and (3) as paragraphs (2), (3), and  
 7                           (4), respectively; and

8                           (ii) by inserting before paragraph (2)  
 9                           (as so redesignated) the following:

10                   “(1) give preference to applications as set forth  
 11                   in subsection (a)(3) of section 333;” and

12                           (B) by striking “subsection (a)(1)” each  
 13                           place such appears and inserting “subsection  
 14                           (a)(2)”.

15           (3) CONFORMING AMENDMENT.—Section  
 16           338I(c)(3)(B)(ii) of the Public Health Service Act  
 17           (42 U.S.C. 254q–1(c)(3)(B)(ii)) is amended by  
 18           striking “section 333A(a)(1)” and inserting “section  
 19           333A(a)(2)”.

20           (c) REVISION OF SCHOLARSHIP LIMITATION.—Sec-  
 21           tion 338H(b) of the Public Health Service Act (42 U.S.C.  
 22           254q(b)) is amended to read as follows:

23           “(b) SCHOLARSHIPS.—Of the amount appropriated  
 24           under subsection (a) for a fiscal year, the Secretary shall  
 25           obligate not less than 40 percent for the purpose of award-

1 ing contracts for scholarships under this subpart (includ-  
 2 ing scholarships to individuals from disadvantaged back-  
 3 grounds).”.

4 **SEC. 5. MEDICARE.**

5 (a) COVERAGE FOR FQHC AMBULATORY SERV-  
 6 ICES.—Section 1861(aa)(3) of the Social Security Act (42  
 7 U.S.C. 1395x(aa)(3)) is amended to read as follows:

8 “(3) The term ‘Federally qualified health center serv-  
 9 ices’ means—

10 “(A) services of the type described in subpara-  
 11 graphs (A) through (C) of paragraph (1), and such  
 12 other services furnished by a Federally qualified  
 13 health center for which payment may otherwise be  
 14 made under this title if such services were furnished  
 15 by a health care provider or health care professional  
 16 other than a Federally qualified health center; and

17 “(B) preventive primary health services that a  
 18 center is required to provide under section 330 of  
 19 the Public Health Service Act;

20 when furnished to an individual as a patient of a Federally  
 21 qualified health center.”.

22 (b) PER VISIT PAYMENT REQUIREMENTS FOR  
 23 FQHCs.—Section 1833(a)(3)(A) of the Social Security  
 24 Act (42 U.S.C. 1395l(a)(3)(A)), is amended by adding  
 25 “(which regulations may not limit the per visit payment

1 amount, or a component of such amount, for services de-  
2 scribed in section 1832(a)(2)(D)(ii))” after “the Secretary  
3 may prescribe in regulations”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to services provided on or after  
6 January 1, 2007.

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