

340B Drug Pricing Program

March 2018



Increased Access for Underserved Patients

Providing Discounted Drugs and Enhanced Services to Those in Need

Background

Providing access to a full range of affordable comprehensive services, including pharmacy services, is a key component of the health center model. Established in 1992, the 340B Drug Pricing Program provides health centers access to outpatient drugs at reduced prices, enabling them to **ensure that all low-income patients have access to affordable prescription drugs.**

Savings from the 340B program are **integral to health centers' ability to sustain ongoing operations.** Due to their slim operating margins, many health centers report that without the savings from the 340B program they would be limited in their ability to support many of their core services for their patients.

The Facts

- **Health centers exemplify the type of safety net program that the 340B program was intended to support.** By law, all health centers:
 - serve only those areas or populations that HHS designates as high need;
 - ensure that all patients can access the full range of services they provide, regardless of insurance status, income, or ability to pay; and
 - **are required to reinvest all 340B savings** into activities that are federally-approved as advancing their charitable mission of ensuring access to care for the underserved.
- Every health center decides how 340B savings can best benefit their patients, often reinvesting savings to **support sliding fee discounts, clinical pharmacy programs, and extended hours of operation** -- ultimately increasing patient access to care and reducing unnecessary costs elsewhere in the healthcare system.
- Health centers **are subject to detailed programmatic and reporting requirements as well as rigorous federal oversight**, guiding their participation in the 340B program.

The Impact

The 340B program helps Community Health Centers stretch limited federal resources to expand services and reach more patients using cost-effective approaches that reflect the unique needs of their community. **This improves the quality and scope of care that health centers deliver.**

Our Request:

When considering 340B program proposals, Congress should:

- Preserve health centers' ability to stretch scarce federal resources through **continued access to the 340B program**; and
- Take into account that health centers have **unique requirements and responsibilities that guide their participation** in the 340B program.

Behavioral Health & Substance Use Disorders

March 2018



Helping People Overcome Addiction

Leading the Way through Integrated Behavioral Health and Substance Use Treatment

Background

Health centers are leaders in integrating medical care, behavioral health, dental care, pharmacy, and other services all under one roof. As communities across America cope with a dramatic increase in the prevalence of substance use disorder (SUD), including opioid addiction, health centers are meeting emerging challenges by: **breaking down barriers to care and expanding capacity to deliver SUD treatment.**

The Facts

- SUD often leads to or co-occurs with other social, psychological, or physiological problems. Health centers' comprehensive set of primary medical, behavioral health, dental, pharmacy and other services **ensure that patients receive holistic care.**
- **Each health center is required to serve all patients regardless of ability to pay or insurance status.** Where low-income and uninsured people often cannot afford SUD treatment, health centers offer them access to a wide range of affordable, high quality services, including **alcohol and drug counseling, pain management and Medication-Assisted Treatment (MAT) for opioid addiction.**
- With over 10,000 sites, health centers are providing care to some of the hardest to reach urban and rural populations across America. In fact, **health centers serve 1 in 6 Americans in rural communities, where the opioid epidemic has hit the hardest.**
- **Health centers make treatment more accessible** through services that facilitate access to the range of care needed to prevent, manage, and treat addiction, including outreach and education, transportation services and care coordination.

The Challenge

The demand for behavioral health and substance use disorder treatment services is on the rise. Since 2010, health center patient visits for behavioral health services including mental health and substance use disorder services have grown by 83 percent, with providers seeing nearly 10 million patient visits for these services in 2016.

Our Request:

To better support health centers' ability to improve access to and delivery of high quality, cost effective behavioral health care and SUD treatment, Congress should:

- **Direct federal SUD prevention and treatment funding** opportunities to health centers;
- **Support a strong Medicaid program** – Medicaid is the largest payer of behavioral health services and a critical source of health insurance coverage for patients; and
- **Expand the list of approved reimbursable behavioral health providers** under Medicare and Medicaid to **build the health center workforce needed to develop and sustain substance use treatment programs.**

Federal Grant Funding

March 2018



Building Upon a Successful Model

Sustaining and Growing Health Centers to Meet Rising Demand

Background

Thanks to targeted investments made by Congress, Community Health Centers (CHCs) now serve more than **27 million patients in over 10,000 communities in every state and U.S. Territory**. CHCs are unique: they are required to serve the medically underserved, provide services to everyone who seeks their care, and charge patients based on a sliding fee scale related to their income.

Federal CHC funding currently comes from two sources: **\$1.5 billion in annual discretionary appropriations** and the **Health Centers Fund, which was recently extended through September 2019 (\$3.8 billion in FY18 and \$4.0 billion in FY19)**.

The Facts

- Health centers deliver an excellent return on federal investment. They are efficient and **save the health care system \$24 billion every year**, reducing unnecessary inpatient hospitalizations and ER use. **This is more than a 400% return on grant funding invested.**
- **As local, non-profit businesses**, health centers promote economic growth in distressed communities, **generating \$45.6 billion in total economic activity each year and employing nearly 208,000 people across the country**, often serving as the largest local employer.
- Health centers are ready to respond to the changing needs of their communities. Whether helping **fight outbreaks of flu and Zika, dispensing care in disaster stricken areas, providing opioid addiction treatment, or serving our veterans** – health centers proudly answer the call. And stand ready to do even more.

The Impact

Federal investments supporting the health center system of care must be sustained to ensure access to critical services. Congress has consistently provided bipartisan support for the Health Centers Program through annual appropriations. The recent two year extension of the Health Centers Fund helped stabilize health centers' ability to plan for the future, recruit staff, and expand services for patients. Congress now has an opportunity to **build upon health centers' success** and expand access to comprehensive medical, mental health, substance use treatment, dental, and pharmacy services at health centers nationwide.

Our Request:

To ensure that these essential front-line providers can sustain and expand access to care in their communities, we request that Members:

- **Support FY19 appropriations for health centers** by signing the **Bilirakis-Green letter** in the House and the **Wicker-Stabenow letter** in the Senate; and
- Build upon the investments of the February 2018 Bipartisan Budget Act to **provide long term funding stability and reduce the uncertainty caused by year-to-year renewals** of this critical investment in access to care.



Health Centers: A Medicaid Success Story

Bringing Value and Access to High Quality Care to the Medicaid Program

Background

Community Health Centers (CHCs) **serve over 27 million patients, nearly half of whom are covered by Medicaid.** Health centers and Medicaid work together to provide coverage and access to care for some of the most vulnerable Americans. This relationship benefits patients, health centers, states, and the federal government.

Congress has long recognized health centers' role in the Medicaid program through the Federally Qualified Health Center **Prospective Payment System (FQHC PPS)** that ensures **predictability and stability for health centers while saving Medicaid money.** Congress created the FQHC PPS to prevent health centers from using federal grant dollars to subsidize low Medicaid payments, which would, in turn, challenge their ability to serve uninsured patients.

The Facts

- **Health centers are a unique type of Medicaid provider,** with a well-documented ability to produce improved health at lower costs. Each health center is statutorily required to serve all patients regardless of ability to pay or insurance status, and to offer a statutorily defined full range of primary and preventive services.
- Health centers are a **highly cost effective** use of Medicaid funds. **Health centers serve 17% of all Medicaid beneficiaries,** even as Medicaid payments to health centers account for **less than 2% of total Medicaid spending** – a great return on investment.
- Health centers **save the health care system billions of dollars every year** through reduced hospitalizations and ER use. State claims data shows that patients served by health centers have **24% lower total Medicaid costs** than patients served in other settings.
- Congress designed the health center payment model to ensure health centers remain viable and innovative in a changing health care system. **Current law offers states significant flexibility in how to pay health centers** and in many states **CHCs have worked with their Medicaid agencies to develop innovative value-based payment structures.**

The Challenge

A strong Medicaid program is critical for health centers and their patients. Any change to the Medicaid system, at either the state or federal level, must ensure both coverage and continuity of access to care for health center patients, and continue to incentivize the integrated, comprehensive, and high-quality primary and preventive care services that health centers provide.

Our Request:

To maximize access to care and cost-savings for taxpayers, Congress should:

- **Preserve the FQHC PPS payment methodology within a strong Medicaid program.**
- Policymakers must also ensure that **state and federal policy changes** take into account the statutory requirements placed on health centers and the **unique needs of our patients.**



Expanding Access to Care

Streamlining Health Care Delivery through Technology

Background

Health centers are increasingly using telehealth to better meet their patients' needs and to overcome persistent clinical workforce shortages. Telehealth encompasses a variety of technologies used to deliver virtual medical, health, and education services.

Telehealth services help address geographic, economic, transportation, and linguistic barriers to health care access. Because community health centers are required to offer comprehensive services in areas of high need, including sparsely populated rural areas, **health centers are pioneering the use of telehealth to expand access to quality health care services.**

The Facts

- Telehealth has proven to result in **better outcomes for patients**, making it a crucial tool to deliver comprehensive primary and preventive health care for all populations.
- In 2016, **57 percent of health centers across the nation** had either begun using telehealth, were in the process of implementing a telehealth program, or were actively exploring its feasibility.
- **Health centers serve 1 in 6 Americans living in rural communities.** Telehealth programs are especially critical in rural areas, where many residents can face long distances between home and health provider, particularly specialized providers. **In rural communities, nearly half (46%) of health centers utilized telehealth for services outside the clinic.**

The Challenge

Currently, only health centers located in a rural Health Professional Shortage Area (HPSA) or outside of a Metropolitan Statistical Area (MSA) are eligible for Medicare reimbursement as an originating site, where the patient is located. **Health centers are not currently eligible for reimbursement under Medicare as a distant site**, where the provider is located.

While many health centers have utilized grants and other one-time funding opportunities to integrate telehealth technologies into their practice, **reimbursement for telehealth is critical to the long-term sustainability and expansion** of telehealth services.

Our Request:

To support health center utilization of telehealth services, Members of Congress should:

- **Co-sponsor the CONNECT For Health Act of 2017 (S. 1016, Schatz/Wicker and H.R. 2556, Black/Welch)** allowing Medicare to recognize health centers as "distant and originating sites" and to cover remote patient monitoring.