



NATIONAL RURAL HEALTH ASSOCIATION

AUTHORIZING SAFETY NET PUBLIC HEALTH PROGRAMS

Testimony Submitted to
House Energy And Commerce
Health Subcommittee

August 1, 2001

The National Rural Health Association appreciates the opportunity to submit the following testimony for the record on strengthening the safety net and increasing access to essential health care services in rural areas. Most rural providers and facilities play a safety net role, taking care of low-income and uninsured patients. In particular, we would like to focus on the vital role the National Health Service Corps (NHSC) and the Consolidated Health Centers (CHC) programs play in providing access to health care services in rural and urban underserved areas and the need for reauthorization of both of these programs this year, with specific modifications to allow them to better serve a greater proportion of rural Americans.

National Health Service Corps

Since 1972, over 20,000 NHSC clinicians have fulfilled a pledge to serve rural and urban underserved communities in exchange for scholarships or loan repayment. However, the NHSC currently meets only about 12% of the overall need for health care in underserved areas. Although the program received a modest increase in funding for Fiscal Year 2001 to \$129.4 million, the NRHA believes that without additional funding, the program cannot even begin to meet the needs of rural America.

Reauthorization offers an opportunity to make modifications in the NHSC program that would strengthen the program and allow it to better fulfill its mission of increasing access to primary care services and reducing health disparities for people in health professional shortage areas by assisting communities through site development and by the preparation, recruitment and retention of community-responsive, culturally competent primary care clinicians. Working with a broad coalition of health care associations including the American Academy of Physician Assistants, American College of Nurse-Midwives, the American College of Nurse Practitioners, the American Dental Association, the American Dental Education Association, the American Medical Student Association, the American Psychological Association, the Association of American Medical Colleges, the Association of Clinicians for the Underserved, the National Association of Community Health Centers, the National Association of Rural Health Clinics and the National Organization of Nurse Practitioner Facilities, the NRHA has developed a list of recommendations for reauthorization of the NHSC program which includes the following:

1. Reauthorize the National Health Service Corps for five years at \$300 million for the first year and for such sums as are necessary for each subsequent fiscal year.
2. Continue an annual report to Congress for evaluating the effectiveness of the NHSC programs, including community impact, allocation of scholarships and loan repayment by discipline, and efficacy of site development efforts.
3. Ensure that Federally Qualified Health Centers and Federally Certified Rural Health Clinics, which accept Medicare assignment and serve Medicaid patients without restrictions; utilize a sliding fee scale for patients below 200% of poverty, and serve all patients regardless of their ability to pay, shall be automatically eligible for placement of National Health Service Corps personnel.
4. Allow the NHSC to develop a pilot program under which scholarship and loan repayment program recipients could fulfill their commitment on a part-time basis. This option would only be available if such service is requested by 1) the placement site or sites as well as the scholarship and loan repayment recipients and 2) so long as the total obligation is fulfilled.
5. Allow the use of a voluntary “ready-reserve” of clinicians to serve in locum tenens (temporary relief) placements or to respond to other episodic national needs.
6. Authorize funding for site development, which includes community needs assessment and technical assistance.
7. Allow private practice sites that would otherwise qualify as a NHSC site to be eligible for placements from the Community Scholarship and State Loan Repayment programs.

In order to be eligible, private practice sites would be required to meet the same standards as non-profit sites: 1) accept Medicare assignment and serve Medicaid patients without restrictions; 2) utilize a sliding fee scale for patients below 200% of poverty, and 3) serve all patients regardless of their ability to pay. Placement priority shall be given to not-for-profit sites, particularly in cases where both non-profit and for-profit sites serve the same population.

8. Assist communities and sites in developing incentives to support the retention of NHSC providers beyond their obligation.
9. Eliminate the community cost-sharing provision (Section 334 of the Public Health Service Act).

10. If necessary to use such a designation, use a definition of frontier which takes into account population density, distance in miles to the nearest service market, and travel time in minutes to the nearest service market.

Suggested Report Language:

11. Combine the Divisions of the National Health Service Corps and the Scholarship & Loan Repayment into a single division.

Related Recommendations:

12. Exclude from Federal income, FICA, and self-employment taxation tuition, fees and related educational expenses to individuals participating in the NHSC Loan Repayment, Community Scholarship and State Loan Repayment program. (The tax on NHSC Scholarship payments has already been repealed by passage of H.R. 1836 earlier this year.)

The recommendations outlined above would ensure the viability of the NHSC program, and strengthen the program so that it may continue serving millions of Americans and more efficiently respond to the needs of communities and match those needs with a health professional who fits those needs.

Consolidated Health Centers

The Consolidated Health Centers Program is comprised of four parts: Community Health Centers, Migrant Health Centers, Health Care for the Homeless and Public Housing Primary Care.

Currently over 1,000 health centers serve more than 11 million patients across the nation. Community health centers (CHCs) are an important part of the rural safety net, providing care to the uninsured and underinsured who would otherwise lack access to health care, including 5.4 million rural residents (1 out of 10) and supporting the primary care infrastructure in those communities. Community health centers focus on wellness and prevention in addition to primary care services and foster community bonds through consumer boards governing each center.

The Rural Health Outreach and Network Development Grant Program is also authorized within the same legislation as the Consolidated Health Centers Program. This program serves to support innovative health care delivery systems as well as vertically integrated health care networks in rural America. Since 1991, over 2.7 million people in all but 4 states have been served by the Outreach and Network Development Grant Program

through grants totaling over \$200 million. The grants provide up to \$200,000 a year for three years to each grantee. About 60 percent of grantees have continued to provide services beyond their federal grant period. The Consolidated Health Centers program should be reauthorized this year. The National Rural Health Association advocates reauthorization of the CHC Program for five years at \$1.344 billion for Fiscal Year 2002 and such sums as may be necessary for the following four fiscal years. As part of the reauthorization of Section 330 of the Public Health Service Act, the NRHA advocates the addition of several provisions aimed at strengthening this vital program. These changes include: the restoration of facility construction, modernization and expansion as allowable uses of funds; the expansion of authority to support CHC networks designed to improve health care delivery and efficiency; and restoration of the statutory requirement for proportional allocation of grant funding for the various components of the Consolidated Health Centers program. In reauthorizing the program, its ability to maintain the primary care infrastructure in rural medically underserved areas must be continued.

The Rural Health Outreach and Network Development Grant Program should also be reauthorized and its funding increased so that more communities can benefit from these grants and the long-term improvement in the rural health care delivery system they foster. In Fiscal Year 2000, 138 active Outreach grants served over 7,000 rural residents. The program received funding of \$30.9 million in Fiscal Year 2001, in addition to \$20.4 in earmarked projects. The National Rural Health Association advocates reauthorization and increased funding for these grants of \$50 million in Fiscal Year 2002.

The National Rural Health Association looks forward to continuing to work with the House Energy and Commerce Health Subcommittee and the Congress as a whole on the reauthorization of the National Health Service Corps, the Consolidated Health Centers and Rural Health Outreach and Network Development Grant Programs, as well as other important rural health issues, in the coming months. The NRHA is grateful for the attention given to these issues by Chairman Bilirakis and members of the Subcommittee and appreciates the opportunity to submit testimony on Authorizing Safety Net Public Health Programs.