

Congress Faces Calls to Address Expiring Funds for Primary Care

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The [Affordable Care Act \(ACA\)](#), enacted in March 2010, appropriated billions of dollars of mandatory funds to support grant programs and other activities. Specifically, it provided support for three programs focused on expanding access to primary care services for populations that are typically underserved. These three programs are the [Health Centers program](#), the [National Health Service Corps \(NHSC\)](#), and payments to support medical residents training at [teaching health centers](#)—outpatient health facilities that primarily provide care to underserved populations.

The ACA funds were initially for five years, but funding for these three programs was [subsequently extended](#) for two years (i.e., for FY2016 and FY2017) in the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA; [P.L. 114-10](#)). The [President's FY2018 budget](#) proposes extending funding for these programs for [two more years](#).

Community Health Center Fund

The ACA established the [Community Health Center Fund \(CHCF\)](#) to help support the Health Centers and NHSC programs, and gave it a total of \$11 billion in annual appropriations over the five-year period FY2011-FY2015. MACRA subsequently provided [\\$7.2 billion for health centers and \\$580 million for the NHSC for an additional two years](#). CHCF funding was initially intended to supplement the annual discretionary funds that the two programs receive through the [regular appropriations process](#). However, CHCF funds have replaced a significant portion of the Health Center program's annual discretionary appropriations, which Congress has reduced since FY2010 (see [Table 1](#)). In FY2016, CHCF funding represented about 71% of the Health Center program's funding. In the case of the NHSC program, Congress eliminated its annual discretionary appropriation entirely. Since FY2012, the program has relied solely on CHCF funding (see [Table 1](#)).

Table 1. Health Centers and NHSC Funding

(Millions of Dollars, by Fiscal Year)

2010 2011 2012 2013 2014 2015 2016 2017 2018 (Request)

Health Centers

Discretionary	2,141	1,481	1,472	1,391	1,400	1,392	1,492	1,492	1,489
CHCF	NA	1,000	1,200	1,465	2,145	3,510	3,600	3,516	3,600 ^a
% CHCF	0%	40.3%	48.3%	51.3%	60.5%	71.6%	70.7%	70.2%	70.7%

NHSC

Discretionary	141	25	0	0	0	0	0	0	0
CHCF	NA	290	295	285	283	287	310	289	310 ^a
% CHCF	0%	92.1%	100%	100%	100%	100%	100%	100%	100%

Source: Prepared by CRS based on [HHS budget documents](#).

Notes: FY2013 reflects [sequestrations](#) of discretionary and CHCF funds; FY2014, FY2015, and FY2017 reflect sequestration of the CHCF.

a. Proposed mandatory funding.

The teaching health center (THC) program was created by the ACA, which appropriated \$230 million for five years. MACRA subsequently provided \$60 million for each of FY2016 and FY2017. This program has never received discretionary funding. The THC program has trained [600 primary care residents](#) primarily in underserved communities. More than [three-quarters of the program's recent graduates are practicing primary care and nearly a third are doing so in a medically underserved areas](#).

The Primary Care "Cliff"

In FY2015, when the original ACA funding was set to expire, advocates for the nation's primary care system referred to this as a ["primary care cliff"](#) that would have resulted in a significant drop in funding for primary care programs that deliver services, place primary care providers in underserved areas, and train future providers.

The Health Centers and NHSC programs are cornerstones of the federal government's efforts to expand access to primary care. The Health Centers program helps support more than [1,400 community-based health centers](#) operating over 10,500 delivery sites across the country. Health centers provide care to medically underserved populations regardless of their ability to pay. They provide care for [more than 24 million people](#) annually, or an average of one in 13 Americans. The NHSC program awards scholarships and loan repayment to certain health professionals—nearly [8,500](#)

[in recent years](#)—who agree to practice in shortage areas, often at health centers.

No Funding for FY2018

Advocates of these programs see the loss of mandatory funds at the end of FY2017 as compounded by the reduction—in the case of the NHSC, the elimination—of annual discretionary funding for these programs. If the MACRA funding is not extended beyond the current fiscal year, congressional appropriations would face a need for more than \$4 billion in new discretionary funds in FY2018 in order to maintain the current level of support for these programs. That could prove a tall order under the [discretionary spending limits](#) currently in place.

The President's FY2018 budget proposes new mandatory funding—\$3.6 billion for health centers and \$310 million for the NHSC—for each of FY2018 and FY2019 (see [Table 1](#)).