

Congress May Consider Options to Extend Expiring Funds for Primary Care

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Updated February 10, 2020

The [Affordable Care Act \(ACA\)](#), enacted in March 2010, appropriated mandatory funds to support 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 mandatory ACA funds for these programs were initially provided for five years. Funding for each of these three programs had been [subsequently extended](#) through the end of FY2019. The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA, P.L. 114-10) [provided the funding extensions for FY2016 and FY2017](#). The Bipartisan Budget Act of 2018 (BBA 2018, P.L. 115-123) provided the funding extensions for FY2018 and FY2019. [BBA 2018](#) also included a number of changes to each program’s authorizations and increased funding for health centers and for teaching health centers.

Partial FY2020 funding has been provided in P.L. 116-94 through May 22, 2020. A longer funding extension has not been enacted, but a number of bills to provide longer extensions have been introduced, as discussed below.

Community Health Center Fund

The ACA established the [Community Health Center Fund \(CHCF\)](#) to help support the Health Centers and NHSC programs. CHCF funding was initially intended to supplement the annual discretionary funds that the two programs typically received through the [regular appropriations process](#). However, CHCF funds have replaced a significant portion of the Health Center program’s annual discretionary appropriations (see [Table 1](#)). Since FY2015, CHCF funding has represented more than 70% of the Health Center program’s funding. In the case of the NHSC program, no annual discretionary appropriations were provided from FY2012 through FY2017, but subsequent discretionary appropriations provided funds for loan repayment for NHSC opioid treatment providers in FY2018-FY2020. Discretionary appropriations for [FY2019](#) and [FY2020](#) also included an additional \$15 million for loan repayment to NHSC providers placed at Indian Health Service facilities. For FY2020, partial-year CHCF funding represents approximately 60% of each programs’ funding.

Table I. Health Centers and NHSC Funding
(Millions of Dollars, by Fiscal Year)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Health Centers											
Discretionary	2,141	1,481	1,472	1,391 ^a	1,397	1,392	1,392	1,387	1,507	1,506	1,506
CHCF	NA	1,000	1,200	1,465 ^a	2,145 ^a	3,509 ^a	3,600	3,511 ^a	3,800	4,000	2,575 ^b
% CHCF	0%	40%	45%	51%	59%	72%	72%	72%	72%	73%	63% ^b
NHSC											
Discretionary	141	25	0	0	0	0	0	0	105 ^c	120 ^c	120 ^c
CHCF	NA	290	295	285 ^a	283 ^a	287 ^a	310	289 ^a	310	310	200 ^b
% CHCF	0%	92.1%	100%	100%	100%	100%	100%	100%	75%	72%	62% ^b

Source: Prepared by CRS based on [HHS budget documents](#) and P.L. 116-94.

- Amounts were reduced by [sequestration](#). FY2013 reflects sequestration of discretionary and CHCF funds; FY2014, FY2015, and FY2017 reflect sequestration of the CHCF.
- FY2020 CHCF amounts are partial-year funding for October 1, 2019 -May 22, 2020. As such, these amounts are not strictly comparable to those shown in other columns.
- NHSC discretionary amounts for FY2018-FY2020 were appropriated to expand the program to opioid treatment providers. FY2019 and FY2020 NHSC discretionary appropriations also included \$15 million to place additional NHSC providers at Indian Health Service facilities.

Teaching Health Centers

The teaching health center (THC) program was created in the ACA, which appropriated \$230 million to be spent over a five-year period from FY2011 to FY2015. [MACRA](#) then provided \$60 million for each of FY2016 and FY2017. [BBA 2018](#) subsequently expanded funding for the program to permit additional programs to be developed and added additional reporting requirements. It provided \$126.5 million annually for FY2018 and FY2019. This program has never received discretionary funding. The THC program has trained [approximately 880 primary care residents](#) primarily in underserved communities. [Nearly two-thirds of recent program graduates](#) are practicing primary care, and nearly 60% are doing so in a medically underserved area.

The Primary Care “Cliff”

The expiration of these funds has been referred to as the [primary care “cliff,”](#) because it would (in the absence of new funding) result 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 12,000 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 28 million people](#) annually, or an average of 1 in 12 Americans. The NHSC program awards scholarships and loan repayment to certain health professionals—more than [10,000 in FY2017](#)—who agree to practice in [shortage areas](#), often at health centers. Funding for [teaching health centers](#) has also been included in discussions of this “cliff” because the program aims to increase the primary care workforce in underserved areas.

Various Options for FY2020 and Future Year Funding

Legislation has been introduced in the 116th Congress that would extend the CHCF and the teaching health center program for five years (H.R. 1943, H.R. 1983, H.R. 2328, S. 106, S. 192, and S. 962). This differs from prior two-year extensions. A longer extension may provide these programs with funding stability. The bills under consideration include different amounts of funding for these programs. Separate legislation (H.R. 2815, S. 304, and S. 1191) has also been introduced to extend and increase funding for teaching health centers (but not the CHCF). In addition to these bills, a five-year funding extension for the health center program (with a funding increase) is included in a larger health care package under consideration related to prescription drug prices (H.R. 3). This bill does not include the extension of the NHSC or of teaching health centers. Five-year funding extensions of all three programs are also included in legislation that aims to address [surprise medical billing](#). This bill would maintain program funding at FY2019 levels.

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