CRS INSIGHT

Expiring Funds for Primary Care

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The Affordable Care Act (ACA), enacted on March 23, 2010, appropriated billions of dollars of mandatory funds to support new and existing 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. The first two were existing programs—the Health Centers program and the National Health Service Corps (NHSC)—and they were funded through a new mandatory funding stream, the Community Health Center Fund (CHCF). The third program, created in the ACA, is the Teaching Health Center Graduate Medical Education program (THCGME).

The ACA appropriated funds for these three programs for each of FY2011-FY2015. Funding was extended for two more years—FY2016 and FY2017—in the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). No funding for these programs is currently appropriated for FY2018.

Health Centers and the NHSC

The Health Centers and NHSC programs are part of the federal government's efforts to expand access to primary care. The Health Centers program helps support about 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 1 in 13 Americans. The NHSC program awards scholarships and loan repayment assistance to certain health professionals—more than 8,500 in recent years—who agree to practice in federally designated health professional shortage areas, often at health centers.

To fund Health Centers and the NHSC, the ACA established the CHCF and gave it a total of $11 billion in annual appropriations over the five-year period FY2011-FY2015. MACRA appropriated two years of additional funding as follows: $3.6 billion for health centers and $310 million for the NHSC for each of FY2016 and FY2017.

CHCF funding was initially intended to supplement the annual discretionary funds that the two programs receive through the regular appropriations process. However, in more recent years, CHCF funds have replaced a significant portion of the Health Center program's annual discretionary appropriations, which have been reduced since FY2010 (see

Table 1). In FY2016, CHCF funding represented about 72% of the Health Center program's funding. In the case of the NHSC program, its annual discretionary appropriation has been eliminated entirely; since FY2012, the program has relied solely on CHCF funding (see **Table 1**).

Table 1. Health Centers and NHSC Funding

(Budget Authority in Millions, by Fiscal Year)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Health Centers								
Discretionary	2,141	1,481	1,472	1,391	1,397	1,392	1,392	NA
Mandatory (CHCF)	NA	1,000	1,200	1,465	2,145	3,509	3,600	3,516
% CHCF	0%	40.3%	44.9%	51.3%	60.6%	71.6%	72.1%	NA
NHSC								
Discretionary	141	25	0	0	0	0	0	NA
Mandatory (CHCF)	NA	290	295	285	283	287	310	289
% CHCF	0%	92.1%	100%	100%	100%	100%	100%	NA

Source: Prepared by CRS based on HHS budget documents.

Notes: The amounts shown for FY2013-FY2017 reflect sequestration. Final FY2017 discretionary appropriations have not yet been enacted. NA=not available.

THCGME Program

The THCGME program supports medical residents training in primary care medicine (including psychiatry) and dentistry at teaching health centers (i.e., community-based outpatient health facilities that provide care to underserved populations). The ACA created the program and appropriated $230 million for the five-year period FY2011-FY2015. MACRA subsequently provided $60 million for each of FY2016 and FY2017. This program has never received discretionary funding.

The THCGME program has trained 660 primary care residents primarily in underserved communities. More than three-quarters of the program's most recent graduates are practicing primary care, and more than one-third are doing so in 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" because allowing these mandatory appropriations to lapse would have resulted in a significant drop in total funding for primary care programs that deliver services, place primary care providers in underserved areas, and train future providers.

This would have also been compounded by the reduction—in the case of the NHSC, the elimination—of annual discretionary funding for these programs. If mandatory funding had not been extended beyond FY2015, any discretionary funds that sought to maintain the current level of budgetary support for those programs would have been subject to the discretionary spending limits.

For the advocates of these programs, the loss of mandatory funds at the end of FY2017 may represent another primary care cliff. No legislation that would provide FY2018 funding for any these programs has been introduced in the 115th Congress. Prior to its expected budget submission later in the spring, the Trump Administration released a "budget blueprint" for FY2018 on March 16, 2017. This blueprint identified health centers and the NHSC as "highest priority" programs in the Department of Health and Human Services. It did not mention the THCGME program and did not provide specific information about the funding sources or proposed funding levels for these programs for FY2018. If new mandatory funding for FY2018 is not provided, approximately $4 billion in new discretionary appropriations would be required to maintain the current level of budgetary support for these programs.