

August 30, 2013

By Email: OPPDBudgetPIN@hrsa.gov

Office of Policy and Program Development
Bureau of Primary Health Care
Health Resources and Services Administration
US Department of Health and Human Services
5600 Fishers Lane
Rockville, MD 20857

Re: Solicitation of Comments for Draft Policy Information Notice (PIN), Health Center Budgeting and Accounting Requirements, PIN 2013-01, 78 Fed. Reg. 41,412 (July 10, 2013).

The National Family Planning & Reproductive Health Association (NFPRHA) is pleased to respond to the solicitation of comments from the Health Resources and Services Administration (HRSA) in response to the draft Policy Information Notice (“PIN”) 2013-01, *Health Center Budgeting and Accounting Requirements* (“the PIN”), which provides clarification on the budgeting and accounting requirements applicable to federally-qualified health center (FQHC) grantees and look-alike entities.

NFPRHA is a national membership organization representing the nation’s family planning providers – nurse practitioners, nurses, administrators and other key health care professionals. NFPRHA’s members operate or fund a network of nearly 5,000 health centers and service sites that provide comprehensive family planning services to millions of low-income, uninsured or underinsured individuals in 49 states and the District of Columbia.

The Title X family planning program has experienced a growth in FQHC participation over the past several years. Moreover, health system changes accelerated by the Affordable Care Act (ACA) guarantees even further integration of Title X, FQHCs, and other public health programs supporting care in the safety net. Nationally recognized quality programs coupled with a focus on care coordination requires the elimination of barriers that historically prevented different networks from working together and limited patients’ ability to access seamless care.

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NFPRHA understands the importance of maintaining transparency and accountability with regard to federal funds. However, the draft PIN that would require FQHCs to submit to HRSA for approval expenditures of *non-grant scope of project funds* for purposes other than those outlined in the PIN, is problematic and undermines the ability of public health safety-net programs to work together. The draft PIN also undercuts the goals of the ACA and would erect an unnecessary barrier to care for millions of patients anticipated to gain greater access to care in the safety net.

1. Draft PIN undermines the ability of public health safety-net programs to work together.

Title X-funded health centers and FQHCs share similar provider characteristics and have a long history of collaborating to provide care to medically underserved populations. In policy and mission, the two programs provide preventive care, offer services on a sliding fee scale, and take all patients regardless of their ability to pay. Moreover, both programs have guidance that encourages collaboration with other providers in the community. Title X regulations and program guidelines include project instruction on referrals for services outside the scope of project. “For services determined to be necessary but which are beyond the scope of the project, clients must be referred to other providers for care. . . . Agencies must maintain a current list of health care providers, [including] health services projects supported by other Federal programs.”¹ Similarly, Section 330 of the Public Health Service Act encourages health centers to collaborate with other safety-net providers, “requiring them to ‘make every reasonable effort to establish and maintain collaborative relationships with other health care providers in the area.’”²

The obvious similarities have resulted in a growing number of health centers operating both Title X and 330 programs under the same roof. Title X has certainly seen an increase in the number of FQHCs in its grantee networks. In 2011, FQHCs represented 10 percent of the Title X sub-recipients. The changes in the health system coupled with some states’ ideological attacks on the family planning network will drive that number higher over the next few years.

Despite ongoing efforts to work together, Title X health centers and FQHCs face a few regulatory hurdles to integration. The unique governance requirements, for example Federal Tort Claims Act coverage for FQHCs and the confidentiality protections in Title X have been a

¹ Office of Population Affairs, *Program Guidelines for Project Grants for Family Planning Services*, January 2001, p. 20.

² Rachel Benson Gold, et. al., *A Natural Fit: Collaborations Between Community Health Centers and Family Planning Clinics*, Geiger Gibson/RCHN Community Health Foundation Research Collaborative, October 19, 2011. 42 USC§254b(k)(3)(B).

challenge. In addition, FQHCs regularly report a reluctance to take Title X funds because of the additional guidelines and competing clinical data reporting requirements in the two programs.³

The draft PIN would exacerbate the current challenges family planning and 330-funded health centers experience with collaboration and integration. Title X-funded health centers have historically sought and needed additional financing from a variety of public and private programs to run a family planning program that effectively meets the health care needs of their patients. Title X health centers rely on funding from the Title V Maternal and Child Health Block Grant, Social Security Block Grant, and state public health funds. Title X also is encouraged to bill and collect payment from both Medicaid and commercial health plans. Many also rely on private foundations and individual donors for support. These resources are then used for a wide-variety of health center operations and medical care needs – ranging from the purchase of drug supplies to wrapping around STI treatment services for those patients who lack the requisite resources.

HRSA does not intend for FQHCs that also have Title X support to report and seek approval for the Title X expenditures or other financing resulting from their administration of the federal family planning program. Title X or receipt of other federal public health resources, are not on the list of “in-scope non-grant expenditures” permissible uses exempt from the approval process. Thus per the PIN, FQHCs that receive Title X would have to submit expenditures from the program to HRSA for approval and “demonstrate that: projected costs are based on current price (or cost) analysis; appropriate internal approvals are documented with health center policies and procedures; and coverage of such costs by specified non-grant funding sources identified.”⁴ HRSA would also have the authority to evaluate FQHCs’ use administration of the Title X program.

Title X grantees and sub-recipients currently administer family planning programs in accordance with Title X rules and guidance. The Office of Population Affairs which administers the Title X program relies on federal policy to govern the grantee network, and each grantee can augment that guidance with requirements included in the sub-recipient grant application. It would be overly burdensome to FQHC sub-recipients and potential FQHC grantees to have to then seek approval from HRSA on their use of Title X funds. Furthermore, in the event HRSA disapproves a Title X expenditure, or any income generated from the program, family planning

³ Adrienne Christy, Ann Saxour Leffler, et. al., *Title X family Planning Clinics and Federally Qualified Health Centers: A Study of Collaboration*, JSI, Inc., November 2012.

⁴ Policy Information Notice, *Health Center Budgeting and Accounting Requirements*, Health Resources and Services Administration, No. 2013-01, June 12, 2013.

grantees could be put in the difficult position of refusing Title X support to FQHCs for failing to meet program requirements.

HRSA has increasingly recognized the value of partnerships to provide care in medically underserved communities as evidenced in the 2010 letter to FQHCs encouraging collaboration.⁵ The draft PIN on FQHC budgeting and accounting runs counter to those goals and would stifle ongoing efforts by safety-net providers to work together and create a high-quality and efficient network of care.

2. Draft PIN undercuts the goals of the ACA.

The ACA is designed to increase and diversify financing in the health care system. The law is also structured to increase the number of people with insurance and spur competition among health plans. Thus, health centers which may have relied heavily on federal grant programs in the past will be expected to serve insured patients, work with an array of plans, and anticipate varying cost-sharing obligations. Moreover, the ACA's focus on accountable care organizations and other patient-centered coordinated care models requires previously siloed systems to partner and share resources to reduce overall health care costs and improve patient outcomes. Ultimately the ACA intends for more non-grant health care funding to be operative in the health care system.

Title X-funded health centers are working to meet the revenue diversification demands of the ACA, with a focus on expanding partnerships with primary care providers. Several Title X-funded health centers have been working with their state Primary Care Association and local community health centers to discuss applying for FQHC and/or look-alike status and/or becoming satellite centers. The shared goal of delivering preventive health services to poor and low-income individuals makes Title X and Section 330 programs a natural fit. Yet finite federal resources demand that safety-net programs partner to reduce duplication and other inefficiencies.

The draft PIN is antithetical to the goals of the ACA. The changing healthcare landscape will require additional flexibility to adapt. Health centers of every type will need the space and ability to make business changes necessary to ensure patients do not lose access to the services. Requiring FQHCs to seek review and approval of non-grant expenditures hamstring their adaptability and potentially makes them less attractive partners to other providers seeking collaboration. Title X-funded health centers are keenly focused on developing stronger FQHC partnerships. However, as written the draft PIN would limit the collaborative possibilities and reverses progress the two programs have made together.

⁵ Jim McCrae, *Program Assistance Letter: Health Center Collaboration*, HRSA, November 23, 2010, <http://bphc.hrsa.gov/policiesregulations/policies/pdfs/pal201102.pdf>.

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We appreciate the opportunity to comment on from the Health Resources and Services Administration (HRSA) in response to the draft PIN clarifying the budgeting and accounting requirements applicable to federally-qualified health center (FQHC) grantees and look-alike entities. If you require additional information about the issues raised in this letter, please contact Dana Thomas at 202-293-3114.

Sincerely,

A handwritten signature in cursive script that reads "Clare M. Coleman".

Clare Coleman
President & CEO