



For Immediate Release

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NACHC Praises Historic Signing of Economic Stimulus Legislation

With the economic stimulus package now signed into law, Community Health Centers stand ready to play a critical role in expanding care for millions of people – and in strengthening our economy, preserving and creating jobs in thousands of communities. ***The American Recovery and Reinvestment Act of 2009*** (ARRA), signed into law today by President Obama, invests more than \$787 billion in spending and tax cuts to boost the economy, and includes several major initiatives related to health centers, totaling well over \$2 billion.

“This is the largest one-time investment in the 45-year history of health centers and will make quality care more accessible to millions of people in addition to creating jobs,” said Tom Van Coverden, President and CEO of the National Association of Community Health Centers (NACHC). “Health centers are located in medically underserved areas such as city neighborhoods or isolated rural areas where the effects of the economic downturn have been most painfully felt. The new investment will make our economy and our people healthier.”

Community Health Centers are locally directed and operated providers of preventive and primary care. With federal support, they provide high-quality, cost-effective, accessible health care to more than 18 million medically underserved and low-income Americans, regardless of insurance status or ability to pay. ARRA allocates \$2 billion for health center infrastructure and operations:

- **Health center infrastructure funding:** The package includes \$1.5 billion in infrastructure funding that will be awarded to federally funded health centers for facility construction and renovation, equipment, and acquisition of health information technology (HIT). This funding will give an immediate jobs boost in grant-funded centers’ communities and provide a tremendous foundation for growth in the years to come. The types and sizes of projects to be funded will be determined by the Health Resources and Services Administration (HRSA), the office within the U.S. Department of Health and Human Services that oversees the Federally Qualified Health Centers program. There is no specific deadline for spending the funds, but the legislation gives HRSA 90 days to come up with a plan for doing so.
- **Health center operations funding:** Congress also heeded the call from health centers across the country to address the rising demand for health center services as a result of the economic downturn. The stimulus package contains \$500 million for health center services. This funding can be used by HRSA to provide grants for new sites and services, as well as supplemental payments to existing health centers to address spikes in uninsured patients. HRSA will also administer the distribution of these funds.

Other funding contained in the recovery package could be accessed by or for the benefit of health centers through investments in primary care workforce development, HIT and service programs:

- **Primary care workforce funding:** In addition to direct health center funding, the stimulus package also contains landmark funding totaling \$500 million for the primary care workforce including funds for the National Health Service Corps and federal Health Professions and

Nurse Training programs. This investment will provide a surge of primary care workforce on the ground in health centers across the country.

- **HIT payments through Medicaid:** The legislation also makes available, through Medicaid, more than \$60,000 per eligible provider over the next five years for the adoption, maintenance and use of Electronic Health Records (EHRs). FQHC providers and “look-alikes” (health centers that do not receive federal funding) are specifically listed as eligible for these critical payments.

- **National service funding:** \$89 million for existing AmeriCorps grantees and \$65 million for VISTA programs could provide a boost to the 600-member Community HealthCorps program.

More specific information about the provisions of the package, including guidance for health centers themselves, can be found on the [NACHC federal affairs page](#).

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