

ALERTS AND UPDATES

HHS Announces \$335 Million in Available Funding for Existing Healthcare Centers

November 19, 2010

On March 23, 2010, the Patient Protection and Affordable Care Act (PPACA) was enacted in order to increase insurance coverage, which is anticipated to increase access to healthcare. The PPACA contains numerous provisions to directly increase access, such as the appropriation of \$11 billion over a five-year period to increase preventive-care and primary-care access by expanding existing services at health centers, and through the construction and operation of additional health centers in the United States. The October 26, 2010, [press release](#) by the U.S. Department of Health and Human Services (HHS) details a recent effort intended to increase access to healthcare.

Who Is Eligible?

HHS announced that it will fund the expansion of existing health centers, with up to \$335 million in grant funding. This grant money will be available for section 330 health centers that are currently receiving funding as of September 30, 2010, under the Health Center Program. Any of the following are considered section 330 health centers under the Public Health Service Act:

- Community health centers
- Migrant health centers
- Healthcare for the homeless
- Public-housing primary care

How Does a Health Center Apply?

To be considered for funding, each health center is required to complete a grant application and disclose what projects it will undertake in order to expand the facility's medical capacity and also what service expansion projects it will pursue—up to five—to expand access. In addition to a thorough description of the projects that the healthcare center will undertake to provide more preventive-care and primary-care services, the healthcare center will also be required to provide a line-item budget, along with a narrative explaining the amount requested for each line-item.

Ways to Expand Access

To expand healthcare services, centers can opt to increase their full-time staff, which would translate into hiring additional primary-care physicians or other allied health professionals, such as nurse practitioners or physician assistants. Health centers can also expand current operating hours. Either option would result in increased access to primary-care services for patients, in addition to new or expanded employment opportunities for primary-care practitioners.

What Is the Bottom Line?

Only health centers may apply for grant money to expand their current preventive-care and primary-care services to underserved populations in their current service areas. Unless hospitals or physician groups are associated with health centers that currently receive section 330 funding, the additional grant money is off-limits. Therefore, hospitals and other noneligible entities, such as physician groups, would have to wait for the next round of primary-care appropriations to see if they are eligible for additional funding. Health centers that meet the eligibility criteria to apply for the federal funds have until January 6, 2011, at 8 p.m. (Eastern time) to submit an application electronically. For more information about the grant funding and the application process, please visit www.hrsa.gov/grants/apply/assistance/ExpandedServices.

About Duane Morris

Duane Morris has an online [Healthcare Reform Center](#), to help guide employers, hospitals, physicians, nursing homes, and providers of home care services and new nursing home alternatives in their efforts to comply with the Patient Protection and Affordable Care Act of 2010. To access links to the relevant legislation and other online resources, a timeline of what to do and when to do it, and changes and provisions affecting healthcare providers, visit www.duanemorris.com/HealthcareReform.

For Further Information

If you have any questions about this *Alert* or would like more information, please contact [C. Mitchell Goldman](#), any of the [attorneys](#) in our [Health Law Practice Group](#) or the attorney in the firm with whom you are regularly in contact.

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