



April 8, 2020

The Honorable Mitch McConnell  
Leader, United States Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker, US House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Democratic Leader, United States Senate  
Washington, DC 20515

The Honorable Kevin McCarthy  
Republican Leader, US House of Representatives  
Washington, DC 20515

Dear Leaders:

On behalf of Community Health Centers nationwide, we want to thank you for your leadership, and for the support you have shown health centers as together we work to respond to the COVID-19 pandemic. We are grateful for the \$1.32 billion in supplemental funding in the recently-enacted CARES ACT for health center grantees. Nonetheless, please be aware that this funding covers only a fraction of the drastic impact that the pandemic is having on health centers' financial sustainability. Across the country, health centers are facing dire circumstances due to missed patients visits, workforce and supply shortages, and increased costs. These conditions have led to thousands of furloughs and layoffs – impacting health centers' ability to continue to serve as that critical first line for communities and hospital partners as the crisis widens and deepens. Further, the crisis has yet to hit rural and other areas of the country where widespread hospital closures have occurred, and health centers are often the main source of care. Finally, when the nation finds itself on the other side of this crisis, we expect an enormous backlog of unmet care needs, as well as newly uninsured individuals, that health centers will be unable to serve if not made whole.

This crisis is particularly acute for health centers serving communities ravaged by COVID-19 and we ask that you continue to consider ways to prioritize the needs of these organizations in the weeks and months ahead. Additionally, while all health centers are struggling to keep their doors open, two subsets of health centers are at a particular disadvantage during this crisis:

- **Health centers with over 500 employees:** While there are only around 100 health center organizations of this size, they care for an estimated 10 million patients – up to one-third of all health center patients in the country. While each of these organizations

distributes their staff across multiple care delivery sites, they are ineligible for the Paycheck Protection or Emergency Paid Leave programs due to their total number of employees.

- ***Health Center Program “Look-Alikes”***: Like all health centers, look-alike health centers must meet all of the stringent requirements outlined in Section 330 of the Public Health Service Act; however, unlike most health centers, they are not eligible for Section 330 federal grant funding. As a result, these health centers have received none of the \$1.42 billion in funding that Congress has appropriated for Section 330 to date.

To help these two specific groups of health centers keep their doors open during this unprecedented crisis, we ask that Congress:

- **Strengthen the Paycheck Protection Program to enable health center organizations to count employees per physical location when determining eligibility.** The CARES statute allows businesses in the accommodation and food industries to count their employees on a per-site basis when determining eligibility for the Paycheck Protection Program. We ask that the roughly 100 health centers who have more than 500 employees – and treat an estimated 10 million medically-underserved patients -- be given the same option.
- **Permit health center program “look-alikes” to receive supplemental emergency funding provided in response to the pandemic.** This would require expanding eligibility for Section 330 emergency funding beyond health center grantees to include health center look-alikes.

We are attaching proposed statutory language and additional background on both of these requests.

We thank you again for your ongoing support of health centers and their staff who are serving on the front lines of the pandemic. As this crisis continues to unfold, we understand you will have many priorities in need of your attention, and we stand ready to support you in those efforts.

Sincerely,



Tom Van Coverden  
President and CEO  
National Association of Community Health Centers

## Language to allow health centers with over 500 employees across multiple sites to access the Paycheck Protection Program

Amend (7)(a)(36(D)(iii) of the Small Business Administration Act as follows:

“(iii) BUSINESS CONCERNS WITH MORE THAN 1 PHYSICAL LOCATION.—During the covered period, any business concern that employs not more than 500 employees per physical location of the business concern and that **at the time of disbursement:**

(I) is assigned a North American Industry Classification System code beginning with 72 ~~at the time of disbursement~~ or

(II) is assigned the North American Industry Classification System code 621498, and serves a Federally-designated medically-underserved area or medically-underserved population

shall be eligible to receive a covered loan.

### Background

NAICS Code 621498 is defined as “establishments with medical staff primarily engaged in providing general or specialized outpatient care (except family planning centers, outpatient mental health and substance abuse centers, HMO medical centers, kidney dialysis centers, and freestanding ambulatory surgical and emergency centers). Centers or clinics of health practitioners with different degrees from more than one industry practicing within the same establishment (i.e., Doctor of Medicine and Doctor of Dental Medicine) are included in this industry.

### Illustrative Examples of NAICS 621498

- Outpatient community health centers and clinics
- Outpatient biofeedback centers and clinics
- Outpatient pain therapy centers and clinics
- Outpatient sleep disorder centers and clinics

**Language to allow health center “look-alikes” to access emergency funding provided through Section 330 of the Public Health Service Act for purposes related to COVID-19**

Language to be added to Section 330 statute (See highlighted text)

**(d) Improving Quality of Care.—**

**(1) SUPPLEMENTAL AWARDS.—**The Secretary may award supplemental grant funds to health centers funded under this section **and those approved under Section 1905(l)(2)(B)(iii) of the Social Security Act** to implement evidence-based models for increasing access to high-quality primary care services, which may include models related to—

Background:

1905(l)(2)(B)(iii) is the Medicaid definition of a Health Center Look-Alike. A Look-Alike meets all the same requirements as a Health Center grantee – treating all patients regardless of ability to pay, charging patients below 200% FPL on a sliding fee scale, being governed by its own patients, etc. – but do not currently receive Federal grants. Therefore, without the language above, they will receive no supplemental funding – despite the fact that they operate identically and are held to the same rules as Health Center grantees.

1905(l)(2)(B)(iii) of the Social Security Act reads is as follows:

- (B) The term “Federally-qualified health center” means an entity which—
- (i) is receiving a grant under section 330 of the Public Health Service Act<sup>195</sup>,
  - (ii) (I) is receiving funding from such a grant under a contract with the recipient of such a grant, and  
(II) meets the requirements to receive a grant under section 330 of such Act,
  - (iii) **based on the recommendation of the Health Resources and Services Administration within the Public Health Service, is determined by the Secretary to meet the requirements for receiving such a grant, including requirements of the Secretary that an entity may not be owned, controlled, or operated by another entity,** or
  - (iv) was treated by the Secretary, for purposes of part B of title XVIII, as a comprehensive Federally funded health center as of January 1, 1990;