

# Health Care for the Homeless Mobilizer

The National Health Care for the Homeless Council

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## Proposed Federal Regulations Raise Concern for Health Centers

Proposed regulations “to revise and consolidate the criteria and processes for designating medically underserved populations (MUPs) and health professional shortage areas (HPSAs)” released in late-February by the Department of Health and Human Services (HHS) are raising concern among health centers. Some analysts fear the new criteria and methods could shorten the list of localities considered in need of resources, thus potentially narrowing opportunities for new Federal funding and the placement of National Health Service Corps (NHSC) personnel. Proponents assure that the regulations will align the HPSA and MUP designation processes and better establish national priorities while having a nominal impact upon current health centers and their future growth. Numerous Federal and state programs – including health centers – currently depend on MUP and HPSA designations to qualify for Federal grants and physician subsidies to improve access to care in their communities.

The National Council calls upon *Mobilizer* readers to seek additional clarification through the formal comment process to ensure the ability of health centers, including HCH projects, to meet the needs of those they serve – now and in the future.

### Proposed Designation System

The current HPSA and MUP designations, which date back to the 1970’s, were developed as mathematical means of determining unmet medical need, to meet the requirements of different statutes. The major use of HPSA designations is for the placement of National Health Service Corps personnel. MUP designations are used primarily to establish eligibility for grant funding of health centers. Under current policy, all Federally qualified health centers (FQHCs) and rural health centers (RHCs) that meet requirements to provide services without regard to ability-to-pay are automatically designated as meeting MUP and HPSA criteria for at least 6 years as a condition of their initial grant.

**New regulations:** The proposed regulations as published in the Federal Register - <http://bhpr.hrsa.gov/shortage/hpsafm022908.htm> - are opaque enough to preclude full understanding, ambiguous in their impact on health centers, and at times seem contradictory. They apparently create a three-part designation system to replace the current system:

- 1) **Geographic (HPSA)** designation - based on service areas and a certain population-to-primary care provider ratio
- 2) **Population (MUP)** designation - based on service to specific underserved populations and a certain population-to-primary care provider ratio
- 3) **Safety-Net Facility (primary care HPSA)** designation - (based on FQHC or RHC status, provision of services regardless of ability to pay, and service to a certain minimum percentage of Medicaid-eligible and/or low-income uninsured patients).

The first two categories – geographic (HPSA) and population (MUP) designations – both include “Tier 1” and “Tier 2” designations based upon how population-to-primary care provider ratios are

calculated. These “tier” designations also seem related to a project’s ability to apply for additional Federal funding, though recent clarification from HRSA suggests this is not the case.

The third designation – “safety-net facility primary care HPSA” – includes health centers that don’t fall into the first two categories and serve at least a certain percentage of all their patients “either under Medicaid, under a posted sliding fee schedule, or for no charge” (40% for metropolitan areas, 30% for rural non-frontier areas, 20% for frontier areas). It would seem that Health Care for the Homeless projects would automatically be considered “safety-net facility primary care HPSAs” – but the regulations are silent about whether such providers could compete equally with those entities designated under the first two categories with respect to eligibility for continued or enhanced federal funding.

## **We’re not the only ones who are confused**

A recent study released by the George Washington University Medical Center’s School of Public Health and Health Services evaluated the impact of the new regulations on health centers and safety net providers. Making the plausible assumption that the “safety-net facility” designation is considered of lower priority, the authors found that under the proposed regulations, as many as one-third (30%) of health centers—1,129 sites—may receive such a designation and run the risk of losing Federal funding. The proposed regulation does not explain what this designation would mean for health centers; however, it does state that to maintain HPSA/MUP designation after six years of automatic designation, FQHC or RHC clinical sites will be required to demonstrate that they meet the new criteria for area and/or population or safety net facility designation. Failure to demonstrate this would result in loss of grant funding for primary care services, or loss of eligibility for NHSC clinicians, or loss of eligibility for a more favorable level of Medicaid and/or Medicare reimbursement.

The National Association of Community Health Centers surmises that the regulations would appear to have a greater negative impact on metropolitan areas than on rural and frontier areas. When calculating the number of areas that will retain their HPSA/MUP status through both the geographic area and population group, they estimate that 82% of metropolitan areas and 81% of metropolitan populations will retain their HPSA/MUP status; whereas almost all rural and frontier areas will maintain their designation status.

**Much remains unknown.** It is unclear how these regulations are to be implemented and to what degree they could impact funding for health centers and National Health Service Corps personnel. One thing, however, is certain: as the number of uninsured Americans steadily rises (from 41.2 million in 2001 to 47 million today), an increasing number of our most vulnerable neighbors turn to health centers for care – more than 16 million people annually. At a time when health care is more unaffordable and unavailable for low-income families, would we want to do anything to disrupt the existing health care safety net? We think not.

## **ACTION:**

- **Submit comments about these Federal regulations to HRSA by May 29, 2008.** Go to <http://www.regulations.gov>. Click on the link “Submit electronic comments on HRSA regulations with an open comment period.” (Attachments should be in Microsoft Word, WordPerfect, or Excel; however, Microsoft Word is preferred.)
  - **Suggested recommendation:** Given the complexity and ambiguity of the Proposed Rule on Designation of Medically Underserved Populations and Health Professional Shortage Areas (73 *Fed. Reg.* 11232, *et seq* (February 29, 2008)), we request further, understandable clarification of how this designation process would work and of its likely impact upon health centers.

- **Consult the following resources** for information about how these regulations could impact your community:
  - The Federal Register <http://bhpr.hrsa.gov/shortage/hpsafrn022908.htm>
  - HRSA site on the proposed rule <http://bhpr.hrsa.gov/shortage/healthcenters.htm>
  - George Washington University School of Public Health comments <http://www.gwumc.edu/sphhs/departments/healthpolicy/chsrp/downloads/MUARReport41108.pdf>
  - National Association of Community Health Centers preliminary comments [http://www.nachc.com/client/documents/summary\\_of\\_shortage\\_designation\\_proposed\\_rule\\_-\\_03\\_10\\_08.pdf](http://www.nachc.com/client/documents/summary_of_shortage_designation_proposed_rule_-_03_10_08.pdf)
  - Formal comments from the National Health Care for the Homeless Council will be posted.
- **For more information** contact the National Council's Health Policy Organizer, Adrienne Breidenstine, at [abreidenstine@hchmd.org](mailto:abreidenstine@hchmd.org) or 443-703-1337.

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