



North Carolina Community Health Center Association

4917 Waters Edge Drive, Suite 165, Raleigh, NC 27606-2459 (919) 469-5701 Fax: (919) 469-1263 www.ncchca.org

December 1, 2021

Sent via Electronic Mail

The Honorable Joyce Krawiec, Chair
Joint Legislative Oversight Committee on Health and
Human Services
North Carolina General Assembly
300 N. Salisbury Street, Rm. 308, Raleigh, NC 27603

The Honorable Donny Lambeth, Chair
Joint Legislative Oversight Committee on Health and
Human Services
North Carolina General Assembly
300 N. Salisbury Street, Rm. 303, Raleigh, NC 27603

Mr. Mark Trogon, Director
Fiscal Research Division
North Carolina General Assembly
Suite 609, Legislative Office Building
Raleigh, NC 27603

Dear Joint Legislative Oversight Committee Chairs and Director Trogon,

North Carolina Session Law 2021-1 extends deadlines for expenditures of COVID-19 funds and requires the North Carolina Community Health Center Association (NCCHCA) to report on a plan for allocating the Coronavirus Relief Fund dollars received to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division of the North Carolina General Assembly by April 1, 2021, and every four months thereafter until all funds are expended. Pursuant to the provisions of the law, NCCHCA is pleased to submit this report in compliance with the December 1 deadline.

We extend our gratitude to the North Carolina General Assembly for your leadership as well as your support and recognition of community health centers' important role during this pandemic.

Should you have any questions regarding this report, please contact Brendan Riley, Director of Policy, NCCHCA at rileyb@ncchca.org and 919-469-1116.

Best,

Chris Shank
President and Chief Executive Officer
NC Community Health Center Association

Brendan Riley
Director of Policy
NC Community Health Center Association

cc:

Sen. W. Ted Alexander
Sen. Deanna Ballard
Rep. William D. Brisson
Sen. Jim Burgin

Rep. Becky Carney
Rep. Carla D. Cunningham
Sen. Valerie P. Foushee
Sen. Ralph Hise

Sen. Natalie S. Murdock
Sen. Jim Perry
Rep. Larry W. Potts
Rep. Wayne Sasser

Sen. Vickie Sawyer
Rep. Donna McDowell White

Background on NCCHCA and North Carolina's Community Health Centers

About the North Carolina Community Health Center Association

Representing the state's community health centers since 1978, NCCHCA today comprises 42 community health center member organizations, including 39 federally qualified health center (FQHC) grantees and 3 FQHC look-alike organizations, all of which are commonly referred to as community health centers (CHCs). All FQHC and FQHC look-alikes in North Carolina are members of NCCHCA. With funding from the Health Resources and Services Administration (HRSA), NCCHCA is North Carolina's state Primary Care Association (PCA) and Health Center Controlled Network (HCCN), representing the interests of FQHCs to state and federal officials and providing training and technical assistance on clinical, operational, financial, administrative, and governance issues.

About Community Health Centers in North Carolina

North Carolina's community health centers provide whole-person primary medical care, as well as integrated services—such as dental, behavioral health, pharmacy, substance use disorder, and enabling services—to patients without regard to their ability to pay. By mission and statute, community health centers provide care in medically underserved communities and to medically underserved populations.

Our members pride themselves on providing high-quality care throughout the state, whether they are the only primary care provider in a smaller rural community or are nestled in one of our state's more populous urban centers. In 2019, our 42 member organizations operated over 300 clinical sites in 83 counties, caring for 631,419 North Carolina patients. Of those patients, 36 percent were covered by Medicaid or Medicare and 20 percent were covered through private insurance. However, nearly 90 percent of our patients earn incomes below twice the poverty level, and 43 percent of our patients are uninsured. Thanks to health centers' sliding fee discount programs, which allow patients to pay proportional to their income, patients can afford to share in the cost of their care.

Investments in health centers are investments in North Carolinians' access to care and in local communities, as our members provide over 4,800 high-quality local jobs. While 39 of our members receive federal Health Center Program grants, those dollars account for just one-quarter of total income across NC community health centers. In fact, CHCs depend heavily on patient revenues to make up the majority of their total income and therefore sustain their operations. Health centers are nonprofit and/or public entities, and by law, regulation, and mission, they reinvest all program revenue into activities that advance the health center mission and promote access to care.

Overview of State Appropriations and Authorizing Session Laws

North Carolina Session Law 2020-4, as amended by S.L. 2020-80, S.L. 2020-82, S.L. 2020-97, and S.L. 2021-1, appropriated \$12,425,000 from the Coronavirus Relief Fund to the North Carolina Community Health Center Association (NCCHCA) for distribution to its member health centers to cover the cost of eligible health services provided during the COVID-19 emergency and other costs allowed pursuant to federal guidance.

The passage of Session Law 2020-1 extended expenditure deadlines for Coronavirus Relief Fund dollars allocated by the NC General Assembly to NCCHCA. In so doing, the legislation also requires NCCHCA to

submit a report on a plan for allocating the funds received to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division of the North Carolina General Assembly by April 1, 2021, and every four months thereafter until all funds are expended. It also requires NCCHCA to submit a report on the use of funds by recipients by February 1, 2022.

This report builds on the prior reports submitted by NCCHCA to the NC General Assembly: the first on a plan for allocating the funds (submitted July 31, 2020, with a technical correction on August 28, 2020); the second on an updated plan for allocating the increased funds received (submitted October 30, 2020); the third on the use of the funds by recipients (submitted February 1, 2021); the fourth on the allocation plan for unspent funds (submitted April 1, 2021); and the fifth on the allocation plan for unspent funds (submitted August 1, 2021).

Update on Remaining Funds & Allocation Plan

As of the most recent reporting period, which tracks expenditures through November 2021, NCCHCA has reallocated funding such that a total of seven subrecipients carry a total balance of \$165,129.65 (1.3 percent of the original total). During this period, two subrecipients—High Country Community Health and Western North Carolina Community Health Services, Inc.—expended their allocations. Also during this period, NCCHCA reallocated a total of \$82,062.00 of unexpended funding from subrecipient MERCE Family Healthcare to three (3) new subrecipients as follows:

- \$20,500 to Cabarrus Rowan Community Health Centers, all of which remains unexpended
- \$41,062.00 to Gaston Family Health Services (DBA Kintegra Health), all of which remains unexpended
- \$20,500.00 to Opportunities Industrialization Center, Inc. (DBA OIC of Rocky Mount/OIC Family Medical Center), \$4,425.30 of which remains unexpended

Each of these three new subrecipients is an NCCHCA member federally qualified health center that previously received and exhausted CRF funding, so while they are new to this updated allocation plan, they are not new to the CRF funding. As such, they understand the rules, requirements, and limitations, as well as the procedures for compliant reporting and expenditures.

The table below details both the updated allocation plan and the remaining funding amounts by subrecipient.

Table: Unexpended Coronavirus Relief Funds by NCCHCA Subrecipient Under Previous and Updated Allocation Plan November 2021

| Subrecipient Name | Amount of Unexpended Funds Remaining Under Prior Allocation Plan | Updated Allocation Plan | Unspent Funds Under Updated Allocation Plan |
|---|--|---|---|
| Appalachian District Health Department | \$11,195.89 | \$11,195.89 | \$11,195.89 |
| Black River Health Services | \$10,271.67 | \$10,271.67 | \$10,271.67 |
| Cabarrus Rowan Community Health Centers | N/A | Reallocated from MERCE Family Healthcare: \$20,500.00 | \$20,500.00 |

| | | | |
|---|---------------------|--|---------------------|
| High Country Community Health | \$0 | \$0.00 | \$0.00 |
| Kintegra Health | N/A | <i>Reallocated from MERCE Family Healthcare: \$41,062.00</i> | \$41,062.00 |
| MERCE Family Healthcare | \$148,825.57 | \$66,763.57 | \$66,763.57 |
| OIC Family Medical Center | N/A | <i>Reallocated from MERCE Family Healthcare: \$20,500.00</i> | \$4,425.30 |
| Person Family Medical Center | \$10,911.22 | \$10,911.22 | \$10,911.22 |
| Western North Carolina Community Health Services, Inc. | \$0.00 | \$0.00 | \$0.00 |
| Total | \$181,204.35 | \$181,204.35 | \$165,129.65 |

Through this updated allocation plan and continued partnership with these community health centers, NCCHCA will work toward seeing that these dollars are all properly expended by the federal deadline of December 31, 2021.

We extend our gratitude to the NC General Assembly for its support of Community Health Centers throughout this pandemic and beyond. The incredible work being done on the front lines by our members would not be possible without your efforts. We look forward to documenting these expenditures in our February 2022 report and demonstrating the incredible COVID-19 response efforts enabled by this support.