



North Carolina Community Health Center Association

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August 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 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. Pursuant to the provisions of the law, NCCHCA is pleased to submit this report by August 1—four months after the initial 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 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, on a plan for allocating the funds received. 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); and the fourth on the allocation plan for unspent funds (submitted April 1, 2021).

Update on Remaining Funds

As of the most recent reporting period, which tracks expenditures through June 2021, six subrecipients carry a total balance of \$350,167.23 (2.8 percent of the original total), as detailed in the table below.

Table: Unexpended Coronavirus Relief Funds by NCCHCA Subrecipient, June 2021

Subrecipient Name	Amount of Unexpended Funds Remaining
Appalachian District Health Department	\$11,219.39
Black River Health Services*	\$10,272.03*
High Country Community Health	\$26.25
MERCE Family Healthcare	\$174,886.90
Person Family Medical Center	\$129,949.54
Western North Carolina Community Health Services, Inc.	\$23,813.12
Total	\$350,167.23

**In our April 1, 2021 report, NCCHCA incorrectly reported that Black River Health Services had \$367.23 unexpended funds remaining. This was a reporting error on NCCHCA's part which we deeply regret.*

Update on Allocation Plan

As indicated in our April 2021 report, subrecipient High Country Community Health carried over so small a balance (\$26.25) that they are unable to spend the funds and accordingly requested that NCCHCA reallocate that amount to the five remaining health centers in equal amounts (\$5.25 each, with one receiving \$5.26). Since the April 2021 report, that reallocation has not yet taken place, but NCCHCA will reallocate that amount moving forward among the other subrecipients, who are prepared to budget for and expend the funds. Accordingly, at this time, NCCHCA is making no further modifications. Should anything change, NCCHCA will reassess this approach and consider a reallocation of the remaining resources to other member subrecipients which have already expended funds. In the event this takes place, NCCHCA will inform the NC General Assembly of this updated allocation plan in its next planned report.

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 frontlines by our members would not be possible without your efforts.