

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS75168-LN-154* (3/1)

Short Title: Funds for Community Health Centers.

(Public)

Sponsors: Senator Purcell.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, OFFICE OF RESEARCH, DEMONSTRATIONS, AND RURAL HEALTH DEVELOPMENT, FOR A GRANT PROGRAM TO ASSIST IN THE PROVISION OF PRIMARY AND PREVENTIVE MEDICAL SERVICES TO UNINSURED OR MEDICALLY INDIGENT PATIENTS, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON HEALTH CARE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) There is appropriated from the General Fund to the Department of Health and Human Services, Office of Research, Demonstrations, and Rural Health Development (Office), the sum of fifteen million dollars (\$15,000,000) for the 2007-2008 fiscal year and the sum of fifteen million dollars (\$15,000,000) for the 2008-2009 fiscal year. These funds shall be allocated to federally qualified health centers and those health centers that meet the criteria for federally qualified health centers, State-designated rural health centers, free clinics, public health departments, and other nonprofit organizations that provide primary and preventive medical services to uninsured or medically indigent patients. These funds shall be allocated as grants on a competitive basis to assist in the provision of care to uninsured or medically indigent patients. Grant funds appropriated in this act shall only be used to:

- (1) Increase access to preventive and primary care services by uninsured or medically indigent patients in existing or new health center locations;
- (2) Establish community health center services in counties where no such services exist;
- (3) Create new services or augment existing services provided to uninsured or medically indigent patients, including primary care and

1 preventive medical services, dental services, pharmacy, and behavioral
2 health; and

- 3 (4) Increase capacity necessary to serve the uninsured by enhancing or
4 replacing facilities, equipment, or technologies.

5 Grant funds may not be used to enhance or increase compensation or other
6 benefits of personnel, administrators, directors, consultants, or any other parties. Grant
7 funds may not be used to supplant federal funds traditionally received by federally
8 qualified community health centers and may not be used to finance or satisfy any
9 existing debt. In distributing funds, the Department of Health and Human Services shall
10 consider the availability of other funds for the agency, the incidence of poverty or
11 indigent clients served, arrangements for after-hours care, and collaboration with the
12 applicant's community hospital and other safety net organizations.

13 **SECTION 1.(b)** The Office shall work with the North Carolina Community
14 Health Center Association (NCCHCA) and the North Carolina Public Health
15 Association (NCPHA) to establish an advisory committee to develop an objective and
16 equitable process for awarding grant funds. The Office shall also develop auditing and
17 accountability procedures. Not more than one percent (1%) of the funds appropriated in
18 this section may be used to reimburse the Office for administering the grant program in
19 collaboration with the NCCHCA and the NCPHA.

20 **SECTION 1.(c)** Recipients of grant funds shall annually provide to the
21 Office a written report detailing the number of uninsured and medically indigent
22 patients that are cared for, the types of services that were provided, and any other
23 information requested by the Office as necessary for evaluating the success of the grant
24 program.

25 **SECTION 1.(d)** The Office shall work with the NCCHCA and NCPHA to
26 study and present recommendations for continuing funds to support the expansion of
27 community health centers, State-designated rural health centers, free clinics, and public
28 health departments to serve more of the State's uninsured and indigent population. The
29 Department of Health and Human Services shall report on the use of these funds to the
30 House Appropriations Subcommittee on Health and Human Services, the Senate
31 Appropriations Committee on Health and Human Services, and the Fiscal Research
32 Division not later than March 1, 2008.

33 **SECTION 2.** This act becomes effective July 1, 2007.