

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 585*

Short Title: Funds for Community Health Centers. (Public)

Sponsors: Senators Purcell; Atwater, Dorsett, Hartsell, Kerr, and Rand.

Referred to: Appropriations/Base Budget.

March 12, 2007

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND
2 HUMAN SERVICES, OFFICE OF RESEARCH, DEMONSTRATIONS, AND
3 RURAL HEALTH DEVELOPMENT, FOR A GRANT PROGRAM TO ASSIST IN
4 THE PROVISION OF PRIMARY AND PREVENTIVE MEDICAL SERVICES TO
5 UNINSURED OR MEDICALLY INDIGENT PATIENTS, AS RECOMMENDED
6 BY THE HOUSE SELECT COMMITTEE ON HEALTH CARE.
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8 The General Assembly of North Carolina enacts:

9 **SECTION 1.(a)** There is appropriated from the General Fund to the
10 Department of Health and Human Services, Office of Research, Demonstrations, and
11 Rural Health Development (Office), the sum of fifteen million dollars (\$15,000,000) for
12 the 2007-2008 fiscal year and the sum of fifteen million dollars (\$15,000,000) for the
13 2008-2009 fiscal year. These funds shall be allocated to federally qualified health
14 centers and those health centers that meet the criteria for federally qualified health
15 centers, State-designated rural health centers, free clinics, public health departments,
16 and other nonprofit organizations that provide primary and preventive medical services
17 to uninsured or medically indigent patients. These funds shall be allocated as grants on
18 a competitive basis to assist in the provision of care to uninsured or medically indigent
19 patients. Grant funds appropriated in this act shall only be used to:

- 20 (1) Increase access to preventive and primary care services by uninsured
21 or medically indigent patients in existing or new health center
22 locations;
- 23 (2) Establish community health center services in counties where no such
24 services exist;
- 25 (3) Create new services or augment existing services provided to
26 uninsured or medically indigent patients, including primary care and
27 preventive medical services, dental services, pharmacy, and behavioral
28 health; and

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

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

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

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

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

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