

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**SENATE BILL 1314\***

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

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Sponsors: Senator Hartsell.

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Referred to: Appropriations/Base Budget.

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May 25, 2004

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 AND  
5 DENTAL SERVICES TO UNINSURED OR MEDICALLY INDIGENT  
6 PATIENTS.  
7

8       Whereas, federally qualified community health centers provide high quality  
9 primary and preventive medical and dental services to over a quarter million  
10 low-income and uninsured North Carolinians each year; and

11       Whereas, these health centers provide care to persons of all ages on a  
12 sliding-fee basis and have proven to be cost-effective providers of quality health care  
13 services for over 30 years; and

14       Whereas, there is a need for more North Carolinians to have access to  
15 federally qualified community health centers; Now, therefore,  
16 The General Assembly of North Carolina enacts:

17       **SECTION 1.(a)** There is appropriated from the General Fund to the  
18 Department of Health and Human Services, Office of Research, Demonstrations, and  
19 Rural Health Development (hereafter "Office"), the sum of five million dollars  
20 (\$5,000,000) for the 2004-2005 fiscal year. These funds shall be allocated as grants to  
21 federally qualified community health centers on a competitive basis to assist in the  
22 provision of care to uninsured or medically indigent patients. Grant program funds shall  
23 be subject to the following restrictions:

- 24       (1) Eligibility. – To be eligible for grant funding community health centers  
25       must:
- 26       a. Be a public or 501c(3) nonprofit entity that provides  
27       comprehensive primary medical or dental services;

- 1                   b.     Meet the criteria established for federally qualified health  
2                   centers by the United States Bureau of Primary Health Care;  
3                   and  
4                   c.     Serve a designated medically underserved area or population, as  
5                   provided in Section 330 of the United States Public Health  
6                   Service Act.
- 7           (2)    Federally qualified community health centers may use grant funds  
8           appropriated in this act only to:
- 9           a.     Increase access to preventative and primary care services by  
10           uninsured or medically indigent patients in existing or new  
11           health center locations;  
12           b.     Establish community health center services in counties where  
13           no such services exist;  
14           c.     Create new services or augment existing services provided to  
15           uninsured or medically indigent patients including, primary care  
16           and preventive medical services, dental services, pharmacy, and  
17           behavioral health; and  
18           d.     Increase capacity necessary to serve the uninsured by enhancing  
19           or replacing facilities, equipment, or technologies.
- 20           (3)    Grant funds may not be used to supplant federal funds traditionally  
21           received by federally qualified community health centers and may not  
22           be used to finance or satisfy any existing debt.

23           **SECTION 1.(b)** The Office shall work with the North Carolina Community  
24           Health Center Association (hereafter "NCCHCA") to establish an advisory committee to  
25           develop an objective and equitable process for awarding grant funds. The Office shall  
26           also develop auditing and accountability procedures. Not more than one and one-half  
27           percent (1.5%) of the funds appropriated in this section may be used to reimburse the  
28           Office for administering the grant program in collaboration with the NCCHCA.

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

34           **SECTION 1.(d)** The Office shall work with the NCCHCA to study and  
35           present recommendations for continuing funds to support the expansion of community  
36           health centers to serve more of the State's uninsured and indigent population. The  
37           Office shall submit the report to the 2005 General Assembly upon its convening.

38           **SECTION 2.** This act becomes effective July 1, 2004.