

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 1407

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

Sponsors: Senators Purcell; Atwater, Dannelly, Lucas, and Malone.

Referred to: Appropriations/Base Budget.

May 16, 2006

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.
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7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** There is appropriated from the General Fund to the
9 Department of Health and Human Services, Office of Research, Demonstrations, and
10 Rural Health Development (Office), the sum of fifteen million dollars (\$15,000,000) for
11 the 2006-2007 fiscal year. These funds shall be allocated to federally qualified health
12 centers and those health centers that meet the criteria for federally qualified health
13 centers, State-designated rural health centers, free clinics, public health departments,
14 and other nonprofit organizations that provide primary and preventive medical services
15 to uninsured or medically indigent patients. These funds shall be allocated as grants on
16 a competitive basis to assist in the provision of care to uninsured or medically indigent
17 patients. Grant funds appropriated in this act shall only be used to:

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

1 Grant funds may not be used to enhance or increase compensation or other
2 benefits of personnel, administrators, directors, consultants, or any other parties. Grant
3 funds may not be used to supplant federal funds traditionally received by federally
4 qualified community health centers and may not be used to finance or satisfy any
5 existing debt.

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

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

18 **SECTION 1.(d)** The Office shall work with the NCCHCA and NCPHA to
19 study and present recommendations for continuing funds to support the expansion of
20 community health centers, State-designated rural health centers, free clinics, and public
21 health departments to serve more of the State's uninsured and indigent population. The
22 Department of Health and Human Services shall report on the use of these funds to the
23 House Appropriations Subcommittee on Health and Human Services, the Senate
24 Appropriations Committee on Health and Human Services, and the Fiscal Research
25 Division not later than March 1, 2007.

26 **SECTION 2.** This act becomes effective July 1, 2006.