



**Strengthening Oklahoma's Safety Net,  
One Community At A Time**

## **Board Bulletin**

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### **For Your Information - FQHC LALs & State Funding**

As community health center (CHC) board members, you are ambassadors of the Section 330 CHC program and it is important for you to know the state environment. To help you in that role, the following information is being shared with you about two areas receiving much attention at the state level: 1) Federally Qualified Health Center (FQHC) Look Alikes (LALs) and 2) State funding for CHCs.

#### **FQHC LALs**

As the first *Presidential Initiative to Expand Health Centers* comes to a close this fiscal year and new CHC funding is dwindling, many people are seeking other ways to establish health centers. The term "federally qualified health centers (FQHCs)" comes from a reimbursement status enjoyed by 330 CHCs. As a result, many people refer to CHCs as FQHCs. Safety net providers who are public or nonprofit entities willing to fully comply with all 330 regulations can apply for FQHC Look Alike (LAL) status. FQHC LALs must serve Medically Underserved Areas (MUAs), see all people regardless of ability to pay, gender, or life cycle, and be governed by boards of which 51% of the members are health center consumers.

- ◆ **Benefits** - LALs have some of the benefits of a federally-funded CHC including enhanced Medicare and Medicaid reimbursement, eligibility for federal 340B Drug Pricing Program, and automatic Health Professional Shortage Area (HPSA) designations which can help with workforce recruitment issues.

- ◆ **Exclusions** - LALs do not receive grant funding, are not covered by the Federal Tort Claims Act (FTCA) malpractice coverage, and do not enjoy Safe Harbor Act protection against anti-kickback statutes when dealing with other health care providers.

It is important to note that safety net providers should only consider FQHC LAL status if they can deliver health care to everyone that presents at their doors without receiving grant funding. If the benefits make the venture worthwhile, FQHC LALs are then well-positioned to pursue CHC funding in future years. OPCA has prepared a one-page comparison of FQHCs vs. FQHC LALs that is posted on our website. To view the document, go to [www.okpca.org](http://www.okpca.org) and click on 'Publications'. For those who receive the *Board Bulletin* via mail, a copy of the document is printed on the reverse of this bulletin.

#### **State Funding for CHCs**

- ◆ **Funding to existing CHCs** - In 1983, state legislators recognized the inordinate amount of uncompensated care CHCs were providing to uninsured Oklahomans and instituted a line item appropriation through the Oklahoma State Department of Health (OSDH) that is subject to approval each legislative session. The funding was at its highest in 2001 at \$1.077 million - distributed among the four health centers at the time. When Oklahoma began experiencing budget shortfalls, this money was cut significantly, falling to \$858,850 in 2002. The past two years, the State Legislature restored most of the funding and it currently stands at \$1.041 million - but it now must be divided by Oklahoma's eleven CHC organizations as of 2005.

- ◆ **New CHC Development Dollars** - Just before the Oklahoma Legislature came to a close in May 2005, House Bill (HB) 1088 was passed appropriating \$1 million in a revolving fund to OSDH to assist in the development of new CHCs in Oklahoma. Another \$200,000 was appropriated to OSDH through HB 1082 to develop four new health centers in Oklahoma. The Office of Primary Care of OSDH is developing a "Request for Proposal" (RFP) process for the \$1.2 million new CHC development dollars so that interested communities can apply for the funding and has recently hired a staff person for that purpose. If you have questions regarding the RFP process, please contact Mike Brown or Jana Castleberry at (405) 271-8428, or by email at [mikebr@health.ok.gov](mailto:mikebr@health.ok.gov).

To review OPCA's entire *Board Bulletin* series, visit the 'CHC Boards' section of [www.okpca.org](http://www.okpca.org).

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