

Lenders Coalition for Community Health Centers

Members

*Boston Community
Capital*

Calvert Foundation

Capital Link

*Community
Reinvestment Fund*

*Enterprise Community
Loan Fund*

IFF

*Local Initiatives Support
Corporation (LISC)*

*Low Income Investment
Fund (LIIF)*

Mercy Loan Fund

NCB Capital Impact

Nonprofit Finance Fund

*Opportunity Finance
Network*

*Partners for the
Common Good*

*Primary Care
Development
Corporation (PCDC)*

*The Reinvestment Fund
(TRF)*

*Virginia Community
Capital*

Advisory Members

The Kresge Foundation

*Housing Partnership
Network*

*National Association of
Community Health
Centers*

Policy Link

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February 14, 2014

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

We are writing to support the continuation of the Affordable Care Act's mandatory Health Center Fund from FY 2016-20 at a level of \$20 billion. This fund, which has supported health center growth over the last five years, is set to expire after FY 2015, bringing the real prospect for serious instability across the health center sector.

The Lenders Coalition for Community Health Centers represents 17 community development financial institutions (CDFIs) that are active sources of financing for health center expansion. Together, these organizations have made loans totaling more than \$1.4 billion to develop primary care capacity for more than 3 million patients.

As nonprofit community investors, we use our resources to finance initiatives that build strong, healthy communities. As responsible lenders, we make our financing decisions based on a borrower's ability to use these funds to thrive, grow, and pay back funds that have been invested.

We see enormous opportunities for growth in the FQHC sector. Increased patient demand brought on by expansion of health insurance and Medicaid, combined with greater emphasis on high quality primary care and the Patient-Centered Medical Home to improve health and reduce costs, makes strengthening and expanding the FQHC sector essential.

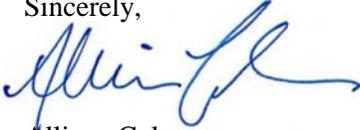
That is why we are very concerned that, barring federal action, the Health Center program will face a 70% reduction in funding starting in FY 2016. As lenders, we are concerned about the financial stability of our clients, most of whom continue to rely on these funds to support their expanded operations. A significant loss of funding may put FQHCs in financial distress at a time when they are needed most by their communities and the overall healthcare system.

Uncertainty over whether or not these funds will be available after FY2015 is also having a chilling effect on critical FQHC expansion projects. Many FQHCs that want and need to expand to meet the needs of a growing patient population are unwilling to move forward in the face of this financial uncertainty. Likewise, CDFIs and other investors need to factor in the prospect of significant funding reductions when making financing decisions.

As community-based lenders and investors with a commitment to building opportunities in low-wealth communities, CDFIs have a special role to play in advancing the growth agenda of FQHCs. We are developing strong partnerships with FQHCs that achieve our shared goals. Maintaining mandatory federal funding of FQHCs at the level of \$20 billion from FY 2016-20 is critical to our efforts to foster health center growth and build healthier communities.

We thank you for your careful consideration of this important issue. If your staff would like to discuss these issues further, I can be reached at 617-422-0350 x 298 or email (acoleman@caplink.org)

Sincerely,



Allison Coleman

Steering Committee Chair, Lenders Coalition for Community Health Centers

CC: Jacob Lew, Secretary of the U.S. Treasury

Kathleen Sebelius, Secretary, U.S. Department of Health and Human Services

Mary Wakefield, Administrator, U.S. Health Resources and Services Administration

Dennis Nolan, Acting Director, Community Development Financial Institutions Fund