FAQ: Grant Implications for Health Centers
if the Funding Cliff is not fixed by October 1

1. **When will health centers officially go over the Cliff?** Unless Congress allocates $3.6 billion to replenish the Community Health Centers Fund, those funds (which constitute 70% of total funding for Section 330) will expire, meaning the health centers program will officially go over the Cliff on September 30, 2017.

2. **When will my health center feel the direct impact of going over the Cliff?** You will feel the direct impact (meaning changes to your grant award) of going over the Cliff at the start of your next budget period, when the amount of funding you receive will reflect any new limitations on Section 330 funds.

3. **When will my health center feel the indirect impact of going over the Cliff?** Health centers across the country are already reporting indirect impacts from just the threat of going over the Cliff, and the uncertainty this creates. The uncertainty around long-term funding is impacting their ability to: recruit and retain providers and other staff, to obtain loans and extend lines of credit, and to make long-term investments. If Congress does not address the cliff before October 1, these impacts will expand significantly – and the closer you get to the start of your next budget period, the more directly they will impact your operations too.

4. **Which health centers will first feel the direct impact of going over the Cliff?** A total of 235 health center organizations (1 in 6) have budget periods that begin on January 1, 2018. (No health centers have budget periods that begin in October, November, or December.) That means the NOAs these 235 health centers receive for their budget period starting 1/1/2018 will likely reflect any new limitations on Section 330 funds.

5. **If we go over the Cliff, how will HRSA allocate the funds it has among health centers?** While a final decision has not been announced, HRSA is expected to fund grantees on a month-to-month basis until the available funding runs out. As a simplified example, assume that every health center receives an annual grant of $120. Funding health centers on a month-to-month basis would work as follows:
   - On January 1, HRSA would give $10 to each health center whose new budget period starts on January 1 (called “the January starts.”).
   - On February 1, HRSA would give $10 each to both the January and the February starts.
   - On March 1, HRSA would give $10 to each of the January, February and March starts.

6. **When will HRSA run out of money?** Under the month-to-month scenario described above, HRSA would run out of funds by early-mid 2018. That means there would be no new funds for any health centers for the remainder of Fiscal Year 2018.

7. **When will HRSA make funding decisions for the January 1, 2018 Notice of Award (NOAs)?** Mid-November – that’s when they must start preparing the 1/1/2018 NOAs.

8. **If we go over the Cliff, will we still be able to access the full amount of funding listed on our NOA for our current budget period?** Yes -- for NOAs that you have already received, the full amount of funding will continue to be available for the remainder of your budget period.

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