

Federally Qualified Health Center (FQHC)

A Federally Qualified Health Center is an entity which meets the requirements of a federally-funded health center, whether or not it receives a grant under Sections 329, 330 or 340 of the Public Health Service (PHS) Act. These requirements include being nonprofit, having a community-based board of directors, providing or arranging all the necessary services, enabling the services, and providing care regardless of the ability to pay.

A Community Health Center (CHC) receives federal funding under Section 330 of the PHS Act, as amended by the Health Centers Consolidated Act of 1966 (P.L. 104-299) and the Safety Net Amendments of 2002.

Five essential elements that differentiate CHCs from other providers are:

- They must be located in or serve a high need community, i.e. “medically underserved areas” or “medically underserved populations”
- They must provide comprehensive primary care services as well as supportive services such as translation and transportation services that promote access to health care
- Their services must be available to all residents of their service areas, with fees adjusted upon patients’ ability to pay
- They must be governed by a community board with a majority of members health center patients
- They must meet other performance and accountability requirements regarding their administrative, clinical, and financial operations

Sources: Public Health Service, HHS, 42 CFR Part 5 as of January 18, 1996; Bureau of Primary Health Care, Guidelines for MUA/MUP Designation, June 12, 1995; Richard C. Lee, Current Approaches to Shortage Area Designation, *The Journal of Rural Health*, Vol. 7 (4) Supp. 1991; Beth Giesting, Outline of Federal Designations for Areas, Populations, and Providers, (part of memo to Representative Kahikina, dated January 23, 1996, Honolulu); National Association of County Health Officials, National Health Service Corps; Applying for Corps Personnel, January 17, 1992.