CHCANYS | *Defining New Directions*

Community Health Care Association of New York State

Senate Finance and Assembly Ways and Means
Joint Legislative Hearing on the
2012-13 Executive Budget
Health & Medicaid
February 8, 2012

Thank you for the opportunity to talk with you today about the Governor's budget proposal. The most urgent concern of the Community Health Center Association of New York State (CHCANYS) is ensuring that New York continues to protect its most vulnerable populations while moving the health system toward greater investment in high-quality, cost-effective primary care.

My name is Beverly Grossman and I am the Director of Policy for CHCANYS, the State's association of community, migrant and homeless health centers. CHCANYS works to ensure that all New Yorkers, and particularly those living in underserved communities, have access to high-quality, community-based health care services.

Community, migrant and homeless Federally Qualified Heath Centers (FQHCs) provide high-quality, affordable and accessible primary and preventive health care for more than 1.4 million New Yorkers at over 500 sites in urban, rural and suburban communities. Our community health centers provide comprehensive primary care including: family medicine; pediatrics; obstetrics and gynecology; dental; laboratory; mental health; substance abuse and pharmacy services. FQHCs are the backbone of New York's primary care system and health care safety net.

While we recognize the need for and support the leadership of our State elected officials and government leaders in making the fundamental health system reforms necessary to reduce costs and improve health status and quality of care, it is also indisputable that the State's fiscal challenges continue to impact every area of health care and all New York residents.

CHCANYS strives to **advance the "triple aim" of better care, improved health and reduced cost.** With this in mind, New York's FQHCs and CHCANYS proudly support the following policy proposals:

- **The Executive Budget's proposed $54.4 million for the Diagnostic and Treatment Center (D&TC) Indigent Care Pool;**

- **The Executive Budget's proposed $ 1 million for the Primary Care Service Corps, which would offer loan repayment for primary care practitioners who agree to practice in an underserved area for at least a year;**

- **The Executive Budget's proposed $430,000 for continued funding for community health centers serving migrant and seasonal farm workers and their families;**

- **The continued implementation of the approved recommendations of the Medicaid Redesign Team (MRT), including passage to enact authorizing legislation establishing a New York Health Benefits Exchange; and**

- **The Executive Budget's proposal to direct HEAL funds for primary care capital expansion.**

Maintain the Executive Budget's proposed $54.4 Million for the Diagnostic and Treatment Center (D&TC) Indigent Care Pool

The Executive Budget proposes to continue funding at $54.4 million for the Diagnostic and Treatment Center (D&TC) Indigent Care Pool. The D&TC Indigent Care Pool provides funding to health centers for services provided to uninsured patients. According to their mission and mandate, community health centers are only located in designated underserved communities, and they provide access to primary and preventive health care regardless of insurance status or ability to pay. Though they try hard to ensure that people are enrolled in health insurance plans if they are eligible, 26% of health center patients are uninsured; at some centers, more than 50% of patients are uninsured.

Federally qualified health centers are affordable and open to everyone. In order for a federally qualified community health center to meet federal expectations, it must create and implement a sliding fee scale, allowing low-income patients without health insurance to pay discounted medical bills in proportion to their income.

The D&TC Indigent Care Pool, while notably underfunded, does provide much-needed assistance to community health centers towards the overall cost of caring for the uninsured. The D&TC Indigent Care Pool uses a simple, transparent formula to assess "uncompensated care need." Put simply, the "need" is calculated by multiplying the number of "self-pay" or uninsured visits times that facility's Medicaid rate. From that amount, the amount that the facility received to offset the visits (i.e. if the patients paid anything for the visit) is subtracted to come up with a nominal figure representing "need" or losses. The more uninsured care a center provides, the greater proportion of the pool the center receives.

Health centers are a good place for uninsured persons to get care; they are cost-effective and many participate in pharmacy programs that can provide significant discounts to uninsured patients for prescription medication. This D&TC Indigent Care Pool is vital to ensuring that FQHCs are able to continue to serve as the primary care safety net for uninsured New Yorkers.

Continue Funding for Community Health Centers Serving Migrant and Seasonal Farm Workers and their Families

CHCANYS strongly supports the Executive Budget's proposed funding of $430,000 for Migrant Health Care Programs across New York State. Migrant Health Care funding allows health

centers and other eligible providers to care for over 17,000 migrant and seasonal farmworkers and their families, who are integral to New York State's agribusiness.

Migrant and seasonal farmworkers are an extremely vulnerable population. It is estimated that 61 percent of farmworkers live in poverty, with a median income of less than $11,000 annually.

New York's migrant health centers keep farmworkers healthy by providing primary and preventive health care services, including culturally competent outreach, interpretation, transportation, health education and dental care. FQHC migrant health programs proudly serve this special population at high risk for injury and illness.

Support the Executive Budget's proposed $ 1 Million for the Primary Care Service Corps

The purpose of the Primary Care Service Corps program would be to increase the supply of midwives, nurse practitioners, physician assistants and others who practice in underserved communities. Eligible clinicians would receive loan repayment funding in return for a commitment to practice in an underserved area. The program builds on the success of the National Health Service Corps. Awards would be the same as those awarded by the National Health Service Corps (NHSC), which are based on the amount of each individual's qualifying educational debt.

A strong primary care health workforce is essential for New York State to transform its health care delivery system. As primary care providers in economically distressed communities, health centers struggle to find the professional staff that they need. Many centers are unable to pay the salaries expected by mid-level practitioners and dentists, and most have had difficulty recruiting and retaining professional staff because the primary care sector can't meet market expectations.

There is a serious shortage of primary care practitioners in rural and poor urban areas throughout New York State, and over one quarter of the State's population live in areas designated as "underserved." CHCANYS supports the Primary Care Service Corps as a means of improving access to health care services in needy areas across the state.

Implement the Approved Recommendations of the Medicaid Redesign Team

CHCANYS commends the work of the Medicaid Redesign Team (MRT) and its workgroups. We are extremely encouraged by the outcomes thus far and believe the MRT recommendations work to protect the most vulnerable people in the State and move the health system toward greater investment in high-quality, cost-effective primary care.

The final MRT recommendations recognized that primary and preventive care is critical to reforming New York's healthcare system, and they propose the right kinds of initiatives to make the system work. We applaud the Executive Budget's inclusion of many of the Health Disparities Workgroup recommendations, including requiring all chain pharmacies to provide translation and interpretation services for Limited English Proficient (LEP) patients. We also strongly support the expansion of the Medicaid package to include lactation counseling services for pregnant and postpartum women, cover harm reduction counseling and services for drug users provided by a qualified drug treatment program or community-based organization, and promote hepatitis C wrap-around services delivered by qualified health providers.

Enact Authorizing Legislation Establishing a New York Health Benefits Exchange

In statewide aggregate, community health centers are the largest organized provider system of primary care services for uninsured individuals and those insured by government programs, including Medicaid. As stated earlier, 26% of the patients seen at FQHCs are uninsured, with some community health centers' uninsured populations exceeding 50 percent or more. Clearly, FQHCs are the major safety net for New York's uninsured.

The Health Benefits Exchange will provide the structure and tremendous opportunity for uninsured individuals not currently receiving primary care to obtain coverage and realize improved health status and quality of care at a reduced cost. The savings to the health care delivery system will be achieved minimally from reduced ER utilization and hospitalization, improved pharmaceutical management, and improved overall care management.

The passage of authorizing legislation would ensure that New York State has the support and infrastructure necessary to provide an Exchange that will meet the unique needs of state residents. Under the terms of the Affordable Care Act, if the state does not pass Exchange legislation, a federally-operated Exchange will be established by the U.S. Department of Health and Human Services, making it much less likely that the unique needs of New Yorkers will be taken into account.

Support HEAL Funds for Primary Care

Currently, the Commissioner of Health may distribute all HEAL-NY funds to hospitals and nursing homes on a completely non-competitive basis. The law does not allow the Commissioner to exercise the same discretion for community health centers. The Executive Budget would expand the Commissioner's authority to allow funds to be distributed non-competitively to diagnostic and treatment centers, thus better targeting the funds to primary care providers.

New York needs modern facilities in underserved communities for the efficient delivery of primary care. We believe that the proposed Executive Budget will allow the Commissioner to better target HEAL funds towards the primary care system. We continue to urge that special attention be given to ensuring that any downsizing, restructuring or repurposing plans include expansion of primary care in the affected communities, and that sufficient operating and capital resources be allocated to primary care providers to ensure successful transitions.

Co-Location of Behavioral Health and Substance Abuse Services

The Executive Budget proposal would authorize OASAS, OMH and/or OPWDD to "establish operating, reporting and construction requirements, as well as joint survey requirements & procedures for entities" that demonstrate experience in the multiple areas and can integrate services upon approval of and meet the standards set by the Commissioners of those agencies.

While we applaud and encourage efforts to integrate behavioral health and medical services, we are concerned that this proposal omits reference to the Department of Health and entities licensed under DOH – like our health centers – that currently deal with a population with co-occuring medical and behavioral health issues. We encourage the Governor and the Legislature to amend this proposal to ensure full integration of services.

DOH Review of Changes in Health Care Facility Board of Directors

We are concerned that the Executive Budget includes undefined broadening of authority to the Department of Health to review changes in health care facility boards of directors. The Public Health and Health Planning Council has long had the authority to approve any change to the "person" operating an Article 28 health care facility. The budget proposes to enhance the Department's oversight of health care facility boards of directors by requiring that facilities submit information regarding such changes to the Department at least 120 days prior to the effective date. The Department may require any information that they deem "reasonably necessary… to determine whether it should bar the change in directors."

This gives the Department broad discretion to determine what information should be shared, while providing no detail on what determinates will be used to decide whether a requested change in directors will be barred. We understand the intent is to ensure public dollars are being used responsibly and as intended, but the proposed structure will create a departmental oversight that may undermine a community health center's ability to recruit board members. It also adds administrative burdens on providers. It is unclear if the criteria will be identical to the establishment standards or something entirely different. For example, it may be challenging for a community health center to provide board member information 120 days in advance of an appointment. Does that mean that the community health center could not appoint a board member for 4 months even if a vacancy was currently available?

An alternative might be to require disclosure of any board member who met a minimum criminal standard during the review period. We would like the opportunity to work with the Department to find a better solution that does not create more administrative burden, taking time away from patient care.

In closing, primary care and FQHCs are the reform cornerstone for improving the health of New Yorkers while reducing the state's Medicaid costs. FQHCs help keep people healthy - prevent unnecessary hospitalizations, reduce ER visits and avoid other high-cost care.

CHCANYS proudly serves as the voice for the primary care safety net and Federally Qualified Health Centers. We stand ready to work in partnership with other sectors of our complex health care delivery system to do a better job of coordinating care, meeting the needs of New Yorkers while reducing and containing health care costs.

I thank you for the opportunity to share our perspective with you today.