COMMUNITY HEALTH CARE ASSOCIATION of New York State

Senate Finance and Assembly Ways and Means
Joint Legislative Hearing: Health
State Fiscal Year 2024-25 Executive Budget Health and Medicaid
January 23, 2024

The Community Health Care Association of New York State (CHCANYS) is the primary care association for New York's federally qualified health centers (FQHCs), also known as community health centers (CHCs), that serve 2.3 million New Yorkers at more than 800 sites each year. CHCs are the standard bearers of primary and preventive care for underserved communities across the state. The majority of New York's CHC patients are extremely low-income – 89% live below 200% of the Federal poverty level. Additionally, 68% are Black, Indigenous, or People of Color (BIPOC), 28% speak limited or no English, 12% are uninsured, more than 4% are unhoused, and 68% are enrolled in Medicaid, CHIP, or are dually enrolled in Medicare and Medicaid. CHCs are non-profit, community run clinics that provide high-quality, cost-effective primary care as well as behavioral health, dental care, and social support services to everyone, regardless of their insurance status or ability to pay. Each CHC is governed by a consumer-majority board of directors who identify and prioritize the services most needed by their communities. CHCs serve populations that, historically, the traditional healthcare system has failed. CHCANYS is grateful for the opportunity to provide testimony on the Governor's State Fiscal Year (SFY) 2024-2025 budget as the voice of our member CHCs.

CHCANYS SFY 2024-25 Budget Priorities

- **I.** Invest in CHCs and reform health center Medicaid rates. (*See* A.7560 (Paulin)/S.6959 (Rivera))
- **II.** Provide full telehealth reimbursement parity for telehealth visits delivered by CHCs, regardless of patient or provider location. (*See* A.7316 (Paulin)/S.6733 (Rivera))
- **III.** Allow medical assistants to administer vaccinations under supervision.
- **IV.** Bolster the healthcare workforce.
- **V.** Support healthcare coverage expansions for all New Yorkers, including for undocumented immigrants.
- **VI.** Expand Medicaid managed care oversight.
- **VII.** Sustain existing investments in key health initiatives.

I. Invest in CHCs and reform health center Medicaid rates.

A. Health center Medicaid rates are outdated.

New York must increase investment in CHCs. According to analysis conducted by the Urban Institute, on average, costs are 44% higher than the maximum allowable CHC Medicaid rate.[1] The base reimbursement rate was set more than 20 years ago – based on costs in 1999 – and has been limited to marginal increases over time. Moreover, the NYS Medicaid reimbursement methodology includes ceilings on reimbursement rates for operating costs that have stymied necessary growth in CHC rates. As a result, CHCs are facing rising operating costs that far exceed reimbursement rates. The health center care delivery model has changed dramatically and costs today for personnel, benefits, equipment, medical supplies, and office space are all significantly higher than what they were decades ago and have risen exponentially since the pandemic.

[1] https://www.urban.org/research/publication/critical-role-new-yorks-community-health-centers-advancing-equity-medicaid

A thoughtful, collaborative process between the Department of Health and health centers to reform the CHC payment methodology is necessary, but not sufficient. Health centers urgently need an investment in the current fiscal year as a down payment towards rate reform to achieve long-term fiscal sustainability.

CHCANYS respectfully urges the New York State Legislature to include the language of A.7560 (Paulin)/S.6959 (Rivera) in the budget to ensure the State begins the process to reform health center payment rates to reflect the new, expanded model of health and social care that is the hallmark of CHCs. In conjunction with these efforts, CHCANYS requests the legislature to include an immediate 25% increase in health center Medicaid rates in its one house budget bills.

B. Support enhancements to Patient Centered Medical Homes (PCMH).

CHCANYS is supportive of the Governor's enhanced investments in the PCMH program. In 2018, the Department of Health established a New York State specific PCMH standard, integrating various practice capabilities aligned with the CHC model. However, even with enhanced standards, the PCMH program has experienced funding reductions since its initial rollout and inception prior to 2018. The rates received by health centers are lower today than they were at earlier points in the program's history. Investment in the PCMH program will better support CHCs in providing comprehensive care coordination in alignment with the State's Medicaid reform efforts. PCMH capabilities include coordinating patient-centered care delivery, promoting population health, and utilizing health information technology for evidence-based care. PCMH funding plays a crucial role in enabling CHCs to deliver high-quality, comprehensive primary care services. It also helps them prepare for involvement in value-based payment arrangements and care models. **We ask the legislature to support the Governor's proposed investments in the PCMH model.**

II. Provide full telehealth reimbursement parity for visits delivered by CHCs, regardless of patient or provider location.

Telehealth has become a cornerstone of healthcare, allowing patients to choose the visit type that best suits their needs on a given day or for a given condition. Telehealth is a critical access point to healthcare and is integral to the CHC care model. The option to receive care via telehealth decreases barriers that prevent patients from being able to visit a provider in-person, such as lack of transportation, childcare issues, or the need to take time off from work. However, the Department of Health's interpretation of current statutory language has resulted in CHCs receiving one third of their in-person reimbursement rate when both patient and provider are located offsite, i.e., at home. Providers licensed under Mental Health Law Articles 31 and 32 are paid a bundled rate, similar to CHCs, but are permitted to receive full payment for all telehealth visits. This discrepancy has led to a lack of competitiveness for CHCs in recruitment and retention, particularly for behavioral health providers, who can find fully remote employment opportunities at Article 31 and 32 licensed organizations. The Governor's budget proposal extends current telehealth flexibilities through 2025 without making the needed technical fix for true payment parity at CHCs.

CHCANYS asks the legislature to insert the technical correction included in A.7316 (Paulin)/S.6733 (Rivera) to their one house budgets. Doing so will ensure CHCs receive their full in-person rate for services provided via telehealth regardless of modality and patient or provider location.

III. Allow medical assistants (MAs) to administer vaccinations under supervision.

CHCANYS applauds Governor Hochul's proposal to allow licensed physicians, nurse practitioners, and physician assistants to assign and supervise MAs' tasks related to immunizations in outpatient settings pursuant to training. This proposal will help to increase access to needed care in the CHC setting and allow providers and nurses to work at the top of their license and training. **CHCANYS strongly supports the Governor's proposal to allow MAs to vaccinate and urges the Legislature to include the proposal in their one house budgets.**

IV. Bolster the healthcare workforce.

A. Enhance and expand dental care access.

CHCANYS is supportive of the Governor's dental workforce expansion initiatives which will help alleviate the growing dental workforce shortage crisis. Specifically, CHCANYS is supportive of the proposal to allow dentists to administer vaccines related to a declared public health emergency and perform HIV, Hepatitis C, and hemoglobin A1C screening and tests. CHCANYS also supports the Governor's proposal to establish collaborative practice dental hygiene which will allow dental hygienists to perform specific designated procedures, currently within the exclusive scope of dentists, without supervision in collaboration with a licensed dentist in eligible settings including CHCs. In addition, CHCANYS strongly supports A.5373 (Woerner)/S.4428 (Fernandez) which would allow New York to license and provide Medicaid reimbursement for dental therapists.

B. Support scope of practice reform across the care continuum.

CHCANYS is supportive of the Governor's proposed scope of practice reforms for physician assistants, specifically allowing qualifying physician assistants to independently practice in primary care and hospitals. CHCANYS also supports expanded scope of practice for physicians, physician assistants, nurse practitioners, and pharmacists related to patient and non-patient specific standing orders and regimens.

C. Expand billable providers at CHCs.

The Governor's FY25 budget builds on FY24 efforts to expand access to care by investing in Medicaid billable providers. However, these efforts have not applied to CHCs. CHCANYS encourages the legislature to advance language in their one house budgets that would explicitly expand the billable provider types at CHCs, including doulas, community health workers, all Licensed Master Social Workers, certified alcoholism and substance abuse counselors (CASACs), and peer support workers.

D. Sustain workforce investments.

CHCANYS commends Governor Hochul's sustained investments in workforce career programs. The proposed investments in Doctors Across New York (DANY), Nurses Across New York (NANY), and Diversity in Medicine Program will benefit communities served by CHCs.

E. Expand providers eligible to practice in NY.

CHCANYS also strongly supports the Governor's proposals to join the Interstate Medical Licensure Compact and the Nurse Licensure Compact. Joining these compacts will increase the pool of ready-to-work, experienced physicians and nurses.

F. Promote behavioral health in the Article 28 setting.

Since the end of DSRIP, the enacted state budget has temporarily renewed the authority of the DSRIP 3ai thresholds that allow Public Health Law Article 28 licensed facilities to provide behavioral health services as up to 49% of total visit volume. These threshold waivers are only allowable for facilities granted authority under the original DSRIP program. CHCANYS is supportive of the Governor's proposed extension of the DSRIP 3ai flexibilities through March 2026, and urges the Legislature to make the higher thresholds permanent for all Article 28 licensed free-standing diagnostic and treatment centers to expand access to behavioral health services.

V. Support healthcare coverage expansions for all New Yorkers, including undocumented immigrants.

CHCANYS supports the Governor's proposed reproductive health coverage expansions ensuring minors' confidential access to reproductive health care and protecting access to contraception by codifying it under the Reproductive Health Act. CHCANYS also supports the Governor's proposal to issue a "standing order" for doula coverage which will expand access to doula services and help improve maternal health outcomes.

CHCANYS urges the legislature to include the Coverage 4 All Initiative (A.2030B (Gonzalez-Rojas)/S.2237B (Rivera)) in their one house budgets, ensuring that all low-income New Yorkers have health insurance coverage, regardless of their immigration status. CHCs provide a robust safety net for undocumented immigrants and asylum seekers and insurance coverage would provide much needed financial support to CHCs; to date, most care provided to asylum seekers is uncompensated. Health insurance coverage for these populations will also enable access to specialty care outside of the health center system.

VI. Expand Medicaid managed care oversight.

CHCs, like other providers, contract with Medicaid managed care plans to receive payment for Medicaid beneficiaries' care. Under federal law, states are required to ensure health centers receive at least their full federally mandated Medicaid payment (the prospective payment system, or PPS) for services delivered to Medicaid beneficiaries, regardless of whether the health center is under contract with the patient's health plan. In July 2020, the Department of Health issued guidance requiring Medicaid

managed care plans to pay CHCs licensed under Mental Health Law Articles 31 and/or 32 at least their full government rate, the PPS. However, to date, there are many instances of plan nonpayment or payment lower than the PPS, and health centers have no recourse to collect what they are owed from the State for instances of payment lower than the PPS. CHCANYS is supportive of the Governor's proposals to enhance Medicaid managed care oversight, including allowing the Department of Health to impose liquidated damages for failing to comply with the model contract, and allowing the Department to issue a procurement process for Medicaid managed care plans.

VII. Sustain existing investments in key health initiatives.

CHCANYS asks the legislature to ensure continuation of historical funding of the following programs:

A. *NYRx Reinvestment Funds*
The FY24 enacted budget created a mechanism to mitigate the detrimental impacts on CHCs of the pharmacy benefit carve out and ensuing loss of 340B savings. The budget included $135M (state share) for CHCs and $50M for Ryan White clinics. That funding has been vital to sustaining critical services, including but not limited to low-cost medications, food/nutrition programs, transportation, mobile dental clinics, STI prevention programs and vaccination effort to address outbreaks of infectious diseases. We ask the legislature to continue its support for that funding in this year's budget.

B. *Diagnostic & Treatment Center (D&TC) Safety Net Pool*
The funding allocated through the Safety Net Pool plays a crucial role in supporting CHCs by partially reimbursing expenses related to the care of the uninsured. This funding helps to expand access to primary care, reduces unnecessary hospitalizations, and improves health outcomes for all New Yorkers regardless of healthcare coverage.

C. *Health Homes*
New York's Health Home program enhances care coordination for high need populations. Continued investment in the Health Home program is needed to bolster the State's Medicaid reform waiver initiatives.

D. *Health Care for Migrant & Seasonal Farm Workers*
The Migrant Health Care Program allows CHCs and other eligible providers to serve over 24,000 migrant and seasonal agricultural workers and their families. This vital funding supports CHCs that operate migrant healthcare programs across New York State, keeping farmworkers healthy by providing primary and preventive healthcare services, including culturally competent outreach, interpretation, transportation, health education, dental care and COVID-19 and flu vaccines.

E. *School Based Health Centers (SBHCs)*
CHCs operate more than half of New York's 260+ SBHCs, providing comprehensive primary care, including mental health and dental services, on-site at schools to over 250,000 children throughout the State. The SBHC is a critical access point to care for many children, especially those who are undocumented, uninsured, or otherwise don't have access to care. SBHCs have been especially crucial in providing care to asylum seekers' children, getting them the vaccinations and care needed

to enroll and attend school, and the need will continue to grow as more and more asylum seekers arrive in NYC.

F. *Rural Health Access Networks & Area Health Education Centers (AHECs)*
Funding for both the Rural Health Access Networks and AHECs is pivotal for rural communities and CHCs. Rural Health Access Networks play a crucial role in local health planning coordination, collaborating closely with AHECs to tackle healthcare workforce requirements. Through partnerships with institutions that train health professionals, these networks are able to address workforce needs in rural communities. CHCANYS supports full funding for both Rural Health Access Networks and AHECs to support their efforts to increase and expand access to care through health planning and enhancing workforce development opportunities.

Conclusion

To support the primary care safety net and to ensure ongoing access to high quality, affordable comprehensive community-based care for all New Yorkers, the Community Health Care Association of New York State respectfully urges the Legislature to:

- Invest in and reform community health center funding, including through Medicaid rate increases and PCMH enhancements.
- Provide full telehealth payment parity for community health centers.
- Allow MAs to vaccinate under qualifying supervision.
- Support:
  - Scope of practice reforms
  - Workforce programs & investments
  - Healthcare coverage expansions
  - Managed care oversight
- Continue investments in:
  - NYRx Reinvestment Pool
  - D&TC Safety Net Pool
  - Health Homes
  - Migrant & Seasonal Farmworkers Program
  - School-Based Health Centers
  - Rural Health Access Networks
  - Area Health Education Centers

Thank you again for the opportunity to submit this testimony. For any questions, please contact Marie Mongeon, Vice President of Policy, at mmongeon@chcanys.org.