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FQHC COMMUNITY HEALTH CENTER

Senate Finance and Assembly Ways and Means

Joint Legislative Hearing on the State Fiscal Year 2020-21 Executive Budget

Health and Medicaid

January 29, 2020

Thank you for the opportunity to provide testimony on the Governor's State Fiscal Year (SFY) 2020-2021 budget proposal. My name is Rose Duhan and I am the President and CEO of the Community Health Care Association of New York State (CHCANYS), the only statewide association for New York's Community Health Centers(CHCs).

CHCANYS: Supporting New York's Primary Care Safety Net Providers

CHCANYS is the voice of community health centers that serve as leading providers of primary care in New York State. We represent more than 70 Community Health Centers (CHCs), also known as Federally Qualified Health Centers (FQHCs), that operate over 800 sites statewide. CHCs are non-profit, community run clinics located in medically underserved areas that provide high-quality, cost effective primary and dental care, including behavioral health services, to anyone seeking it, regardless of their insurance status or ability to pay. Each CHC is governed by a consumer-majority board of directors who seek to identify and prioritize the services most needed by their communities.

Since the implementation of the federal Affordable Care Act, New York's CHCs have experienced exponential growth both in the number of sites and patients served. New York's 800 sites now serve more than 2.4 million, or one in eight, New Yorkers annually – approximately 700,000 more people than were served at health centers five years ago. In 2018, nearly 90% of patients served by our members were below 200% of poverty, 59% received Medicaid or CHIP, 16% were uninsured, and 32% of patients spoke limited English. All CHCs provide robust enrollment assistance to patients and, although CHCs do not collect information on immigration status, it is likely that the vast majority of uninsured patients are not eligible for insurance coverage due to immigration status. In short, CHCs are New York's primary care safety net

providers -- keeping people well in the community and avoiding higher cost institutional based settings, regardless of immigration status or insurance coverage.

SFY 2020-21 Executive Budget Proposal

A. The State must ensure level funding for providers participating in the Patient Centered Medical Home (PCMH) program in order to support comprehensive primary care services.

The PCMH model of patient-centered care is associated with improved health outcomes and reduced costs. New York developed its own PCMH standard in 2018, incorporating many practice capabilities that are central to the CHC model, such as providing coordinated, patient-centered care; promoting population health and using health information technology to deliver evidence-based care. NY PCMH also requires that providers participate in value-based payment arrangements.

Studies regarding PCMH in New York found that: (i) individuals who saw primary care physicians at PCMH sites had fewer specialty visits as compared to individuals seen at other primary care provider types[i]; and (ii) enrolled adults had 14.5% lower per patient per month costs as compared to a similar population that was not enrolled in PCMH.[ii] Nationally, PCMH-enrolled individuals are less likely to receive care in an emergency department as compared to non-PCMH enrolled individuals.[iii]

Funding for the program is a crucial investment in primary care and is necessary to support the rigorous standards of NY PCMH and the practice transformation efforts necessary for value-based payment. CHCs have enthusiastically participated in these efforts and now nearly 93% of New York's CHCs have achieved some level of PCMH certification. As of January 2020, 45 CHCs have become NY PCMH accredited, and it is anticipated many more will achieve certification in the coming months. CHCANYS estimates that community health centers received more than $56M in PCMH incentive payments in 2019. The high adoption rate of PCMH certification amongst New York's CHCs is a testament to health centers' commitment to

the DSRIP goals and to providing high-quality comprehensive care through care coordination, team-based care, population management capacity, health IT and a focus on measures that increase patient access.

Health centers have reported that participation in the PCMH program served as the impetus for their engagement in VBP contracts. Incentive payments aided in the development of comprehensive risk stratification algorithms that ultimately identified patients for intense care management. After reviewing the risk score, patient advocates, behavioral health providers, and other non-clinical staff were engaged to comprehensively address patients' needs and address gaps in care. PCMH payments allow health centers to improve quality outcomes and help drive timely, data-driven, team-based communication.

Any reduction to PCMH funding will directly impact health centers' ability to continue to provide high quality comprehensive primary care services and to engage in value based arrangements and care models. For the past two years, the Legislature has ensured that PCMH funding has remained stable, providing critical support for PCMH certified practices. In order to achieve its health care delivery system transformation goals, the State must commit to continued investment in the development of high-quality primary care.

CHCANYS respectfully requests that the Legislature ensure that the PCMH program funding is protected at 2019 levels at a minimum. To the extent that additional funds are available for the program, such funds should be distributed to safety net providers—those practices for which Medicaid enrollees comprise at least 35% of patients.

B. Carve out a portion of future DSRIP funding specifically for community based providers.

In November 2019, the State submitted a proposal to CMS requesting $8B to implement a new DSRIP program, which would run from April 2020 to March 2024. CHCANYS commends the State's work in the first round of DSRIP to reduce costs, improve patient outcomes, and decrease unnecessary inpatient and emergency room utilization. Community Health Centers were leads or

key partners in achieving many of the PPS benchmarks. However, for New York to experience a real transformation of the health care delivery system and sustain the gains thus far achieved through DSRIP, there must be a significant investment in community-based primary care. Only through this investment can the State achieve a true value-based system that improves health outcomes and reduces costs.

CHCANYS is pleased to see that the State has acknowledged the need for additional flexibility in the next round of DSRIP and is interested in ensuring the success of Value Management Organizations (VMOs). However, it is imperative the State provide direct investment, not only in our large institutional systems, but in community-based providers. Currently, 23 of 25 of the PPS leads are hospital-based, with no specific requirements about how funds flow to partners in the PPS networks. Meaningful governance participation by community-based providers, such as community health centers and community behavioral health organizations, and downstream investments to health centers and other community-based providers varied greatly from PPS to PPS. Using publicly available data reported by the State, it is extremely difficult to determine the amount of money received by health centers in the first round of DSRIP (which were collectively identified as "clinics" along with hospital ambulatory providers), but anecdotal evidence indicates that CHCs providing primary care to New York's most vulnerable populations, are only receiving limited funds as a partner in a PPS. In fact, 2018 data indicates that although hospitals represent only 0.2% of total engaged PPS partners, they receive the highest amounts of total DSRIP funds.[iv]

CHCANYS requests that the Legislature dedicate 40% of future DSRIP funds directly to community based providers, including community health centers, behavioral health providers, home care and hospice providers.

C. Maintain level funding for the D&TC Safety Net Pool

The Governor and Legislature have historically supported funding for the Safety Net Pool, to help cover CHCs' cost of caring for the uninsured, which make up 16% of patients. As in prior years, this year's Executive Budget includes $54.4M in state funding, which would draw down a

federal match of an equal amount. This funding partially reimburses CHCs for the cost of caring for the uninsured, the rate of which is three times higher at CHCs than in the general New York State population (5%). However, at some health centers, more than half of the patients are uninsured. Funding provided through the Safety Net Pool provides vital assistance to community health centers, thereby helping to off-set the overall cost of caring for the uninsured. Maintaining Safety Net Pool funding levels is aligned with the State's focus on ensuring access to primary care, reducing unnecessary hospitalizations and improving health outcomes for all New Yorkers, not just those who have access to insurance coverage.

CHCANYS urges the Legislature to maintain the Safety Net Pool at current funding levels and ensure that all New Yorkers, regardless of insurance status, continue to have access to high-quality, community-based primary care.

D. Clarify that the Executive proposal to impose a 3% surcharge on Certificate of Need applications for capital projects does not apply to Safety Net Diagnostic and Treatment Centers.

The Executive budget proposes a new 3% Certificate of Need (CON) surcharge on all applicants. Existing CON statutory provisions, outlined in subdivision 7 of section 2802 of the public health law, differentiate safety net diagnostic and treatment centers (D&TCs) from hospitals, nursing homes, and non-safety net D&TCs. In recognition of the fact that community health centers and other safety net D&TCs operate on thin margins and care for a high percentage of uninsured and underinsured patients, current law mandates lower CON fees for these providers. Charging lower fees for safety net D&TCs promotes the State's policy goal of expanding access to low-cost, primary and preventive community based care for Medicaid recipients and uninsured New Yorkers.

CHCANYS recommends that the Legislature follow the current tiered fee model for CON, and limit any charges to safety net D&TC providers to only a nominal application fee for capital projects.

E. Support the Executive proposal to extend the authority for agencies to waive regulations for providers who implemented programs under a DSRIP waiver to ensure continued access to innovative care models.

Last year, DOH, OMH, OASAS and OPWDD were granted authority to waive certain regulations for providers engaged in DSRIP projects "to avoid duplication of requirements and to allow the efficient scaling and replication of DSRIP promising practices," but this authority is expiring. Since the inception of DSRIP, many health centers have received waivers to enhance their behavioral health services and provide increased level of services to patients under their existing Article 28 licenses. These health centers have invested substantial resources in expanding integrated behavioral health services in furtherance of statewide transformation goals.

To the extent that this provision ensures the continued operation of integrated behavioral health and primary care services at health centers without requiring additional licensing requirements, CHCANYS urges the legislature to support the Executive's language of extending the authority until 2024..

F. **Maintain Level Funding for Doctors Across New York**

Since 2008, the Doctors Across New York (DANY) program has provided loan repayment and practice support funding to address physician recruitment and retention in locations throughout the State that lack sufficient capacity to meet community needs. While DANY has helped place physicians in communities across the state, the number of placements has not kept pace with the growing physician shortage. In the 11 years since DANY became law, there have been five solicitation cycles, with the program historically receiving more applications than awards available. The most recent awards, made in October 2019 for contracts beginning January 2020, funded 72 physicians, 7 of which planned to practice at community health centers. CHCANYS and the Workforce Advisory Group (WAG) look forward to continuing to collaborate with the Department of Health to improve program effectiveness, utilization and outcomes.

CHCANYS commends the Executive for proposing level funding of $9M for the DANY program, which would support 75 new awards and urges the Legislature to maintain this critical workforce program.

G. Maintain Support for Health Centers Serving Migrant & Seasonal Farm Workers

CHCANYS supports maintaining level funding for health centers that operate migrant health care programs across New York State. Migrant Health Care funding allows health centers and other eligible providers to serve over 24,000 migrant and seasonal agricultural workers and their families, an extremely vulnerable population that is integral to New York State's agribusiness. 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.

CHCANYS urges the Legislature to maintain $406,000 in funding for the Migrant Health Care program.

H. Maintain Level Funding for School Based Health Centers

New York's 225 school-based health centers (SBHCs), over half of which are operated by CHCs, provide comprehensive primary care, including mental health and dental services, on site at schools to over 250,000 children throughout the State. For many children, especially those who are undocumented, uninsured and/or those in underserved areas, the SBHC is a critical point of care.

CHCANYS urges the Legislature to maintain current SBHC grant levels ($17M).

Conclusion

To support the primary care safety net and ensure ongoing access to comprehensive community-based care for all New Yorkers, CHCANYS respectfully urges the Legislature to:

- ✓ Allocate:
  - At least 40% of future DSRIP funds to community based providers
- ✓ Clarify:
  - The 3% CON surcharge does not apply to safety net D&TC providers.
- ✓ Support:
  - Level funding for PCMH certified providers
  - Level funding for D&TC Safety Net Pool
  - Extension of agency authority to waive DSRIP-related regulations
  - Continued investment in the primary care workforce through the Doctors Across New York
  - Level funding for health services for migrant and seasonal farm workers
  - Level funding for school-based health centers

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[i] Kaushal R, Edwards A, Kern L. May 2015. Association Between the Patient-Centered Medical Home and Healthcare Utilization. American Journal of Managed Care. Am J Manag Care. 2015;21(5):378-386.

[ii] Raskas R, Latts L, Hummel J et al. 2012. Early Results Show WellPoint's Patient-Centered Medical Home Pilots Have Met Some Goals For Costs, Utilization, And Quality. Health Affairs. Vol. 31, No. 9: Payment Reform to Achieve Better Health care. https://doi.org/10.1377/hlthaff.2012.0364

[iii] Akuh Adaji, Gabrielle J. Melin, Ronna L. Campbell, Christine M. Lohse, Jessica J. Westphal, and David J. 2018. Katzelnick. Patient-Centered Medical Home Membership Is Associated with Decreased Hospital Admissions for Emergency Department Behavioral Health Patients. Population Health Management. Vol. 21 Issue 3. printhttp://doi.org/10.1089/pop.2016.0189

[iv] https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/paop/meetings/2018/docs/2018-11-29_updates.pdf