

FQHCs ARE INTEGRAL TO NEW YORK'S HEALTHCARE TRANSFORMATION

New York's Proposed Budget Includes *No Clear Investment* in Primary Care Safety Net Providers.

[FQHCs] are vital service providers in many communities and bring a lot to the table when it comes to achieving DSRIP goals.

– NYS Department of Health

New York State's healthcare agenda is focused on initiatives that seek to transform the health care delivery system through improved access to high quality, integrated, and community-based care. But State funding continues to focus on hospital-based care.

Meaningful, sustainable delivery system transformation will only be achieved if the State makes an appropriate financial and capital investment directly in the Federally Qualified Health Centers whose work is at the center of the reimagined care delivery system.

Health centers have expended extensive staff time and financial resources preparing for the implementation of New York's Delivery System Reform Incentive Payment (DSRIP) Program. However, at this time, no community-based partners, including FQHCs, have received any funding under DSRIP despite their significant investment in the planning process at the urging of New York State Department of Health.

It's time for NYS to invest in community-based care, including:

- **Providing capital funding for community-based safety net providers**
- **Ensuring full funding for the D&TC Uncompensated Care Pool**
- **Safeguarding the 340B program**
- **Restoring the 15% cut to school based health centers**

Without action on these four items, health centers' financial viability will be severely impacted at a time when the State should be supporting the expansion of the primary care safety net in furtherance of its own goals.

STATE INVESTMENT SCORECARD	HOSPITALS	FQHCs
PROPOSED CAPITAL FUNDING	\$1.4 BILLION	\$0
VAP PAYMENTS TO DATE	\$124.5 MILLION	\$0
UNCOMPENSATED CARE FUNDING	\$3.2 BILLION	\$54.5 MILLION

Earmark \$350 Million of the \$1.4B Capital Funding for Investment in Community-Based Safety Net Providers.

A MINIMUM OF 25% OF THE \$1.4 billion—or \$350 million—in capital funding allocated in this year’s Executive Budget should be earmarked for community-based safety net providers statewide, including FQHCs.

This amount is equal to the 25% reduction in avoidable hospital use that DSRIP seeks to achieve within five years.

Governor Cuomo’s proposed Budget proposes no clear investment into community-based safety net providers, including FQHCs, and instead continues to reinforce status quo through its allocation of \$1.4 billion in capital funding for hospital development and restructuring. Continuing to invest capital dollars in hospital development and restructuring without a counterbalanced investment in community-based providers directly contradicts New York’s focus on reducing avoidable hospitalizations and would further entrench the existing inpatient-focused healthcare delivery system.

Without a clear policy directive in the Budget, it will likely be extremely challenging, if not impossible, for community safety net providers to access these capital dollars.



NEW YORK STATE PLAN:

“New York must... [e]xpand the ‘physical plant’ of primary care providers such as Federally Qualified Health Centers (FQHCs) and rural clinics.”

– NYS Medicaid Redesign Team
Final Report and Action Plan, 2011

“Access to high quality primary care services requires capital to develop additional capacity and infrastructure... There is a need to increase access to services by locating primary care in targeted locations.”

– NYS Medicaid Redesign Team
Waiver Amendment, 2012

“Primary care providers need up-front investment in order to participate fully in health system integration.”

– NYS Medicaid Redesign Team
Waiver Amendment, 2012



REALITY:

“I think [the \$700 million] is like most of the rest of our capital program—we want to revitalize the hospital situation in Brooklyn.”

– Bob Megna, NYS Budget Director,
Capital New York, January 21, 2015

“Upstate hospitals would get \$700 million for capital improvements, refinancing.”

– Syracuse Post-Standard headline,
January 21, 2015

“Preliminary plans for a new hospital for the Mohawk Valley Health System have attracted the Governor’s attention—to the tune of \$300 million.”

– Rome Sentinel
February 4, 2015



Ensure that Diagnostic & Treatment Center Uncompensated Care Pool (D&TC UCP) is Fully Funded.

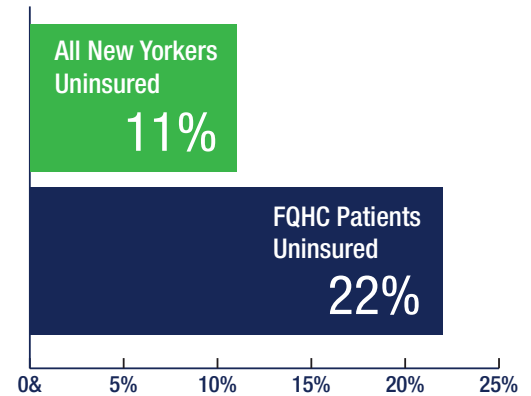
New York State must invest in care for New York's most vulnerable and ensure that FQHCs are appropriately compensated for the high-quality primary care services provided to all their patients, including those who are uninsured.

The D&TC UCP provides critical funding for community health centers, helping to off-set the overall cost of caring for the uninsured and ensuring that FQHCs are able to continue to serve as safety net providers for uninsured New Yorkers.

The Governor's Budget includes \$54.4 million for the D&TC UCP, which is typically matched by the federal government. However, CMS has yet to approve the match for this year, which would result in a \$54.4 million shortfall for health centers. Without this funding, FQHCs may face operating cost shortfalls and their financial viability may be severely impacted.

Twice as many FQHC patients are uninsured versus the overall New York State population.

FQHCs are the statewide primary care safety net for New York's uninsured.



Reject the Proposed Amendment to the 340B Program: Do Not Rely on Cuts to Safety Net Providers to Offset Medicaid's Pharmacy Costs.

Section 340B of the federal Public Health Service Act permits safety net providers in medically underserved areas, including FQHCs, to purchase prescription drugs at significantly reduced prices. The Governor's Budget proposes that the State reap the 340B benefit and not the intended covered safety net provider, including FQHCs.

FQHCs' 340B revenue is used to expand access and increase quality to improve patient care and reduce system costs. These are exactly the outcomes that are being promoted by the State in their delivery transformation initiatives.

Congress enacted the 340B program to "stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services."^[1]

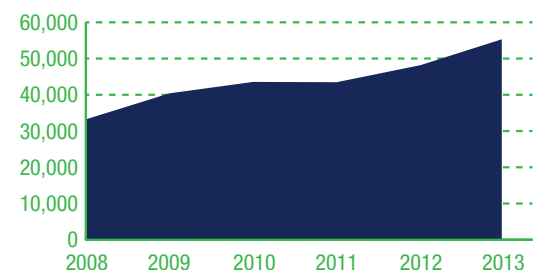
[1] H.R. Rep. 102-384, 102d Cong., pt. 2, at 12 (2d Sess. 1992).

Reject the Cutting and Block Granting of the School-Based Health Center Program.

The Executive Budget cuts essential funding for School-Based Health Centers (SBHC) by 15% through block granting. SBHCs are an integral part of the comprehensive primary care delivered by FQHCs.

State Aid for SBHCs has been reduced by \$3.2 million and 8 sites have been closed since 2008.

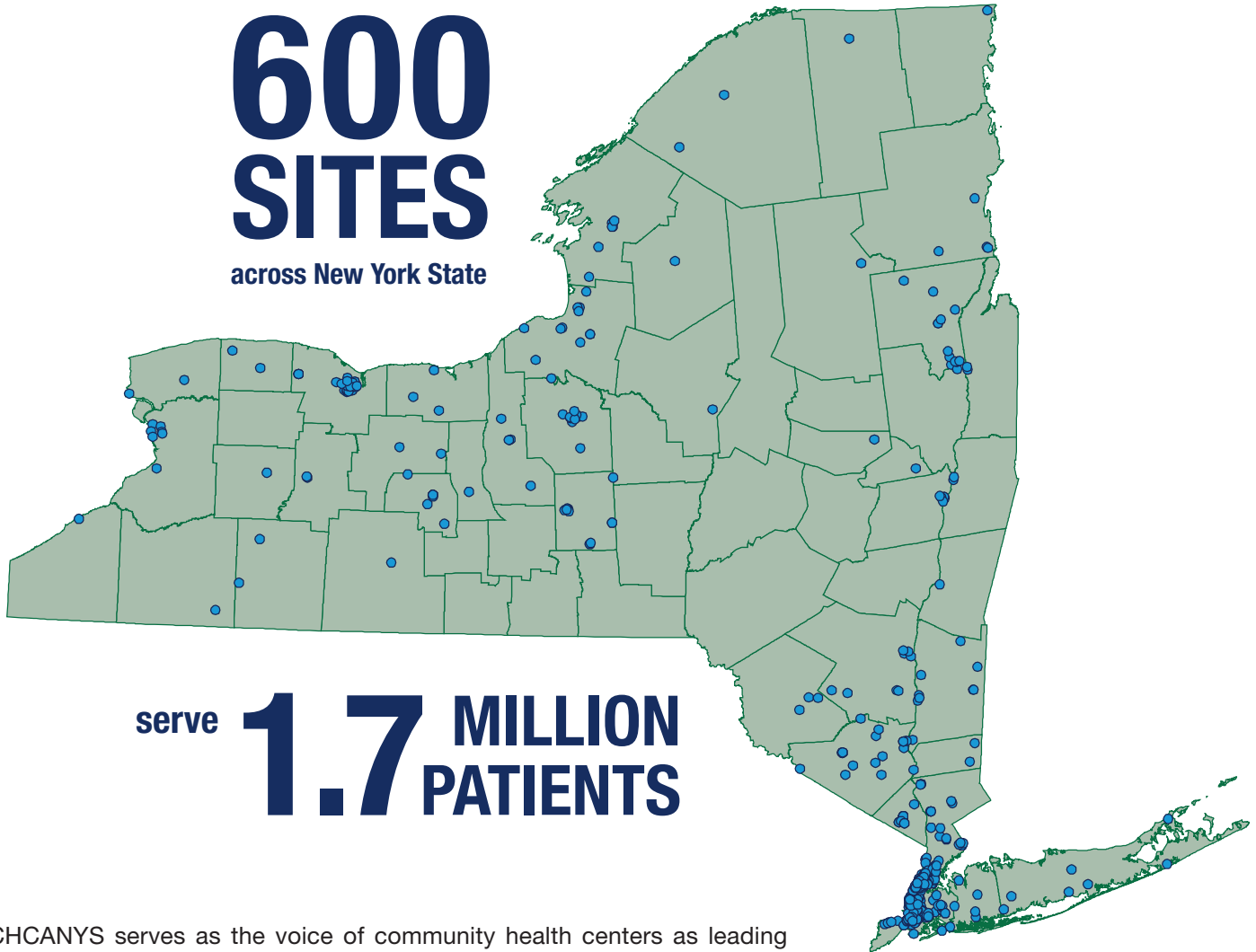
The number of students served by SBHCs increased by 67% between 2008 and 2013.



About Federally Qualified Health Centers (FQHCs) and the Community Health Care Association of New York State (CHCANYS)

600 SITES

across New York State



serve 1.7 MILLION PATIENTS

CHCANYS serves as the voice of community health centers as leading providers of primary care in New York State. We work closely with more than 60 Federally Qualified Health Centers (FQHCs) that operate over 600 sites across the state. These community health centers are located in medically underserved areas and provide high-quality, cost effective primary care to anyone seeking care, regardless of their insurance status or ability to pay. Each FQHC is governed by a consumer-majority board of directors who seek to identify and prioritize the services most needed by their communities.

FQHCs serve 1.7 million New Yorkers annually. In 2013, 86% of patients served were below 200% of poverty and 52% received Medicaid. Furthermore, one quarter of New York's FQHC patients are best served in a language other than English and three-fourths are racial and/or ethnic minorities. In short, FQHCs are New York's primary care safety net providers.



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Community Health Care Association of New York State www.chcanys.org

