



Increase Indigent Care Funding by \$20M

- Indigent Care Funding provides money to FQHCs and other safety net providers to help cover the overall cost of caring for **uninsured patients**.
 - Despite the introduction of the ACA and robust insurance enrollment assistance programs at all of New York's health centers, **17% of patients served by FQHCs are uninsured**.
- Since 2012, the Diagnostic and Treatment Center (D&TC) Indigent Care Fund has been comprised of \$54.4M in state funding and \$54.4M in federal matching funds for a total of \$108.8M annually.
 - This is the only state funding source dedicated to community-based safety providers.
- The mechanism that allowed the State to get federal matching funds -- called a waiver -- expired at the end of 2014. As a result, FQHCs did not receive any federal indigent care funds in 2015 and experienced a \$54.4M shortfall.
- CHCANYS worked with the State to secure a federal match for 2016 and beyond, but in order to continue the match, the federal government mandated a new distribution formula for the Indigent Care Funds.
 - Unfortunately, the new formula disproportionately affects FQHCs serving high numbers of uninsured patients and low numbers of Medicaid patients.
- The State created a one-time funding pool, comprised solely of state dollars, and was also able to draw down some additional federal dollars in 2016 to mitigate harm to recipients. **Unless this funding is continued, FQHCs will face a deficit of \$100M in uncompensated care costs in 2017 that they will need to cover using other funds.**
- FQHCs are mandated to serve everyone regardless of their insurance status -- they cannot choose to not see uninsured patients -- meaning that a reduction in funding for health centers may result in the need to reduce staff, eliminate expansion plans and/or limit access to care for all their patients.
- A decrease in indigent care funding may also unnecessarily increase reliance on more costly forms of care, precisely at a time when many people are at risk of losing coverage due to potential federal actions.
- We are therefore asking the Legislature to **increase funding for indigent care by \$20M** to reduce financial harm to FQHCs and ensure continued access to high quality, cost effective primary care for all New Yorkers.
 - The \$20M would be comprised of a \$10M mitigation pool and a \$10M addition to the D&TC Indigent Care Pool, which would draw down federal matching funds.