CHCANYS | Defining New Directions

Community Health Care Association of New York State

Senate Finance and Assembly Ways and Means
Joint Legislative Hearing on the
2010-11 Executive Budget
Health & Medicaid
February 9, 2010

Thank you for the opportunity to talk with you today about the Governor's budget proposal and our perspective on what works, what is missing and what needs to be changed. Our most urgent concern is ensuring that New York does everything it can to make sure that our community-based primary care infrastructure is not further weakened by State policy decisions in the coming months and year.

My name is Kate Breslin and I am the Director of Policy for the Community Health Care Association of New York State, 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.

Medicaid Matters

CHCANYS is a founding member of the Primary Care Coalition and also is an active member of Medicaid Matters New York, a coalition of more than 130 organizations focused on what Medicaid policy should be focused on --- the individuals and families who rely on Medicaid coverage.

Medicaid does matter to New York's health centers and to our patients. Forty-five percent of health center patients are covered through Medicaid, Child Health Plus or Family Health Plus and 28 percent are uninsured; Medicaid provides a significant portion of the funds that allow us to care for our patients and serve as New York's primary care safety net. We urge the Legislature to support proposals in the Executive Budget that reduce the number of uninsured New Yorkers, streamline public health insurance programs and devote funding to caring for the uninsured.

New York's Primary Care Safety Net

Community, migrant and homeless health centers serve as the family doctor and healthcare home for over 1.3 million New York State residents at more than 445 sites, rural and urban. Health

centers offer comprehensive primary care including family medicine, pediatrics, obstetrics and gynecology, dental, laboratory, mental health and substance abuse services. Also known as federally qualified health centers, community health centers are only located in designated underserved communities and provide an array of services targeted at the sickest, most at risk and hardest to reach. Many health centers subsidize prescription medicines for their patients, some providing medications for as little as $5 or $10 per prescription for their low-income uninsured patients. Most health center patients have family incomes below 100 percent of the federal poverty level; 74 percent are racial or ethnic minorities; and nearly one in four is not a native speaker of English.

Patient-Focused, Community-Based

Health centers are, by design and by law, community-based and patient focused. According to federal law, the majority of a federally qualified health center board must be patients of the health center.

A Crisis in New York's Primary Care Safety Net

New York continues to endure a budget crisis of historic dimensions. And decades of underfunding for community-based primary and preventive health care, coupled with payment delays and cuts, leave safety net primary health care on the verge of collapse in many underserved areas of the state. Even before the recent worsening of the economy, many community-based health care providers were barely able to meet payroll obligations from month to month. Many are unable to pay the salaries necessary to recruit physicians, mid-level practitioners and billing staff. Most have had difficulty recruiting and retaining professional staff because the primary care sector just can't pay as much as other sectors. Many community health centers have no reserves, making even a slight payment delay or glitch in reimbursement a major problem. And while the State promotes a new and reformed primary care reimbursement methodology, providers of care to the most underserved suffer from arcane, confusing and inadequate payment methodologies; the vagaries of managed care organizations; and a growing demand for care from people who just can't pay their bills.

New York Needs its Community Health Centers Now More Than Ever

Now more than ever New York needs its community health centers. Health centers are the state's front line when it comes to helping struggling families in New York. We provide care to uninsured and underserved - and do so with quality and integrity. We help keep people healthy - preventing hospitalizations and other high-cost care. The importance of health centers only increases with the economic down turn - we are the place folks turn when they lose their job and with it, their insurance, but still need medical care to keep a child's asthma under control or to manage their high blood pressure in a time of stress. Yet health centers struggle to meet demand.

With this in mind, we respectfully urge the Legislature to:

Increase funding for the Diagnostic and Treatment Center (D&TC) Indigent Care Pool.

On average, twenty eight percent of health center patients in New York are uninsured, and at some centers, more than half of all patients are uninsured. Last year, the Legislature thoughtfully and prudently added $8 million to the Diagnostic and Treatment Center Indigent Care Pool, the funds that help to ensure that uninsured patients can be cared for in primary care settings. These funds were swept away in the Governor's 2010-11 Budget proposal and the Governor's Budget also continued a 2% reduction (from last year's DRP) in the pool. These cuts undermine the very primary care safety net that the Department of Health has said we need to strengthen in order to advance broader health reform. New York State covers only 32 cents on the dollar for high quality, cost-effective primary health care for uninsured persons cared for in community-based primary care settings that help patients avoid more expensive settings. New York has applied for federal matching funds to assist the State in providing funding for this care; the waiver is awaiting approval from the Centers for Medicare and Medicaid Services.

Restore funding for Electronic Health Records (eHR) Transition; the Transition funding cut is a significant cut to the primary and preventive care safety net.

The Executive Budget proposal removes last year's (2009-10) Electronic Health Records (eHR) Transition Funding that was passed by the Legislature (by not reappropriating it) for community health centers and other primary care providers. The Executive Budget also eliminates the full $9.8 million ($4.9 State share) eHR Transition fund in 2010-11. eHR Transition funding enables primary care providers that care for a high volume of Medicaid and uninsured patients to implement integrated electronic health records. eHR Transition funds of $4.9 million in State funding draw down a Medicaid match. Primary care safety net providers are not large institutional providers, and do not have large operating margins with which to make these investments that are considered crucial to reducing duplication, coordinating care and measuring and tracking outcomes.

Promote thoughtful Medicaid policy and Medicaid program integrity efforts that target fraud, apply clear standards to program participants and do not make it even harder for needy patients to get the care that they need.

The Governor's Budget proposes an additional $300 million more than last year in targets for the Office of the Medicaid Inspector General, bringing the OMIG recoupment target to $1.17 billion. As noted earlier in my testimony, Medicaid is extremely important to New York's health centers and the integrity of the Medicaid program is essential: if Medicaid does not work well, New York's health centers will not survive. We are enthusiastic supporters of efforts to root out fraud and abuse. At the same time, our recent experience with the Medicaid Inspector General has left New York's health centers chilled and confused. OMIG audits over the last 18 months have sought to apply improper standards to payment policy and the audit processes have been extraordinarily and unnecessarily burdensome. Often, the target is not fraud, but technical issues (a misspelled name, misplaced digits in identification numbers, etc.), that permit recoupment even where all agree that high quality services have been delivered to eligible Medicaid participants. In other instances, OMIG has sought to apply interpretations of policy or procedure

that depart from or expand upon existing guidance from the Department of Health. Health centers rely on guidance from the Department of Health to inform their billing policies and procedures. Yet health centers have found that the Medicaid Inspector General often seems unaware of such guidance when initiating an audit, and as a result, applies policies to periods for which there is not clear guidance or interprets policy in different ways than the Department of Health. When this happens, the burden shifts to the health center to prove what the DOH guidance required, a process that can and has required expensive legal fees and considerable time away from focusing on patient care.

In addition to the issues raised above, we share the concerns articulated by many of our colleagues at last month's Senate Investigations and Government Operations Committee hearing, including the use of extrapolation techniques that are not understandable and recouping funds prior to final audit determinations or hearing outcomes and at excessive rates.

We are concerned that the increased recoupment targets, in the absence of changes in the OMIG's methodology and tactics, may allow the State to close budget holes on paper, while making the holes in the primary care safety net even bigger. We urge the Legislature to make budget decisions that are thoughtful and that lay the groundwork for strengthening our system, rather than chipping away at it.

Support the Executive Budget's Doctors Across New York proposal to bring physicians into underserved areas.

The Governor's Budget proposes 50 new slots for physician loan repayment and 50 for grants for physician practice costs in the Doctors Across New York program, the goal of which is to provide incentives for physicians to practice in medically-underserved areas throughout the state. There is a serious shortage of primary care physicians in rural and poor urban areas throughout New York State and over ¼ of the State's population live in areas designated as "underserved." And as primary care providers in economically distressed communities, health centers struggle to find the professional staff that they need. CHCANYS supports Doctors Across New York as an effort to improve access to health care services in needy areas across the state. We continue to seek an expansion of the program to cover mid-level practitioners, like nurse practitioners, and specialists, like dentists and psychiatrists, in areas where they are most needed.

Protect migrant health care.

The 2010-11 Executive Budget continues a funding reduction for Migrant Health Care Programs across New York State from $442,000 provided in previous years to $430,000. Migrant and seasonal farmworkers are integral to New York State's agribusiness. Yet three in five farmworkers live below the federal poverty level, and farm work ranks as the third most hazardous occupation in the nation, behind mining and construction. New York's migrant health care centers keep farmworkers healthy by providing primary and preventive health care services, including culturally competent outreach, interpretation, transportation, health education and dental care. CHCANYS requests that funding be restored to $442,000 in order to serve this special population that is at high risk for injury and illness.

Support efforts to provide "medical homes" for underserved New Yorkers.

CHCANYS urges the Legislature to support efforts to ensure all New Yorkers have a health care home so that patients can access timely and appropriate primary and preventive health care. A medical home is where care is provided in a comprehensive, coordinated, culturally competent way. Evidence shows us that medical homes yield better patient health outcomes and lower costs by ensuring provision of timely and appropriate primary and preventive health care, and, in turn, reducing expensive emergency room visits and avoidable hospitalizations.

Community health centers have built a national reputation for high quality health care based on a commitment to standards that align with the medical home model. We urge Legislature to support programs that align incentive payments to provision of high quality, cost-effective care to Medicaid and other patients and to ensure that standards are patient-focused and that they incentivize increased access for the hardest to reach.

In Sum.

While you, our budget and policy experts, examine where and how to balance New York State's budget, we respectfully request that while you act to shore up this year's budget, you do so in the context of a long-term plan. For decades New York State has urgently needed to rebalance its health care delivery system from one reliant on expensive emergency and inpatient care to one that makes available strong, effective, affordable primary and preventive care. Failure to do so continues to leave New York at the high end of spending but near the bottom in addressing the health needs of its vulnerable populations. We respectfully request that the Legislature strengthen our primary care infrastructure and protect those who are most vulnerable.

I sincerely appreciate the opportunity to present my testimony to you today. Thank you.

Kate Breslin
Director of Policy
CHCANYS
90 State Street, Suite 601
Albany, NY 12207
518-434-0767 x14
kbreslin@chcanys.org