



**Senate Finance and Assembly Ways and Means
Joint Legislative Hearing on the
2013-14 Executive Budget
Health & Medicaid
January 30, 2013**

Thank you for the opportunity to talk with you today about the Governor's budget proposal. My name is Beverly Grossman and I am the Director of Policy for CHCANYS, the State's association of community, migrant and homeless health centers.

Who Are We?

The most urgent concern of the Community Health Care Association of New York State (CHCANYS) is to ensure that all New Yorkers, including those who are medically underserved, have continuous access to high quality community-based health care services including a primary care home. To do this, CHCANYS serves as the voice of community health centers as leading providers of primary health care in New York State. As New York's Primary Care Association, CHCANYS works closely with more than 60 federally qualified health centers (FQHC) that operate approximately 600 sites across the state. Serving 1.5 million New Yorkers, these FQHCs are central to New York's health care safety net.

FQHCs operate in underserved communities across the state and provide health care services to the neediest patients - including homeless persons, migratory and seasonal agricultural workers and public housing residents. Federally qualified health centers' mission is to improve community health, particularly among vulnerable and underserved populations. Our community health centers provide comprehensive primary care including: family medicine; pediatrics; obstetrics and gynecology; dental; laboratory; mental health; substance abuse and pharmacy services. These extensive clinical services are supported by their community-based Board of Directors where 51 percent of the members are patients of the health center. Together, FQHCs constitute one of the most extensive and trusted primary care networks in New York State.

New York State's Federally Qualified Health Centers have grown steadily since 2007, through federal investment and the diligent efforts of the health centers themselves. Between 2005 and 2011, patient caseloads increased by 36 percent and the annual number of visits grew by 38 percent. Between 2005 and 2011, health centers expanded staffing to meet the growing demand for services. During this period, full-time-equivalent positions at FQHCs increased by 45 percent overall, and clinical staffing (excluding administrative and facility support positions)

increased by 51 percent. By 2011 FQHC provided over 10,500 full-time-equivalent positions many of which are hired from the local community.

This Year's Executive Budget Proposal

Governor Cuomo has championed the value of community health centers in providing access to high quality primary care to underserved communities – not only in his previous budgets, but in the State's 1115 Waiver to the federal government, which made improved access to primary care the first enumerated “bucket” of initiatives.

New York State must continue to move forward with the vision laid out in the MRT Waiver regardless of approval of CMS. While we understand that not all aspects of the MRT Waiver can be implemented without Federal resources, the State must make every effort to ensure that access to community health centers is retained and expanded.

While we recognize and support our State leadership in making fundamental health system reforms to reduce costs, improve health status and quality of care in New York, we are concerned about ambiguities in the 2013-2014 Executive Budget appropriations. The Executive Budget includes undefined “buckets” of funding and broadens the authority to the Commissioner of the Department of Health to review, allocate and change funding after the passage of the budget. Leaving decisions regarding the expenditure of these to the discretion of the Commissioner without clear timelines or guidance creates significant uncertainty for community providers.

Support for the Governor's Proposals

CHCANYS and FQHCs strive to **advance the “triple aim” of better care, improved health and reduced cost.** FQHCs provide high quality and cost-effective primary care to anyone seeking care, regardless of insurance status or ability to pay. With this in mind, New York's FQHCs and CHCANYS support the following proposals:

- **The Executive Budget's proposed \$54.4 million for the Diagnostic and Treatment Center (D&TC) Indigent Care Pool;**
- **The MRT Workforce Recommendations included in the Executive Budget,; and**
- **Increase funding for Essential Community Provider Network and Vital Access Providers.**

Maintain the Executive Budget's proposed \$54.4 Million for the Diagnostic and Treatment Center (D&TC) Indigent Care Pool

The Executive Budget clearly proposes to continue funding at \$54.4 million for the Diagnostic and Treatment Center (D&TC) Indigent Care Pool. The D&TC Indigent Care Pool provides funding to health centers for services provided to uninsured patients. Though they try hard to ensure that eligible people are enrolled in health insurance plans, 26 percent of health center patients are uninsured and at some centers, more than 50 percent of patients are uninsured. Overall, uninsured visits comprise a quarter of the State's FQHC patients.

The D&TC Indigent Care Pool, while under funded, does provide much-needed assistance to community health centers towards the overall cost of caring for the uninsured. The D&TC Indigent Care Pool uses a simple, transparent formula to assess “uncompensated care need.” Put simply, the “need” is calculated by multiplying the number of “self-pay” or uninsured visits times that facility’s Medicaid rate. From that amount, the amount that the facility received to offset the visits (i.e. if the patients paid anything for the visit) is subtracted to come up with a nominal figure representing “need” or losses. The more uninsured care a center provides the greater proportion of the pool the center receives. The D&TC Indigent Care Pool is vital to ensuring that FQHCs are able to continue to serve as the primary care safety net for uninsured New Yorkers.

A Strong Primary Care Workforce

Successful implementation of health care reform, the Affordable Care Act (ACA), and the implementation of Medicaid Redesign in NY State requires expanded primary care capacity to both care for the influx of newly insured people and ensure a strong safety net for those who remain uninsured. A sufficient and appropriately trained workforce is essential to the transformation of health care in NY State. CHCANYS supports the portions of the Executive’s Budget that address seven of the MRT workforce scope of practice recommendations including those aimed at assuring that staff are able to work at the top of their licenses.

Community health center’s capacity to deliver high quality health care services to their local communities is closely tied to the health care workforce they employ. As we strive to create a health care system that is more integrated and focused on team-based care, we must move away from solely relying on physicians to deliver care and instead assign roles and responsibilities among different health professionals and staff, including physician assistants, nurse practitioners, dental hygienists, and social workers.

For example, although demand for oral and behavioral health services is increasing in FQHCs, they are often challenged to find an adequate workforce to deliver these services. More than one in five FQHC patients in New York State received mental health services in 2011 with a 56 percent increase over the past four years. Oral health services have also expanded dramatically. FQHCs provided oral exams to nearly 250,000 patients in 2011 and experienced a 40 percent increase in dental patients over the past four years.

At the same time demand is increasing, FQHCs are struggling to maintain doctors. Both the oral and behavioral health sectors suffer from physician shortages and mal-distribution of qualified providers in rural and underserved communities. This uneven access results in health disparities. FQHCs ability to fully utilize mid-level practitioners to respond to these shortages helps to ensure adequate access, thereby reducing health disparities.

FQHCs can increase their capacity to serve more patients by reconfiguring their staffing models and implementing new care delivery models. These approaches aim to maximize the use of existing providers and staff and improve the efficiency of care. The MRT Workforce proposals included in the Executive Budget align with these goals.

Filling existing provider vacancies in FQHCs increases their capacity to serve more patients. If all vacant positions were filled, capacity would increase by about 850,000 visits a year, or 12.6

percent statewide. That additional provider capacity could accommodate 185,000 additional patients. Primary care providers must be able to recruit, train, and keep a workforce that is stable and well-qualified to serve low-income patients.

Increase funding for Essential Community Provider Network and Vital Access Providers

The Executive Budget proposes to expand the Vital Access Providers (VAP) program to \$182 million in 2013-14 and \$153 million in 2014-15. The VAP program provides funds to essential safety net institutions that care for high Medicaid or uninsured populations. Providers participating in the program need to demonstrate restructuring plans to address their financial challenges and to improve outcomes.

To achieve the Triple Aim, primary care must be at the center of any system of care. This requires a profound shift in New York's health care system, which has historically been focused on large institutional care settings and has underinvested in less costly primary and preventive care. Decades of underfunding for community-based primary and preventive health care have left some safety net primary health care providers including FQHCs, on the verge of collapse. Additionally, primary care capacity is also at risk from hospital consolidations, mergers, restructuring, and closings. Resources should be deployed through the VAP program not only to hospitals but also to community health centers and other community-based providers that play a vital role in absorbing and strengthening primary care capacity in these communities. VAP resources should be directed at efforts to stabilize the primary care sector and develop integrated systems of care with a focus on expanding primary care access.

CHCANYS Seeks Clarity on Certain Proposals

Although CHCANYS supports the following items, the Governor's Budget Proposal leaves outstanding questions regarding the below proposals;

- **Amount of funding to support the Migrant Health Care;**
- **Amount of Funding to support the Primary Care Service Corps and Doctors Across NY programs**
- **Health Planning in the Context of CON Reform**
- **Emergency Preparedness and Recovery Funds for FQHCs**

Continue Funding for Community Health Centers Serving Migrant and Seasonal Farm Workers and their Families

CHCANYS strongly supports continued funding at previous fiscal year levels (FY 12-13 \$430,000) for Migrant Health Care Programs across New York State. The Governor's budget proposal, however, does not clearly fund this program – instead lumping it into block funding for various programs, which the Commissioner can decide whether and when such funding becomes available for this purpose.

Migrant Health Care funding allows health centers and other eligible providers to care for over 18,000 migratory and seasonal agricultural workers and their families, who are integral to New York State's agribusiness. Migratory and seasonal agricultural workers are an extremely vulnerable population. 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.

FQHCs have experienced a growth in the number of migratory and seasonal agricultural workers they serve. Since 2007, FQHCs have seen a 21 percent increase in the number of migratory and seasonal agricultural workers they serve but at the same time, have seen no increase in New York State funding to serve these patients.

Funding for Doctors Across New York and Primary Care Service Corps.

New York State recruitment and retention programs, Doctors Across New York (DANY) and the Primary Care Service Corps (PCSC), are and have been crucial mechanisms helping underserved communities and facilities with shortages of health care providers to recruit and retain clinical providers. The Executive Budget proposal, again, does not explicitly provide funding for these programs, but appears to subject their funding to the Commissioner's discretion.

The DANY program is targeted for physicians and includes Physician Practice Support and Physician Loan Repayments. These programs provide incentives to physicians who practice in medically underserved areas. However, the growth in demand for primary care physicians in New York State will still likely outpace growth in the supply of primary care physicians. This coupled with emerging models of team-based care; highlights the importance of growing the primary care health delivery system beyond physicians.

The purpose of the Primary Care Service Corps program is to increase the supply of midwives, nurse practitioners, physician assistants and others who practice in underserved communities. Eligible clinicians receive loan repayment funding in return for a commitment to practice in an underserved area.

There is a serious shortage of primary care practitioners in rural and poor urban areas throughout New York State and over one quarter of the State's population live in areas designated as "underserved." CHCANYS supports clear funding for Doctors Across New York and the Primary Care Service Corps, to support the recruitment and retention of more providers in underserved areas.

Eliminate CON for Primary Care

CHCANYS strongly supports New York State's efforts towards Certificate of Need (CON) reform. As part of these activities, the Executive Budget includes the proposal to eliminate CON for primary care where construction does not involve change in capacity, services provided, major medical equipment, facility replacement or geographic location. However, the Executive Budget does not include any proposals towards enhancing health planning.

The State should work concurrently on CON reform and activities to enhance its support of local health planning initiatives. Collaborations that support combined regional and state-level planning efforts will help focus the building of sustainable primary care capacity where it does not currently exist.

There is a critical need to build New York's community-based health care infrastructure and every effort should be made to encourage expansion. However, New York State should not abandon its efforts to strengthen local health planning. New York State should realign its monitoring system towards a process that rewards documented good quality, and penalizes those with inferior and stagnant quality outcomes. Local health planning can play a critical role in this by assessing both the quality and quantity of primary care services in communities. While a methodology has yet to be developed, we believe the efforts towards CON reform and the creation of regional health planning moves New York closer to this goal.

Superstorm Sandy's Impact and the FOHC Response

FQHCs throughout New York State experienced significant financial losses due to Hurricane Sandy. An assessment by CHCANYS showed that 45 New York FQHCs had 168 sites that experienced some disruption of operations due to the storm. Disruptions included severe structural damage to the facility, loss of equipment, and closures or limited service hours. These disruptions produced substantial losses of revenue and are compounded by repair and replacement costs for facilities and equipment lost or damaged in the storm and subsequent flooding. According CHCANYS' financial impact survey, New York FQHCs experienced over \$2.5 million in infrastructure damage, \$3.6 million in operational losses and \$12.5 million in revenue loss due to site closures; totaling **approximately \$19 million in financial losses due to Hurricane Sandy**.

FQHCs were located in many of the hardest hit areas including Long Island, lower Manhattan, the Rockaways, Red Hook, and Staten Island. For example, Joseph P. Addabbo Family Health Centers was particularly hard hit with four of their sites being forced to temporarily close in Far Rockaway and Red Hook. The Institute for Family Health's lower Manhattan site was closed for an extended period as their site was without power for two weeks. All FQHCs in lower Manhattan, Staten Island and Long Island had loss of power including Community Healthcare Network (CHN), Ryan-NENA Community Health Center, Community Health Center of Richmond, Beacon Christian Community Health Center and Long Island FQHC.

In the face of these obstacles, FQHCs were resilient and found creative solutions. CHN and Ryan-NENA quickly began providing services despite losing power. CHN and Joseph P. Addabbo clinics set up their mobile vans to treat patients and Ryan-NENA used a backup generator to remain open and serve their community.

FQHCs also collaborated with each other during these tough times. In the aftermath of Hurricane Sandy, eight community health centers dispatched 12 mobile medical and outreach vans to provide health care to communities in Brooklyn, Queens, and Staten Island devastated by the storm. Acacia Network, Inc., Children's Health Fund, Community Healthcare Network, Greater Hudson Valley Family Health Center, Refuah Health Center, Urban Health Plan, William F. Ryan Community Health Network, and Callen-Lorde Community Health Center provided these

much needed resources to their partners in New York City. Because of this collaborative effort FQHCs began providing free services to anyone who needed care mere days after the storm.

This spirit of collaboration was exemplified by Refuah Health Center. Located in Sullivan County, Refuah received a call from the New York State Department of Health asking if they would send one of their mobile medical vans to communities devastated by the storm. Refuah sent three vans and by 5:00 the next morning, two vans were on their way to Queens and one to Brooklyn. Refuah's staff and providers worked through the night to ensure that the vans were stocked with supplies and medicine and that the technology and communications systems were in place.

Whether implementing their yearly-tested emergency operations plans, seeing patients by lamplight or offering the support through mobile medical vans, time and time again community health centers found ways to rise above their situation. Despite immense challenges faced in the aftermath of Sandy, FQHCs remained an invaluable asset to their communities.

FQHCs need assistance to rebuild from the devastation of Sandy. Federally-qualified health centers are, by definition, located in and serve low-income and underserved communities. The absence of recovery funding to FQHCs jeopardizes essential primary care providers in already underserved communities. As we look toward ways of strengthening New York State's emergency response, we must at the same time preserve and support access to comprehensive primary care, particularly in underserved areas. You must ensure adequate funding to cover losses sustained by FQHCs during Hurricane Sandy.

In closing, primary care and FQHCs are the cornerstone of reformed and improved healthcare for New Yorkers. FQHCs help keep people healthy - prevent unnecessary hospitalizations, reduce ER visits and avoid other high-cost care that drain New York State's Medicaid budget.

CHCANYS proudly serves as the voice for the primary care safety net and Federally Qualified Health Centers. We stand ready to work in partnership with other sectors of our complex health care delivery system to do a better job of coordinating care, meeting the needs of New Yorkers while reducing and containing health care costs.

I thank you for the opportunity to share our perspective with you today.

Please contact Beverly Grossman with any questions at 518-434-0767 or via email at bgrossman@chcanys.org.