



## **Allocate a Minimum of \$125M of the Health Care Facility Transformation Fund to Community-Based Healthcare Providers**

- The Executive Budget includes \$500M for a Healthcare Facility Transformation Fund, of which a minimum of \$30M, or 6%, is set aside for community-based health care providers, including FQHCs.
- These funds can be used for debt retirement, as well as capital or non-capital projects that support transformation initiatives and the move to a financially sustainable, patient-centered health care delivery system and/or preserve or expand essential health care services. Funds cannot be used to support general operating expenses.
- Last year's final budget included a \$195M Healthcare Facility Transformation Fund and a minimum of \$30M, or 15%, was set aside for community-based providers.
  - These funds have not yet been distributed, but 163 community-based provider applicants requested \$436M in funding -- nearly fifteen times the \$30M set aside—demonstrating the overwhelming need for resources.
- New York State is relying on the work of the community-based healthcare provider sector to transform the state's health care delivery system through initiatives such as DSRIP and the transition to value-based payment, yet it has not made a proportional investment in the sector to support this work.
  - Over the past three budget cycles, only 6% of the nearly \$2.8 billion in transformation funding allocated for health care providers was available to non-hospital community-based healthcare providers, including FQHCs. 94% of funding went to hospitals.
- FQHCs need access to capital and working capital to support enhanced integration of services, development of care coordination models in preparation for value-based payments, and modernization and expansion of facilities and to solidify new and existing community partnerships to address social determinants of health.
- CHCANYS urges the Legislature to set aside a minimum of \$125M, or 25%, of the \$500M Health Care Facility Transformation Fund solely for community-based healthcare providers.
  - This amount mirrors the DSRIP goal of reducing unnecessary hospitalizations by 25%.