



## **Allocate a Minimum of \$60M of Capital Funding to Community-Based Health Care Providers**

### Background

- The Statewide Health Care Facility Transformation Program was established in 2016 to provide funding to health care providers for debt retirement and capital projects that support transformation initiatives and preserve or expand essential health care services.
- Last year's final budget allocated \$500M for the Program and included a set-aside of \$75M, or 15%, for community-based providers.
- To date, a total of \$495M in Transformation funding has been awarded, including \$87M for 45 community-based providers.
  - 163 community-based provider applicants requested a total of \$436M in funding, or five times more than the amount ultimately awarded.

### Budget Proposal and Impact

- The 2018-2019 Executive Budget includes \$425M for the Statewide Health Care Facility Transformation Program, of which \$60 million, or 14%, is set aside for community-based health care providers, including FQHCs. However, \$20M of the \$60M is allocated to Assisted Living Program providers (ALPs), meaning that the amount available for community-based providers is only \$40M, or 9% of the total funds available.
- The overwhelming response to the previous rounds of capital funding makes clear that there is an enormous need from the community-based sector for capital resources to support participation in transformation initiatives.
- 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, 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 \$60M of the \$425M Statewide Health Care Facility Transformation Program funding specifically for community-based health care providers.**