

**Testimony of**  
**THE COMMUNITY HEALTH CENTER ASSOCIATION OF**  
**CONNECTICUT (CHCACT)**  
**Before**  
**The Appropriations Committee**  
**regarding the Department of Social Services Budget**  
**Presented by**  
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The Community Health Center Association of Connecticut has the privilege of representing thirteen of the fourteen Federally Qualified Health Centers (FQHCs) in Connecticut. FQHCs provide critical access to and high quality primary care and preventive services to patients in underserved areas of our state regardless of ability to pay. To give you some idea of the scale of their work as an essential component of Connecticut's health care delivery system and particularly the SAGA provider network, it is important to note that in 2009 all FQHCs in the state combined cared for over 283,762 unduplicated users at almost 350 sites across the state. This represents an increase of 70% since 2001 due to expansion of the number of centers and sites of service. Patient visit volume has increased 9% each year since 2003 to over one million visits last year for medical, dental and mental health services.

Connecticut health centers have been making many changes in order to be ready to step up to the challenge of caring for more Connecticut citizens as the demand for access to health services has grown steadily. Connecticut's FQHCs have utilized \$25.8 million in state bonds released in 2006 to add to or enhance infrastructure at their respective health center sites. Health centers have increased their office and clinical space, purchased new equipment, expanded their hours and hired more clinical providers. The timing of the American Recovery and Reinvestment Act could not be better as data shows that the health centers' medical user population grew by almost 9% between 2006 and 2008, and dental users grew by 8% between 2006 and 2008.

Medicaid patients make up nearly 50% of the population of patients served by FQHCs. Statewide, SAGA patients make up 10 % of the patient population, and most of the remainder of the patient population is uninsured. The FQHC network of providers cares for over 29,000 SAGA patients, 63% of all SAGA patients in the state and SAGA patients accounted for 126,075 visits in 2009, 10 % of the total patients visits at FQHCs.

Several of the proposed DSS budget changes will dramatically impact the FQHCs' ability to function.

**Reduction of reimbursement for SAGA Medical to 90% of the FQHC per visit rate will reduce FQHC revenues across the 13 CHCACT member centers by over \$1 million. Almost 25 full time jobs will be eliminated, hours during which patients can access FQHC services will be reduced, wait times for appointments will increase and the increased utilization of hospital emergency rooms will drain the state's already limited resources.**

**The elimination of outstationed eligibility workers at FQHCs contravenes the federal requirement that an outstationed eligibility worker be placed at every FQHC<sup>1</sup>. Connecticut has a long history of**

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<sup>1</sup> Code of Federal Regulations § 435.904 Establishment of outstation locations to process applications for

compliance with this requirement and the Community Health Center Association of Connecticut has been contracted to orchestrate the efforts of these community health outreach workers for the last ten years. An indicator of the increased need for assistance with Medicaid enrollment is the steady increase in applications processed by FQHCs. In 1998-2002 average number of applications approved per site per quarter was 40. In 2004/05 the average per site per quarter increased to 90. By early 2008 this number had increased to 117 applications on average per site per quarter. In the current state fiscal year, FQHC outreach staff have successfully process over 3000 applications for HUSKY A, HUSKY B, HUSKY A adults, and pregnant women over the age of 21--- and the average number of applications processed per site per quarter has reached 128. Further, CHCACT was recently funded (September 30, 2009) by CMS under CHIPRA to launch a major effort to enroll eligible but uninsured children in Connecticut. Nine FQHCs are using this CHIPRA funding to reach 29,000 children in Connecticut who are eligible but unenrolled. It is clear in the CMS guidance that maintenance of effort on the State's part is expected. More importantly, CHIPRA grant funds cannot supplant existing state expenditures for Medicaid and CHIP outreach and enrollment efforts. Any suggestion that the State's Medicaid Outreach program can be replaced with these CHIPRA efforts directly conflicts with the strict requirements of CMS that states certify CHIPRA funds will not be used to supplant state funded enrollment efforts.

**Cost sharing requirements for HUSKY** will further impact FQHC revenues. The FQHCs care for a patient population that is unable to pay co-pays and will likely become uninsured if required to pay increased premiums. The result will be greater losses for each patient visit. Health center uninsured visit volume has grown between 2005 and 2009 by 375%. Between 2006 and 2007 before the economic downturn, the volume of uninsured visits rose 10% in one year alone to 171,154 visits. Uninsured patient volume in 2009 for CHCACT's member FQHCs has grown to close to 50,000 patients. The cuts to the DSS budget will accelerate the growth of uninsured visit volume and decrease revenues beyond what the FQHCs will be able to absorb.

The FQHCs are deeply concerned that the General Assembly has an unrealistic expectation of the ability of health centers to absorb a reduction in their payments for services to SAGA patients, the elimination of the workforce in FQHCs dedicated to enrolling eligible patients in Medicaid and other programs that bring federal dollars into Connecticut to pay for healthcare, additional uninsured children and families if cost sharing results in loss of insurance among the HUSKY population. At a time when Congress and the president are increasing the emphasis on FQHCs as a cost effective health care delivery system and when the emphasis on medical homes is increasing, Connecticut will be best served by preserving the statewide system of care that health centers offer Connecticut's children and families.

We cannot rely on further spending cuts in this budget. Dollars cut already outnumber revenues raised 3:1.<sup>2</sup> Because of the national recession, people's needs are going up dramatically as the state's resources to meet those needs are falling. And spending cuts result in job losses.<sup>3</sup>

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**certain low-income eligibility groups** requires agency must establish either—(i) Outstation locations at . . . each Federally-qualified health center, as defined in section 1905(1)(2)(B) of the Act, participating in the Medicaid program and providing services to Medicaid-eligible pregnant women and children; or (ii) Other outstation locations, which include at least some, disproportionate share hospitals and federally-qualified health centers, as specified under an alternative State plan that is submitted to and approved by CMS if the following conditions are met:(A) The State must demonstrate that the alternative plan for outstationing is equally effective as, or more effective than, a plan that would meet the requirements of paragraph (c)(1)(i) of this section in enabling the individuals described in paragraph (b) of this section to apply for and receive Medicaid;

<sup>2</sup> Budget passed in the fall had \$3 billion in cuts according to Sen. Pres. Don Williams and about \$1 billion in revenue increases.

<sup>3</sup> Based on calculations of the impact of spending cuts by the national Center for Economic and Policy Research, [www.cepr.net](http://www.cepr.net), the spending cuts we have made cost us over 40,000 jobs.

We need a balanced approach that addresses the state's structural revenue problem with a revenue solution. Specifically, we urge you to support the revenue options proposed by the Better Choices for Connecticut coalition, including closing corporate tax loopholes, evaluating corporate tax breaks to see whether CT is actually getting an economic return on its investment, delaying reductions in the estate tax, and increasing income taxes on households most able to pay.

On behalf of the patients and families currently served by FQHCs, we ask that the Committee be extremely cautious about any cuts to reimbursement that will destabilize the FQHC infrastructure which is so critical to public health at a time when so many Connecticut citizens must turn to the safety net.