

TESTIMONY before the APPROPRIATIONS COMMITTEE  
RE: IMPACT OF PROPOSED STATE BUDGET CUTS

Presented by Arvind Shaw, CEO- Generations Family Health Center

February 17, 2012

Senator Harp, Representative Walker and members of the Appropriations Committee:

I am Arvind Shaw, CEO of Generations Family Health Center which has full service sites in Willimantic, Putnam, Danielson and Norwich Connecticut.

In 2011, Generations Family Health Center saw 19,187 patients generating 65,000 visits from 4 licensed sites. 10,600 (55%) of those patients were Medicaid enrollees who received 42,000 visits. 4,551 (24%) were uninsured patients who received 15,691 visits.

FQHCs are reimbursed for the services they provide according to the federal requirements that states implement a Prospective Payment System (PPS) that was established in 2001. In the ten years since the PPS system was implemented, FQHCs have:

(First three slides)

- Expanded locations/sites and hours of operation
- Scope of services to include: Specialty Care for HIV, Ortho, Cardio, Women's Health, Podiatry, etc.
- Added Electronic Health Records
- Increased Services to the Uninsured

Over this time period the FQHC rates have been increased by what is known as the Medicare Economic Index (MEI) which is a smaller amount compared to the increases in the cost of providing health care services. (See Graph comparison of the MEI to Health Care Inflation Rates)

Today, the average Medicaid reimbursement for an FQHC medical visit is \$142.48. As you can see from the attached comparison of the increase This rate is all inclusive and FQHC providers will only be reimbursed for one medical visit per day, one dental visit per day, and one behavioral health visit per day regardless of the volume of services, number of procedures that are provided WITHIN those visits. A typical visit may include:

- Health Maintenance Exam or Chronic Disease Management
- Medication Reconciliation
- On-site Lab Testing (glucose, urinalysis, A1C, etc.)
- On-Site Diagnostic Testing (ie EKG)
- Immunizations
- Care Coordination Services: Translation, Transportation Assistance, Referral Management Assistance obtaining needed medications

The U.S. Department of Health and Human Services has documented that each emergency room visit in Connecticut has an average cost of \$1,452. A visit to a health center for Chronic disease management care is reimbursed on average by Medicaid \$142.48 per visit. (See slide Table) According to the Office of Health Care Access (OHCA), in 2009, 47 % of emergency room visits in Connecticut were for non-urgent care. The total cost to Connecticut's health system in 2009 for non-urgent emergency room visits was \$1,102,825,769. Medicaid paid for approximately 30% of this amount, or \$330,847,730. Even a modest shift of patients away from emergency rooms to community health centers would more than pay back the state for the cost of the services provided by health center facilities. National studies have shown that communities that are served by Community Health center's save the MEDICAID Program on average 40%.

I respectfully ask the Appropriations Committee to consider these points in addressing the proposed DSS budget cuts. The impact of these proposed cuts will mean eliminating access to care and/or restricting services for thousands of HUSKY D clients seen annually in FQHCs in Connecticut. The most vulnerable of the State's residents, now cared for in cost effective and efficiency community-based settings, will have no alternative but the Emergency Departments for care. This is clearly not a cost savings - it is a cost shift.

# **FQHC**

## **Prospective Payment System**

Total Costs (1999-2001)

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Total Visits (1999-2001)

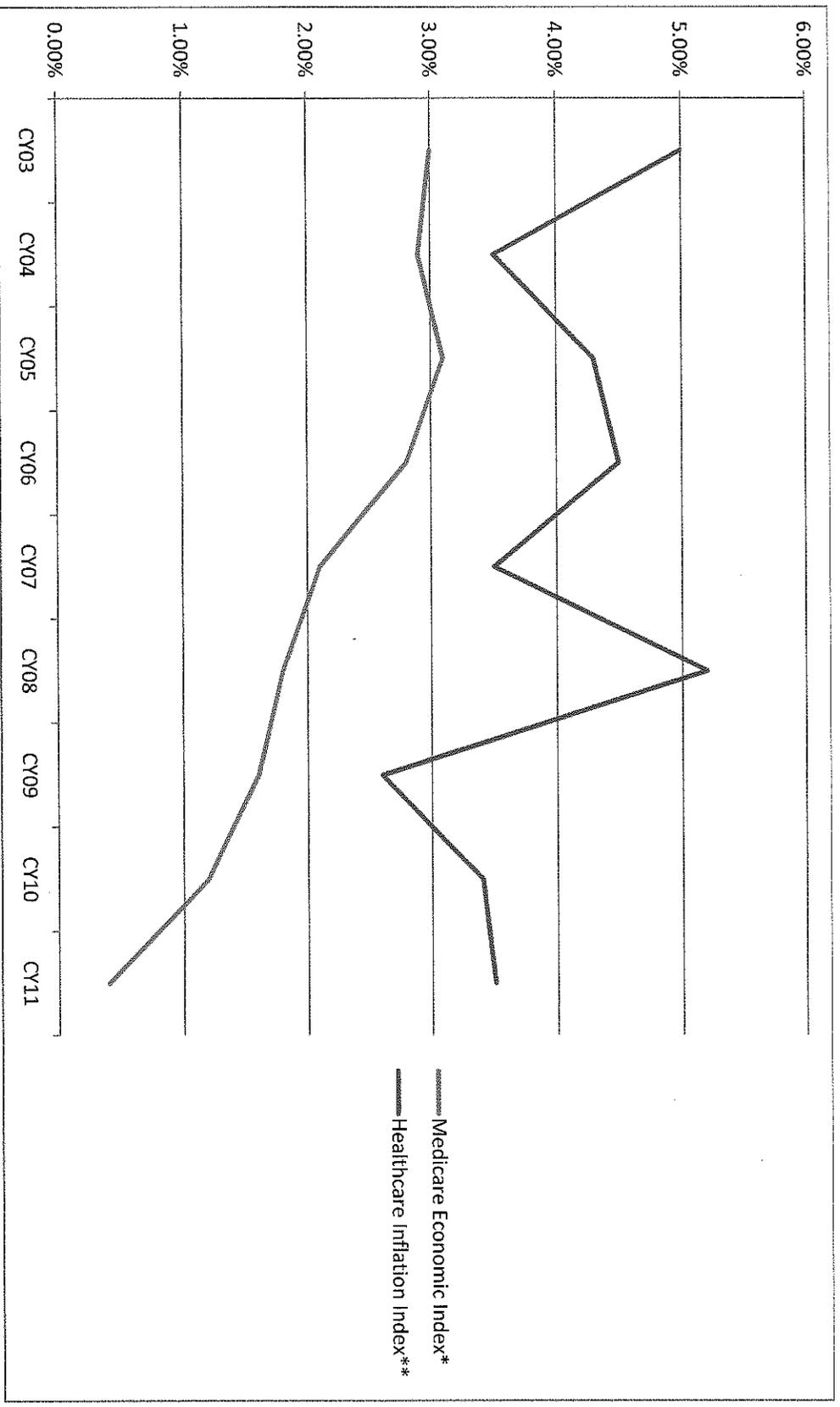
2011- Average Rate for FQHC's= \$142.48

# Fee Comparison

## Chronic Disease Management Visit

Service	FQHC Avg Rate	Private Insurance	Emergency Room
Chronic Disease Mgt Visit	\$142.48	\$128.68	
EKG	\$0	\$41.58	
Hemoglobin	\$0	\$3.19	
Urinalysis	\$0	\$3.55	
Glucose	\$0	\$4.59	
Cholesterol	\$0	\$20.51	
TOTAL	\$142.48	\$202.10	\$1,452.00

# Comparison of % Increase of FQHC Rates vs. Healthcare Inflation Rates



\*Center for Medicare and Medicaid Services  
 \*\*Bureau of Labor Statistics, Consumer Price Index. Based on the unadjusted consumer price index of medical care.

# Visits vs. Procedures

