



# Community Health Center Association of Connecticut

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Testimony of

Community Health Center Association of Connecticut

Presented by

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Good evening and thank you for this opportunity to comment today on Governor Malloy's budget proposal regarding the budget for the Department of Social Services.

The Community Health Center Association of Connecticut (CHCACT) is a nonprofit organization that exists to advance the common interests of Connecticut's federally qualified health centers (FQHCs) in providing quality health care. Through training, technical assistance, public policy work and other initiatives, CHCACT supports the 14 FQHCs in their provision of comprehensive health care to over 329,000 residents across the state every year.

A profile of FQHC patients in Connecticut (2012):

- 94% low income (under 200% of federal poverty level)
- 58% Medicaid
- 23% uninsured
- 16,000 homeless
- 73% racial/ethnic minorities

FQHCs are grounded in their communities: they are governed by local Boards of Directors, at least 51% of each Board must be patients at the centers. Their staff – **over 2800 people across the state** – live in the neighborhoods and therefore know the cultures of and speak the languages of the patients they serve. A recent survey of staff at CT FQHCs revealed that the most common second language was Spanish. But there was no consensus about the next most common language: FQHCs across the state responded that their next most common language was Creole, Bosnian, Albanian, Bangla...the list of languages went on and on!

On behalf of the state's health centers, I'd like to thank this Committee for the support you've shown in the past for the work that we do. Tonight I'd like to comment specifically on two proposals included in the governor's budget: 1) the elimination of coverage for HUSKY parents over 133% of federal poverty level; and 2) the annualization of a change made as a result of December's deficit mitigation plan – the elimination of PCMH-related payments to federally qualified health centers.

**Reduction in HUSKY Parents' Eligibility From 185% of FPL to 133% of FPL:**

At a time when the nation and our state are attempting to expand access to health care, the proposal to reduce the income limit for HUSKY parents is antithetical to those goals. Although individuals at the impacted income levels (i.e., parents between 134% and 185% of FPL) will be eligible for significant federal subsidies to help them purchase insurance, they are likely instead to become uninsured. A study conducted by Mercer Health and Benefits for our very own Health Insurance Exchange projected that only half of parents in that income category would be likely to purchase insurance. Based on the governor's budget, that **could create 15,000-20,000 newly uninsured parents in Connecticut.**

Why will they choose to be uninsured instead of buying health insurance through Access Health CT, Connecticut's health insurance exchange? First, premiums in the health insurance exchange, although not yet known precisely, are expected to be prohibitive. Because of the cost of living, those earning 150% of the federal poverty level in Connecticut are living at a lower standard than people with the same earnings in other states; most of their earnings are accounted for by rent, utilities, food and other basic needs. Finding the money for health insurance premiums will prove extraordinarily challenging, especially for parents, who may need/prefer to spend extra money on necessities for their children.

Moreover, even those who do purchase insurance may still lose access to health care. Co-pays and deductibles could discourage these low-income individuals from seeking health care services. Federal regulations do limit out-of-pocket maximums for individuals earning under 200% of FPL: the limits are \$2250/year for individuals and \$4500/year for families. A single parent who loses HUSKY coverage could be forced to pay an additional \$2250 annually, on top of monthly premiums. This is for coverage that will likely be less comprehensive than that provided by HUSKY.

Importantly, when parents lose HUSKY coverage, their children often lose it as well. So, an unintended consequence of this proposal could be that Connecticut ends up with more uninsured children, as well as adults.

Finally, the state's safety net providers – those who will continue to serve this population, regardless of whether or not they have insurance – will take yet one more financial hit with this proposal. When the budgets of the health centers have already been reduced through rescissions (e.g., November's rescissions to the DPH Community Health Services line item) and other Medicaid funding cuts (described below), this revenue stream takes on added importance to ensure financial sustainability.

Instead of making this change now, CHACT respectfully recommends that policymakers wait until the state has the Exchange up and running, until provider networks are solidified, until outreach and enrollment infrastructure have been established, and until both DSS and the Exchange have adjusted to the many changes coming in the next year or more. At that point, this proposal could be reconsidered.

### **Annualization of Elimination of PCMH-related Payments to FQHCs:**

As you may know, Connecticut has embarked on an initiative to improve the care provided to HUSKY enrollees by incenting providers to become recognized as Person-Centered Medical Homes (PCMH). Because of the significant number of HUSKY enrollees seen at FQHCs, DSS and CHN (the HUSKY administrative services organization) initially prioritized assisting FQHCs with this transformation. However, the December deficit mitigation plan eliminated all PCMH payments to FQHCs – including add-on payments for FQHCs on the “glidepath” toward PCMH recognition, add-on payments for those FQHCs already recognized and quality payments that were scheduled to start in June. The governor’s proposal annualizes this change and I ask this Committee instead to reverse that decision.

OPM Secretary Barnes has explained the elimination of these incentives by indicating that FQHCs are reimbursed “at cost” and are already providing the types of services included under PCMH.

Unfortunately, although FQHCs do provide comprehensive health and enabling services to their patients, PCMH recognition goes significantly beyond what is already being provided. Recognition involves changing the entire practice work flow and meeting substantial benchmarks set by national accrediting organizations. Most of the state’s FQHCs continue to seek this recognition, but they now are doing so without the financial resources they need – putting a strain on their budgets. Please note that, last January, DSS chose to eliminate Medicaid payments to FQHCs for rounding on their hospital patients. Combined, these two changes cost the FQHCs collectively more than one million dollars annually.

December’s legislation also required FQHCs to submit annual cost reports to DSS. So, all of the FQHCs eagerly await DSS’s examination of these cost reports – and would certainly anticipate subsequent adjustment of their rates – or rebasing – in order to ensure that they really are being reimbursed “at cost.” If the rates are not reflective of cost, then there will be no justification for the continued lack of PCMH-related payments.

### **Additional Comments:**

During this era of implementation of health reform, the FQHCs continue to be a critical part of the state’s public health care system, providing care to some of the neediest residents of our state. In fact, they and the hospitals are some of the only places that turn no one away, including immigrants – both legal immigrants who have been here fewer than five years (and are therefore ineligible for Medicaid), and undocumented immigrants. Based on the experiences of Massachusetts, the role of health centers will likely increase with the increase in health insurance enrollment. Governor Malloy’s budget proposal recognizes this by projecting a significant increase in FQHC patients over the next several years.

Moreover, FQHCs provide more than just health care services. In addition to enabling services, FQHCs also have Medicaid Outreach workers and SNAP Outreach workers on site. Patients are connected to services that they need to improve their quality of life. The state aims to integrate outreach/enrollment efforts for HUSKY and the Exchange; it is our hope that these eligibility services will continue, which is a requirement under federal law (42 C.F.R. §435.904). FQHCs hope to be participants in those initiatives.

I ask this Committee to continue your historical support of health centers. Thank you and I’d be happy to answer any questions.

