



# STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

## TESTIMONY PRESENTED BEFORE THE APPROPRIATIONS AND PUBLIC HEALTH COMMITTEES

December 12, 2013

**Jewel Mullen, MD, MPH, MPA, Commissioner**

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Good morning, my name is Dr. Jewel Mullen. I am Commissioner of the Department of Public Health (DPH) and I am here to testify on the report regarding financial assistance for community health centers.

Section 141 of Public Act 13-234 (attached) requires the Commissioner of Public Health to establish and administer a financial assistance program for community health centers. Specifically, the act charges DPH with developing a formula to disburse program funds to the centers. The act indicates that the formula must reflect the number of uninsured patients each center serves and the types of services the center provides. The act limits participation to public or private nonprofit medical care facilities that (1) meet community health center statutory requirements, and (2) are designated by the U. S. Department of Health and Human Services as a federally qualified health center (FQHC) or FQHC look-alike (i.e. is eligible for but does not receive federal Public Health Service Act Section 330 grant funds). This new approach will ensure that grants to centers will be distributed equitably based on a formula that takes into account the number of uninsured and the services provided, rather than on an ad hoc basis.

DPH staff conducted a survey of forty nine states and the District of Columbia to identify the various methodologies used to allocate funds to FQHCs and to determine if formulas used in other states could be adapted for use in Connecticut. Staff then convened an internal workgroup consisting of programmatic and fiscal personnel to review the information provided by other states and explore possible formula options. As a result, three formula options were developed utilizing the Health Resources and Services Administration Uniform Data System, or UDS, as a data source. The proposed formula includes three components: a percentage for a base award, a percentage based on care provided for the uninsured, and a percentage based on the types of services provided by the center.

*Phone: (860) 509-7101, Fax: (860) 509-7111  
Telephone Device for the Deaf (860) 509-7191  
410 Capitol Avenue - MS # 13COM  
P.O. Box 340308 Hartford, CT 06134  
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The report that is before you presents the three formula options. Implementation of any one of these options will result in changes in state funding support for all of the centers. DPH recommends implementing formula Option 1. We do acknowledge that conversion to this new approach does result in cuts to some centers in the coming fiscal year. Consequently, the Department would consider a phase-in for the implementation of a formula. A more gradual implementation would allow time for those centers adversely impacted to make the necessary adjustments. However, it is important that we start on a path to a new system which is based on rational criteria for funding distribution that more accurately reflects the performance and needs of each center.

Thank you for your time. Department programmatic and fiscal staff are available to answer any questions.



**House Bill No. 6705**

**Public Act No. 13-234**

**AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HOUSING, HUMAN SERVICES AND PUBLIC HEALTH.**

Sec. 141. (NEW) (*Effective July 1, 2013*) (a) The Commissioner of Public Health shall, within available appropriations, establish and administer a program to provide financial assistance to community health centers. For purposes of this section, "community health center" means a public or nonprofit private medical care facility that meets the requirements of section 19a-490a of the general statutes and has been designated by the United States Department of Health and Human Services as a federally qualified health center or a federally qualified health center look-alike.

(b) The commissioner shall develop a formula to disburse program funds to community health centers. Such formula shall include, but not be limited to, the following factors: (1) The number of uninsured patients served by the community health center; and (2) the types of services provided by the community health center.

(c) (1) On or before October 1, 2013, the commissioner shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to public health and appropriations and the budgets of state agencies concerning the formula to disburse program funds that is developed in accordance with subsection (b) of this section.

(2) Not later than thirty days after the date of their receipt of such report, the joint standing committees shall hold a public hearing on the proposed formula described in the report. At the conclusion of the public hearing, the joint standing committees shall advise the commissioner of their approval or denial of the proposed formula. If the joint standing committees do not so advise the commissioner during the thirty-day period, the proposed formula described in the report shall be deemed approved. Except as provided in this subdivision, the commissioner shall not implement a formula to

disburse program funds to community health centers unless such formula is approved by the joint standing committees in accordance with this subdivision.

(d) The commissioner may establish requirements for participation in the program, provided the commissioner provides reasonable notice of such requirements to all community health centers. Community health centers shall use program funds only for purposes approved by the commissioner.

