



Community Health Center Association of Connecticut

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Testimony of

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*Regarding the Human Services Provisions
of Governor Malloy's Budget Proposal*
Appropriations Committee

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Good evening and thank you for the opportunity to testify about the Human Services provisions of Governor Malloy's budget proposal, which will impact hundreds of thousands of Connecticut residents.

On behalf of Connecticut's federally-qualified health centers (FQHCs), which serve 342,000 patients each year, I offer comments on the following:

Reallocation of FQHC Funding from DPH to DSS: As this Committee knows, FQHCs historically have received funding from the Department of Public Health (DPH) to help fill in the gaps left by uninsured patients who pay on a sliding fee scale and underpayment by HUSKY. These grants, in combination with federal grants given to all FQHCs nationally, help keep FQHCs afloat so they can provide needed medical and social services. The governor's budget eliminates the \$4.4 million DPH pool and instead allocates the same amount of aggregate funding to FQHCs through the state Medicaid program.

This worthy proposal allows Connecticut to both save state money and bring in additional federal funding, without reducing the pot of needed funds to FQHCs. However, concerns revolve around how the funding is allocated to individual FQHCs once it is moved. Specifically, instead of distributing the funds in a supplemental manner, as the governor proposes, I ask the Committee to **build in the new Medicaid funding** as rate increases to FQHCs.

Medicaid reimbursement currently covers approximately 87% of the cost of a Medicaid visit. Although this percentage is higher than for other health care providers, FQHCs see more HUSKY patients (60% of FQHC patients have HUSKY) and more uninsured patients (20-25% of FQHC patients are uninsured) than any other provider type. FQHCs cannot cost shift to other payers. They need Medicaid rate relief, because they are unable to make up this gap through patient revenue or other services.

If the funding is not built into the rates in perpetuity, the pool could be targeted for elimination as early as next year. Unfortunately, that is exactly what happened when the legislature – with all good intentions – added \$10 million for FQHC rates two years ago: despite legislative intent, the first year's funds were distributed in a supplemental manner, and the second year's funds were removed.

Additionally, all FQHCs must be held harmless in this transition from DPH to DSS. The methodology the Department of Social Services (DSS) uses in determining distribution will be critical to ensuring that FQHCs are able to continue to provide comprehensive services in their communities. The Community Health Center Association of CT has necessary data to work with this Committee and DSS to help ensure the funds are distributed fairly and without harm.

The loss of these funds – either the loss of the pool entirely or a reduction to one or more FQHCs through recalculation/redistribution – would be devastating to FQHCs, and would result in employee layoffs, as well as a reduction in health care and social services.

Reduction in Income Limits for HUSKY A Parents and Pregnant Women: The governor's budget proposes reducing HUSKY income limits for parents and pregnant women to 138% of federal poverty level.

As you know, HUSKY provides a robust health plan that includes dental, medical and behavioral health care, with no copayments. It is designed this way to remove as many barriers as possible to accessing health care. The 35,000+ individuals who lose HUSKY eligibility under this proposal would instead be channeled into qualified health plans sold on Access Health CT – plans which have monthly premiums, deductibles before coverage kicks in (except for preventive care), copayments for services, and no dental coverage at all. It is very likely that many of these individuals would never purchase a plan through Access Health; would purchase a plan, but not keep up with the monthly premiums; or would keep up with the premiums but reduce their usage of needed health care services.

Those who are patients at FQHCs would continue to be able to access care as long as the FQHCs are able to stay in business providing services. However, the elimination of HUSKY payments for services to these patients will present a challenge to the already-fragile bottom line of FQHCs. These individuals, who were once on HUSKY, will be essentially uninsured until they reach their deductibles; at FQHCs, they will pay for services on a sliding fee scale, which will cover only a fraction of the cost of a visit.

The reduction for pregnant women could lead to additional problems, as these women may not seek proper prenatal care. Combined with the proposed elimination of Healthy Start, this cut could jeopardize both the woman and her child, who, notably, will likely be a HUSKY enrollee upon birth.

Even in this difficult budget year, Connecticut must remain a national leader in the provision of health care to our residents. I ask this Committee to reject the governor's proposals to reduce income limits for HUSKY.

Thank you for your consideration.