



# Community Health Center Association of Connecticut

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Testimony of

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

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Thank you for the opportunity to testify about the Health provisions of Governor Malloy's budget proposal.

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) which 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 (by adding \$1.75 million in state funds, to bring in \$2.65 million in a federal match).

The governor's proposal allows Connecticut to both save state money and bring in additional federal funding, without reducing the pot of needed funds to FQHCs. CHCACT does not object to this proposal **provided that funds are built into Medicaid funding** as permanent increases to FQHCs' Prospective Payment System (PPS) rates.

As background, FQHCs are paid differently than other health providers, specifically through a Prospective Payment System ("PPS"), which provides a flat amount for each visit, regardless of duration, complexity and services provided. Patient acuity, need for language translation and need for other support services usually make the FQHC visit cost exceed the PPS rate, sometimes significantly. **On average in Connecticut, FQHC Medicaid reimbursement covers approximately 87% of the cost of a Medicaid visit.** FQHCs submit cost reports to the Department of Social Services each year, which substantiate these data.

Although this percentage of cost 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.

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.

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 Funds for School-Based Health Centers:*** The governor’s budget annualizes a recent rescission and further reduces funding for school-based health centers (SBHCs), which could lead to reduced health care access for Connecticut children and teens.

School-based health centers are a proven resource that allow children to stay in school and be more successful. Instead of missing a large portion of a school day for a preventive dental visit, a behavioral health visit or an annual physical, children can simply go down the hall during lunch or study hall and receive those services. This is particularly helpful for working parents, families with transportation issues and students who cannot afford academically to miss many classes.

Connecticut should be increasing its investment in SBHCs, not decreasing it, to align with the increased attention to health care access overall, to improve vaccination rates and, specifically, to improve access/utilization of behavioral health services. Many recent studies/reports have recommended the enhancement of behavioral health services in the school setting. For example, the recommendations of Connecticut’s Task Force to Study the Provision of Behavioral Health Services for Young Adults include “expand comprehensive school-based health centers, both in number and to support the inclusion of mental health services in all school-based health centers.” Behavioral health visits currently comprise approximately 41% of all SBHC visits (from 30% four years ago, a 37% increase).

The governor’s proposal assumes that more children will be insured, either through HUSKY or private insurance, thereby reducing the need for the State to supplement SBHCs. However, Connecticut’s rate of uninsured children is already so low that most uninsured children are likely *uninsurable*. Reducing state grants will lead to a direct reduction in services available to children.

Thank you for your consideration of these items.