State of Maine
130th Legislature
Joint Standing Committee on Appropriations and Financial Affairs

Testimony of Charles F. Dingman
On behalf of the Maine Primary Care Association

Supporting
LD 1995, "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2022 and June 30, 2023"

Sponsored by Representative Teresa Pierce

February 28, 2022

Senator Breen, Representative Pierce, and members of the Joint Standing Committee on Appropriations and Financial Affairs, I am Charlie Dingman, a lawyer with the firm of Kozak & Gayer, and I am here today on behalf of the Maine Primary Care Association (MPCA). MPCA is a membership association that includes all of Maine's 20 Federally Qualified Health Centers (FQHCs), also known as Community Health Centers (CHCs).

Maine's CHCs provide comprehensive medical, behavioral, and dental care for more than 200,000 individuals or 1 in 6 Maine people. Community Health Centers make up the largest primary care network in the state, and they are at the forefront of delivering care to rural and underserved communities in our State, without regard to patients' ability to pay.

The Maine Primary Care Association supports LD 1995, the Governor's proposed supplemental budget, while also urging that the Legislature, in its deliberations on the bill, adjust that budget to account for urgently needed rebasing of the decades-old reimbursement system that currently leaves Maine's Community Health Centers underpaid for the essential and comprehensive services they deliver.

Before turning to the reasons for that request, MPCA wants to pause to thank the Governor for including in her supplemental budget the correction of a longstanding problem arising from the imposition of a $3.00 per visit copayment on FQHC services. The budget proposes this same change for Maine's Rural Health Clinics (RHCs). This correction[1] represents a small but important step toward equity in the treatment of FQHCs, RHCs, and their patients. MPCA assumes that this initiative is intended to make a permanent change in FQHC and RHC copayments. Accordingly, it should be accompanied by a language amendment to repeal 22 M.R.S. § 3173-C (7), paragraphs (R) and (S), which mandate those copayments.

[1] Part A of the Supplemental budget document at p. A-94: "**Initiative:** Provides funding for the removal of member copays for Federally Qualified Health Center and Rural Health Clinics services." The initiative calls for an appropriation from the General Fund of $25,399, matched with federal funds of $61,492.

Of far greater importance to maintaining high quality primary care services to underserved communities, MPCA urges the Committee to recommend modifying the proposed supplemental budget to include funding for the first rebasing of FQHC reimbursement in over 20 years. The impact of the pandemic on FQHCs has been enormous, yet these providers are among the very few sectors of Maine's health care system that have received *no supplemental assistance at all* from State government. Even without the extraordinary pressures arising from COVID-19, Maine's Community Health Centers desperately need reimbursement that recognizes the past two decades of cost increases. Maine's CHCs have never before asked the Legislature for rate relief, yet the delivery of primary care services has become far more integrated and complex since the 1999-2000 base period, which is still in use today. .This update will provide an essential foundation for the Department's move – which MPCA supports – into Value-Based Payment methods for primary care.

Pending before the Health and Human Services Committee is LD 1787, "An Act To Improve the Quality and Affordability of Primary Health Care Provided by Federally Qualified Health Centers." The central themes of this bill, sponsored by Senator Claxton and co-sponsored by Senator Moore, are to ensure a solid foundation for future value-based payment methods for community health centers by, among other things, rebasing their rates for the first time in twenty years. I will not repeat before this Committee the many reasons that this bill is urgently needed, but I attach for your reference a compendium of testimony – from MPCA, individual health centers, and other concerned parties – detailing the importance and urgency of this request for updated rates.

I am pleased to report that active and constructive dialogue among MPCA, the Department, and Senator Claxton hold promise for an amended measure that could address the urgent need for rebasing. (I would note that a very similar rebasing was provided to Rural Health Clinics just two years ago, and there is no reason that a similar approach should not be taken for community health centers) Assuming, as we hope, that the HHS Committee reports out LD 1787 favorably, we respectfully urge this Committee to include in its final report on this budget bill the funds necessary to cover this rebasing. MPCA estimates this to require $6-7 million in state funding, but the figure will be more precisely articulated when a fiscal note is prepared.

Thank you for your time during the hearing and for your attention to this somewhat more detailed written testimony. I would be pleased to respond to any questions now or via the contact information provided below.

Charles F. Dingman, Esq.
Mobile (207) 240-9146
Direct: (207) 430-0842
cdingman@kozakgayer.com

Kozak & Gayer, P.A.
157 Capitol Street, Ste. 1
Augusta, ME 04330
(207) 621-4390