



**Testimony before the Joint Standing Committees on Appropriations and Financial Affairs
and Health and Human Services**

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February 21, 2017

Senator Hamper, Representative Gattine, Senator Brakey, Representative Hymanson and distinguished members of the Appropriations and Financial Affairs and Health and Human Services Committees: my name is Vanessa Santarelli and I serve as CEO of the Maine Primary Care Association (MPCA) whose members include all 20 of Maine's Federally Qualified Health Centers (FQHCs), otherwise known as Community Health Centers (CHCs). I am testifying today in opposition to **LD 390: "An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2018 and June 30, 2019."**

Community Health Centers Create Affordable Access to Care, Save Taxpayers Money, and work well with the MaineCare Program: Maine's CHCs provide high quality, low cost, primary and preventive medical, dental, behavioral health, substance use disorder treatment, chronic disease management other comprehensive services to 210,000 Mainers (1 in every 6) at over 70 locations throughout our state, the majority of which are in the most rural and underserved areas. A 2015 study of Medicaid in 13 states showed Health Center patients had 24% lower costs (\$2,371) than those treated elsewhere--and in State Fiscal Year 2016, MaineCare expenditures on services provided to patients at Maine's CHCs only represented 1.44% of total MaineCare spending.

CHCs are also integral to the state's economy, with over 2,040 employees, who earn livable wages and benefits. In many towns, the CHC is the largest employer. In 2016, Maine's CHCs provided over \$17 million in uncompensated care, including \$2.6 million in uncompensated dental services for adults, and \$6.5 million in free or reduced cost prescriptions drugs for their patients in addition to those covered under the 340B Drug Discount Program.

Despite their mission to serve all who walk through their doors in their service areas, regardless of insurance status or ability to pay, Maine's CHCs need supportive state and federal policies as well as adequate funding and reimbursement for services in order to do so. Each component of the "patchwork" of funding they receive is essential to support their skilled workforce and operations. The proposal to eliminate health insurance coverage under the MaineCare Program to over 25,000 parents and young adults, (the majority of whom are ineligible for federal subsidies on the exchange because they are in the "coverage gap")--not only undermines access to health care services for these low income individuals, it also threatens the stability of Maine's

Community Health Centers, and our state's ability to recruit and retain critically needed primary care clinicians, including physicians, nurse practitioners, dentists and behavioral health providers, among others. Furthermore, it is antithetical to the Administration's previously stated goal of investing in lower cost primary care because it removes the incentive for patients to seek preventive treatment and interventions in more appropriate settings than Emergency Departments for non-emergency-related health needs. Research shows that when individuals lack health coverage, they often tend to forgo annual check-ups, well visits, and urgent care services for conditions like sinus infections, because they either can't afford it, or choose to wait until "they just feel better..." that is until their condition worsens and they end up in the hospital.

History Shouldn't Be Repeated with Additional MaineCare Eligibility Cuts: Between the years of 2012 and 2014, approximately 35,000 low income Mainers lost their health coverage through the MaineCare program. For Maine's Community Health Centers already operating on the thinnest of margins, this was devastating. Unlike other types of providers that can choose to limit their patient panels to those with health insurance coverage, CHCs are federally required by law to serve all patients, including the uninsured. Thus, when thousands of their patients lost their MaineCare health coverage, their Health Centers didn't simultaneously terminate them as patients. To the contrary, they reassured them that their status as patients would remain. The result of taking this action, however, was that our members' financial sustainability suffered greatly, having gone from receiving the fairest rates of reimbursement for services for their patients covered by MaineCare, to receiving little to no payment for that same population who found themselves newly uninsured.

Additionally, the last round of eligibility cuts resulted in half (10) of our CHCs reporting that they had less than 30 days cash on hand to support and continue operations.....Shockingly, 3 of them had as few as 10 days on hand through the same period. The Health Resources and Services Administration/Bureau of Primary Care Services-(the federal agency that provides funding to help support the CHCs) - uses a cash on hand benchmark of 60 days as one indicator of financial health and sustainability.

The Primary Care Cliff Will Exacerbate the Adverse Impacts of these Cuts: If Congress fails to reauthorize the Health Centers Program by September 30th, all of the CHCs/FQHCs across the country, (including all of Maine's), will lose approximately 70% of their federal base grant funding-this is referred to as the Primary Care Cliff. The potential impacts of these cuts alone would be dire. We have not received the anticipated impact survey results from all of our members yet, but from the 12 reports we have received, we know that over 260 employees will be laid off (this includes clinicians of all types, as well as other support staff); at least 12-15 sites will be forced to close, and over 20,000 patients will lose their access to high quality, local health care services. Just as many of the mills have been forced to close in some of our most rural towns, the majority of the CHCs' job losses and site closures would happen in the same areas. If the cuts to MaineCare eligibility were coupled with the effects of the Primary Care Cliff, the adverse consequences would have a chilling effect on our whole state.

MaineCare Eligibility Cuts Will Contribute to our Growing Primary Care Workforce Shortage/Crisis: In his recent State of the State Address, Governor LePage referenced the state's shortage of medical professionals such as doctors, nurse practitioners, dentists and others. He said that we needed to act now to address the growing recruitment and retention crisis—we couldn't agree more. However, eliminating health coverage for over 20,000 low income parents and young adults will have the opposite effect. Community Health Centers need to hire primary

medical, dental and behavioral health professionals in order to serve their patients. When primary care visits occur, revenue is generated for the Health Center from patients who have insurances such as MaineCare, Medicare and those with private insurance. The reimbursement paid to the CHC, directly impacts its financial health and sustainability. The greater a Health Center's fiscal stability, the greater its ability is to hire more providers, care managers, and other employees—not to mention, the broader range of services it is able to offer at a lower cost than in other health care settings.

Eliminating MaineCare coverage is detrimental to our state's recent efforts to stem the primary care professional shortage crisis. (See MPCA's attached report regarding the CHC Investment Funds where in the first year of the program, 54 primary care providers of all types were either recruited and/or retained because of support through this modest investment).

Maine's Community Health Centers Have Insufficient Resources to Serve Greater Numbers of Uninsured Without Financial Support: While Maine's FQHCs/CHCs receive federal "base grants," they do not come close to covering the cost of their operations. The average percentage that the federal base grants cover among our members is 27%. Additionally, it is important to point out that the federally-required Prospective Payment System (PPS) bundled reimbursement rate that CHCs are paid for patients who have MaineCare coverage, doesn't cover the full cost of care for those patients—nor was it ever expected to cover the cost of care for their uninsured patients. CHCs receive this fairer-or bundled-reimbursement rate because they are federally required by law to provide a wider range of services than other types of providers. Therefore, it is inaccurate to suggest or assume that our CHC members could provide "free care" to the over 20,000 individuals who would lose their MaineCare coverage under the Administration's proposal.

While our testimony focused primarily on the provisions concerning MaineCare eligibility cuts, there are several other initiatives in the biennial budget proposal that we oppose, a couple of which are summarized below.

Restore Cuts to the Fund For a Healthy Maine:

MPCA and Maine's Community Health Centers believe strongly that the State has an obligation to honor the original intent of the Fund. Our primary care providers do not have the capacity to deliver the full range of certain critical disease prevention and health promotion programs currently provided through Maine's public health system and supported by the Fund. To supplement office based services, clinicians rely on community-based efforts funded by the FHM. This type of on-going comprehensive approach is vital to preventing tobacco-related illnesses and use, and we request that the funding be restored.

Restore Family Planning Prevention Cuts: It is our understanding that eliminating all State funding for the Community Family Planning Program will result in an end to those prevention programs. These programs are essential to teens and other patients who need affordable access to services such as breast and cervical cancer screenings, which help promote health and prevent cancer.

Thank you for your consideration of our testimony. I would be pleased to answer any questions.