

Testimony of

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Supporting
House Bill 5456: An Act Concerning Federally Qualified Health Centers

Human Services Committee
March 12, 2024

Thank you for the opportunity to provide support for House Bill 5456, An Act Concerning Federally Qualified Health Centers.

On behalf of the Community Health Center Association of Connecticut (CHC/ACT), and its sixteen-member community health centers, I want to thank the Committee for its dedication to listening to Connecticut’s residents about these important issues. Connecticut’s community health centers serve more than 420,000 people each year – including over 252,000 HUSKY enrollees – providing medical, behavioral health, and dental care in hundreds of locations across the state.

We stand with others in strong support of this bill, and we also have attached substitute language to clarify the intent of Section 3.

Section 1

This section repeals the harmful language that was included in Public Act 22-118, section 239 (and which led to the issuance of [Policy Bulletin 2022-45](#)). That language impeded the ability of health centers to provide dental care to their patients in a way sometimes deemed necessary by dental providers and patients. Specifically, the new policy prohibits more than one payment for a dental cleaning and other nonemergency services that need to be spread across multiple visits.

Combined with diminished dental workforce capacity and low Medicaid reimbursement rates for dental visits, this policy has led to an alarming decrease in the ability of health centers to provide dental care to HUSKY patients, and we appreciate the Committee’s consideration of this repeal.

For most individuals who have established good oral health habits, including regular dental visits, a dental “check-up” is a simple process that can be completed in about 30-60 minutes. However, many of our patients have not received oral health care in years – this is particularly true since the pandemic began. These individuals may need multiple dental services during this

visit, which extends the timing. For patients who have shift work, transportation barriers, child care issues, and more, they may not be able to stay for the whole time, and they may need to schedule remaining services on a separate day. Additionally, some patients may not be comfortable staying in the dental chair beyond an hour or so, and they may prefer to come back to complete the visit.

This new policy removes the flexibility needed to accommodate patients' needs and has caused ripple effects across their dental departments, impacting their ability to provide dental services to people in need. We urge its repeal.

Section 2

Medicaid rates for Connecticut's community health centers were set in 2002, based on allowable costs from 2000 and 2001. Since then, they have received the minimal annual adjustment required by federal law (the Medicare Economic Index). Additionally, a small number of health centers have been successful in achieving rate increases through the Department of Social Services (DSS) Change in Scope process.

Health care delivery and costs have changed dramatically since 2002. CHC/ACT appreciates the Committee's recommendation to rebase rates based on 2023 costs, and to clarify and improve the Change in Scope process.

Section 2(b)

Unlike other providers in the Medicaid program, Community Health Centers uniquely cannot set caps on the number of, or turn away, Medicaid patients. In fact, 60% of Connecticut health center patients are HUSKY enrollees. Health centers also cannot "cost shift," by charging commercial providers more to make up for low Medicaid rates. This means that Medicaid rates have a higher impact on operational costs for health centers than for most other providers.

Because health centers were not included in Phase 1 of the Medicaid Rate Study – and the need to increase rates is so urgent – CHC/ACT recently asked an outside expert to research rates. Curt Degenfelder, a national expert on both Medicaid and federally qualified health centers, examined current rates and allowable costs, as well as rates of comparable states. His research clearly indicates Connecticut's FQHC rates must be raised to protect access to care for our current and future patients.

As you will see from Attachment A, Connecticut health centers have a large gap between rates and allowable cost (as determined by DSS). On average, health centers lose \$84.57 for each medical visit and \$121.76 for each dental visit. As a result, in aggregate, health centers lost over \$75 million in 2022 from these two services.

Although comparing Medicaid rates across states is imperfect, Connecticut's average HUSKY rate of \$163.37/medical visit is one of the lowest in the country, including being the lowest in New England and the rest of the northeast.

These low rates have a direct impact on access to care by impeding health centers' ability to hire providers and treat patients.

Rebasing rates to reflect 2023 allowable costs would have an immediate impact on the viability of health centers – and would therefore improve access to care for HUSKY enrollees.

Section 2(c)

The Change in Scope process is dictated in federal law for health centers to submit to their state Medicaid agency for a rate change, tied to a change in service type, duration, or intensity.

Despite the clarity of federal law, Connecticut's process is vague and inconsistent. DSS has a long history of denying legitimate requests for these rate adjustments – and usually these denials are based on reasons that appear arbitrary. Simply put, this process is broken.

For example, in 2023, seven health centers submitted for rate reviews, and, although some of these began over a year ago, none have completed the process to date. Of the responses received so far, virtually all have been denials for reasons that appear arbitrary, and which are inconsistent from one review to the next. This past Friday, one health center did receive approval for a rate increase of 31 cents per Medicaid visit.

The language in this section clarifies the Change in Scope process, laying out timelines, as well as factors that may and may not be considered in the review. Passing this legislation would fix a broken system, ensuring a fair and transparent process for both DSS and the health centers seeking rate reviews.

Section 3

The federal Medicare Economic Index (MEI) serves as an antiquated but still used cost-of-living adjustment for health centers across the country. MEI is announced each September for the upcoming calendar year. Most states implement this increase in January, and some in July.

Connecticut is one of the only states that implements this increase 10 months into the calendar year, in October. This keeps health center rates lower than necessary for longer than necessary and leaves millions of federal dollars in Washington each year.

Changing the implementation date to January would have a one-time cost of about \$10 million (state cost of \$4-5 million).

We believe the intent of this section could be clearer, and so we respectfully have included the following substitute language for the Committee's consideration:

Sec. 3. (*Effective from passage*) As of January 1, 2024, the Commissioner of Social Services shall increase Medicaid rates of reimbursement for federally qualified health centers on January 1 of each year by the Medicare Economic Index that has been announced for that calendar year in the federal register.

Thank you for your consideration and your hard work on behalf of our great state. Please feel free to reach out with any questions: sfrick@chcact.org or 860.667.7820.



Community Health Center Association of Connecticut

Attachment A: Connecticut Health Center Medicaid Rates

Rates versus cost

	Average Rate	Average Loss*	Total Loss**
Medical	163.37/visit	\$84.57/visit	\$65,506,881/year
Dental	155.74/visit	\$121.76/visit	\$10,304,137/year

* Medicaid rate compared with the allowable cost per visit, determined by DSS.

**2022 total underpayment amount for the year, across all 17 CT health centers.

Connecticut rates versus peer states

State	Average Medicaid Medical Rate	Cost of Living Rank*
Washington	\$317.00	8
Arizona	\$312.00	24
<i>New Hampshire</i>	<i>\$296.80</i>	<i>12</i>
Oregon	\$275.12	10
<i>Maine</i>	<i>\$257.50</i>	<i>23</i>
Nebraska	\$255.00	29
<i>Massachusetts</i>	<i>\$241.00</i>	<i>2</i>
<i>Rhode Island</i>	<i>\$225.00</i>	<i>13</i>
New Jersey	\$216.00	5
Pennsylvania	\$215.00	22
<i>Vermont</i>	<i>\$196.79</i>	<i>15</i>
North Carolina	\$192.00	34
Louisiana	\$188.85	39
Maryland	\$187.19	7
New York	\$185.52	4
Connecticut	\$163.37	9
South Carolina	\$162.73	44
Mississippi	\$151.85	50
Florida	\$145.30	21
Georgia	\$133.00	25

*<https://www.forbes.com/advisor/mortgages/cost-of-living-by-state/>