

Testimony of

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***Supporting***

***House Bill 5459: An Act Increasing Rates of Medicaid Reimbursement for Certain Providers***

Human Services Committee  
March 12, 2024

Thank you for the opportunity to provide support for House Bill 5459, An Act Increasing Rates of Medicaid Reimbursement for Certain Providers.

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 more than 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 5.**

**Support for Section 5**

CHC/ACT appreciates the Committee’s proactive approach to increasing rates for federally qualified health centers.

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.

Connecticut, through the Office of Health Strategy, has set a goal to increase primary care spending to 10% by 2025. For an investment of about 1/10<sup>th</sup> of 1% of our state budget, we can make a significant impact on health center operations and will still be well below the 10% primary care spending goal. This increase would allow health centers to reduce wait lists and treat more patients immediately.

*In order to phase in rate increases that eventually address the identified \$75,000,000 gap between rates and costs, CHC/ACT recommends the following substitute language:*

*Sec. 5. (Effective from passage) The Commissioner of Social Services shall increase Medicaid rates of reimbursement for medical and dental services provided by federally qualified health centers. The following sums are appropriated to the Department of Social Services, from the General Fund, for this purpose: ten million dollars for the fiscal year ending June 30, 2025, twenty million dollars for the fiscal year ending June 30, 2026, and thirty million dollars for the fiscal year ending June 30, 2027.*

### **Support for Section 8**

eConsults are electronic consultations in which a primary care provider and specialist communicate to obtain guidance on a specific treatment plan for a patient. With eConsults, a primary care provider can pose a question, attach clinical history to inform the specialist, and receive recommendations for his/her patient, often within 24 hours. This can allow the patient to begin treatment without the need to wait for a referral and subsequent appointment.

CHC/ACT strongly supports the addition of eConsults to the Medicaid program for the following reasons:

- 1) eConsults lead to quicker treatment: Depending upon the specialty and the insurance, patients often wait several months for specialist appointments, leading to poorer health, frustration, and low quality of life.

- 2) eConsults save money: Many cases are easily resolved through eConsults and do not require the expense of a specialist appointment. Studies indicate that 70% of eConsults eliminate the need for face-to-face specialty care for patients.
- 3) eConsults reduce barriers: They offer more accessibility to individuals who may face barriers to traditional in-person consultations, such as transportation, a nontraditional work schedule, living in a remote area, or perceived stigma (particularly for mental health visits).
- 4) eConsults free up specialists' appointment schedules: When specialists conduct eConsults instead of seeing patients who do not really need them, their schedules become more open for complex patients who truly need a face-to-face visit.

Comptroller Scanlon's Healthcare Cabinet recommends the implementation of an eConsult policy for Medicaid. According to the [Cabinet's report](#), the State Department of Social Services studied eConsults in 2018 and projected savings of \$6.5 million annually by avoiding specialty-care visits. Notably, this study only included eight types of specialists and did not include other downstream costs that are avoided, such as lab work, imaging, and emergency department usage.

Adding eConsults to our Medicaid program is one commonsense solution to our known shortage of specialists, will save money, and will improve health. We urge your support.

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](mailto: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**
<b>Medical</b>	163.37/visit	\$84.57/visit	\$65,506,881/year
<b>Dental</b>	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
<b>Connecticut</b>	<b>\$163.37</b>	<b>9</b>
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/>