



Raise the Rates for Community Health Centers

New York Must Provide a 25% Medicaid Rate Increase to CHCs and Implement CHC Rate Reform (A.7560 Paulin/S.6959 Rivera)

Investing in community health centers is investing in a healthier New York.

- Community health centers (CHCs) are the primary care safety net for NY's most underserved populations.
- The CHC model of care advances coordinated community care in medically underserved communities through "one stop shopping," providing and connecting to medical care, behavioral health care, dental care, and social support services.
- Yet, CHC Medicaid rates have not received comprehensive investment since their creation in 1999/2000.
- Per the Urban Institute, CHC costs are 44% higher than the maximum allowable Medicaid rate.
- CHCs require investment:
 1. **25% Medicaid rate increase**
 2. **\$4 per member per month increase to all patient centered medical home payments**
 3. **Reformed reimbursement methodology**

Rate reform is needed to protect and expand CHCs' comprehensive care model.

- The CHC care model has undergone significant transformations, with CHCs now providing comprehensive services, including social care supports like housing, transportation, and food.
- Patient demand for CHC services is growing while costs today for personnel, benefits, equipment, medical supplies, and office space are all significantly higher than what they were decades ago - far exceeding reimbursement rates.
- The discrepancy between reimbursement rates and actual costs is a barrier to expanding care and meeting patient demand.

Investment in CHCs promotes workforce in underserved communities.

- CHCs have long experienced workforce shortages due to compounding cost pressures that were exacerbated by the COVID-19 pandemic.
- CHCs continue to report increasing difficulty in recruiting health professionals of all kinds, including nurses, behavioral health clinicians, and dentists.
- CHCs often struggle to increase staff salaries to account for increases in cost of living and offer competitive salaries due to the deficits in CHC reimbursement rates that make it impossible match for-profit providers and travel nursing agencies.
- Rate reform will enable CHCs to recruit and retain healthcare professionals in a competitive market.

CHC Rate Reform A.7560 Paulin/S.6959 Rivera in will:

- Direct DOH to analyze actual CHC costs for the past 5 years and to consult with relevant stakeholders, including CHCANYS, to create new rates;
- Require the new rates to account for increased costs and changes to the CHC care model; and
- Provide that the new CHC rates will be adjusted annually using an updated inflation factor.