



MEMORANDUM OF SUPPORT

Health Care Transformation Fund

A.264 (Gottfried)/S.2531 (Rivera)

May 2, 2022

The Community Health Care Association of NYS (CHCANYS) supports A.264 (Gottfried)/S.2531 (Rivera) which would require at least 25% of the moneys deposited into the Health Care Transformation Fund on an annual basis be allocated exclusively for community-based health care providers.

CHCANYS is New York's Primary Care Association working closely with the more than 70 federally qualified health centers (FQHCs) that operate approximately 800 sites across the state. FQHCs, also known as community health centers, are non-profit, community run centers located in medically underserved areas that provide high-quality, cost-effective primary care, including behavioral and oral health services, to anyone seeking care, regardless of their insurance status or ability to pay.

The Health Care Transformation Fund account is statutorily mandated "to support health care delivery, including for capital investment, debt retirement or restructuring, housing and other social determinants of health, or transitional operating support to health care providers." In October 2018, when the State received hundreds of millions of dollars from the proceeds of the sale of the insurer Fidelis Care to Centene, the State funded this account and allocated dollars to implement a Medicaid rate increase for hospitals and nursing homes. The State, however, did not address the non-institutional needs of some of the most vulnerable populations and ignored community-based providers.

Historically, community-based providers receive far less State investment compared to the dollars available to hospitals. Unlike hospitals, these providers who care for the most vulnerable New York residents lack access to funding streams designed to solely support their capital and working capital needs. The State relies on the work of the community-based health care provider sector to transform the State's health care delivery system but has insufficiently invested in the sector to support this work. In an attempt to correct this inequity, the State has mandated that the past several rounds of the health care facility transformation capital funding set aside approximately 25% for community-based providers. A.264/S.2531 follows that precedent and would ensure that FQHCs and other community-based providers receive at least a minimal share of the Health Care Transformation Funds to support their ongoing viability and efforts to improve patient outcomes, expand access to care, and lower costs.

CHCANYS strongly supports any legislation that would provide funds for these most deserving health care providers but urges the State to allocate much more than this minimum 25% of the Health Care Transformation Fund dollars to community-based providers. These State dollars would enable providers to address workforce challenges impacting patient access to care, support of the implementation of value-based initiatives with performance metrics, promote integration of primary care and behavioral health care, and sustain comprehensive, patient-centered care models that include robust care management.

CHCANYS urges the Legislature to pass A.264 (Gottfried)/S.2531 (Rivera) to increase investment in community-based providers and calls upon the State to demonstrate its commitment to supporting the work of these important providers. For more information, please contact Marie Mongeon, Senior Director of Policy, at mmongeon@chcanys.org.