



Raise the Rates for Community Health Centers

New York Must Invest in CHCs

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

- 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 areas, providing medical, behavioral health, and dental care, and access to social support services, such as housing, transportation, and food to meet growing patient needs.

Increase Managed Care Organization (MCO) Tax Investment in CHCs to \$150M total in order to prioritize primary care.

- In 2024, the Senate and Assembly Health Care Committee Chairs called on the State of New York to invest at least 15% of the revenues generated from the MCO tax in primary care.
- As proposed, the Executive budget allocates just 7% of MCO revenues for primary care, through appropriations for community health centers at \$10M state share and \$50M state share for an increase in the Medicaid physician fee schedule.
 - Physician fee schedule enhancements **do not** apply to community health centers.
- **Invest \$75M (state share) of MCO tax dollars into community health centers to achieve a minimum of 15% investment in primary care.**

Implement CHC Rate Reform A.67 (Paulin)/S.4589 (Rivera)

- CHC Medicaid rates have not received significant investment since 1999/2000 when rates were first established.
- CHC rates are only modestly adjusted annually by the Medicare Economic Index (MEI).
- An Urban Institute Report revealed that CHCs currently receive merely 70 cents on the dollar through Medicaid, their largest payor.
- 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.
- CHCs are thwarted from providing the care that their patients deserve, since they lack the financial resources to adequately meet the growing demand for services.
- CHC Rate Reform A.67 (Paulin)/S.4589 (Rivera) will:
 1. Enable DOH to reviews CHCs' costs over the past five years to establish updated Medicaid rates,
 2. Ensure the rates reflect current costs and care models, free from arbitrary regional rate caps,
 3. Align the Medicaid inflation factor with Medicare; and
 4. Support the financial sustainability of CHCs, fostering their ability to expand and preserve services to Medicaid patients, the uninsured, and underserved communities across New York.