



**MEMORANDUM OF SUPPORT**  
**Community Health Center Rate Reform**  
A.7560 (Paulin)/S.6959 (Rivera)  
May 26, 2023

The Community Health Care Association of New York State (CHCANYS) strongly supports S.6959 (Rivera) which directs the Commissioner of Health to update community health center (CHC) rates to reflect the new, expanded model of health and social care that is the hallmark of CHCs. Health centers' current rates are based on costs from 1999 and 2000 and do not reflect the current expenses incurred in providing comprehensive primary care, including new technologies and modalities of care.

CHCANYS is the primary care association for New York's CHCs, also known as federally qualified health centers (FQHCs). Located in low-income and medically underserved neighborhoods, CHCs provide a full range of primary and preventive health care and enabling services for more than 2.3 million patients at over 800 sites regardless of insurance, immigration status, or ability to pay. Among CHC patients, 89% are low-income, 68% are Black, Hispanic/Latinx, and people of color, 13% are uninsured and 59% are enrolled in Medicaid or Child Health Plus.

Primary care is continually evolving – the way primary care is delivered today is vastly different than care provided 20 years ago. Today, CHCs deliver a full spectrum of comprehensive primary care services, including addressing social needs such as housing, transportation, and food insecurity. These services were never envisioned when CHCs' base rate was developed over 20 years ago. CHCs cannot always meet rising demand for services due to inadequate reimbursement rates that do not sufficiently cover the costs of providing those services. These reimbursement rates are the oldest cost-based rates among all New York State Medicaid provider types. CHC rates are further suppressed by arbitrary rate ceilings regulatorily imposed by the NYS Department of Health.

Costs today for personnel, benefits, equipment, medical supplies, and office space are all significantly higher than what they were decades ago and have risen exponentially since the pandemic. Additionally, CHCs are experiencing unprecedented workforce attrition and workforce shortages affecting operations and patient care. CHCs often cannot adjust staff salaries to adequately account for increases in cost of living due to the stagnation of our funding streams, jeopardizing their ability to retain staff. Further adding to the inadequacy of CHCs' outdated rates is the onset of more widely used health care delivery modes such as telehealth, further driving down the ability of rates to meet contemporary cost pressures.

The outdated reimbursement methodology for CHCs does not account for the current model of comprehensive primary care including behavioral health services, oral health services, reproductive health services, and addressing social needs. CHCs' insufficient reimbursement rates undermine their ability to maintain long term financial sustainability and it inhibits future planning to meet increased demands for services. Inadequate reimbursement rates limit access to care, impacting the most vulnerable in the communities and neighborhoods served by CHCs.

**CHCANYS strongly urges the NYS Legislature to pass S.6959 (Rivera) to ensure that CHCs can continue to provide critically needed services to underserved communities across the State.** With questions, please reach out to Marie Mongeon, Vice President of Policy, at [mmongeon@chcanys.org](mailto:mmongeon@chcanys.org).