

January 19th, 2022

Honorable Andrea Stewart-Cousins
President Pro Tempore and Majority Leader, New York State Senate
Legislative Office Building, Room 907
Albany, NY 12247

Honorable Carl E. Heastie
Speaker, New York State Assembly
Legislative Office Building, Room 932
Albany, NY 12248

RE: SUPPORT S.5139 (Rivera) / A.4593 (Gottfried)

Dear Senate Majority Leader Stewart-Cousins and Speaker Heastie,

Primary care keeps people healthy and protected against severe disease while reducing health disparities – and primary care providers and organizations also have a critical role to play in preparing for and responding to public health emergencies.¹ In order to sustain and expand their essential services and address emerging needs as they arise, New York’s community-based providers need regular access to affordable financing. The undersigned urge you to move quickly to pass S.5139 (Rivera)/A.4593 (Gottfried) which would increase flexibility and expand eligible uses of the New York State Community Health Care Revolving Capital Fund (“the Fund”).

Community-based health care providers, especially those located in historically disinvested communities, communities of color, and rural communities, often have limited access to affordable financing from traditional sources like banks.² The Fund was created in 2017 to help address this gap and has already been instrumental in providing affordable, flexible financing for many community health care organizations. Created through a public-private partnership between the Primary Care Development Corporation (PCDC) and the State of New York, the Fund was intended to facilitate investment to expand and improve primary care capacity in the state by providing affordable loan capital for eligible providers³ to support quality primary care expansion and behavioral health integration in the Empire State. Importantly, to date, the Fund has been available only for facilities construction or expansion projects.⁴

Throughout the COVID-19 pandemic, faced with unprecedented challenges, community health care capacity across the country was acutely restricted, with many providers forced to reduce staffing or even shut their doors.⁵ During the early part of the crisis, it became clear that in addition to facilities funding, New York’s community health care providers needed access to flexible, low-cost financing to adapt their care delivery to meet their communities’ needs. However, the Fund was not available for those purposes. In order to meet these providers where they are, including during a public health crisis, the Fund must be adapted to be more flexible and to allow borrowers both to expand their facilities *and* to sustain care delivery in a crisis.

A.4593/S.5139 would expand the list of acceptable uses of the Fund to allow for, among other things, working capital, including for recruitment and training of staff or enhancing telehealth infrastructure, as well as debt restructuring, which is critical for so many community-based providers with historically limited access to financing. These additional uses are crucial to ensuring these providers can continue to offer quality care to all New Yorkers throughout the COVID era and beyond.

The COVID-19 crisis showed us that New York State needs a strong community health infrastructure for the health system to perform well during an emergency. A.4593/S.5139 will facilitate better financial stability for primary care and behavioral health providers and allow the Fund to better meet borrowers’ needs, sustaining their delivery of essential services over the long term and setting them up for success in future health crises.

For any questions, please contact:

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Signed,

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¹ Barbara Starfield, *Primary Care And Equity In Health: The Importance To Effectiveness And Equity Of Responsiveness To Peoples' Needs*, 33 *Humanity & Society* 56 (2009), available at https://www.jhsph.edu/research/centers-and-institutes/johns-hopkins-primary-care-policy-center/Publications_PDFs/A243.pdf; Marsha D. Williams et al., *Primary Care Emergency Preparedness Network, New York City, 2015: Comparison of Member and Nonmember Sites*, 107 *Am. J. Pub. Health*. S193 (2017), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5594394/>.

² Third Way, *CDFIs: What Are They and How Do They Work?*, October 6, 2021, available at <https://www.thirdway.org/memo/cdfis-what-are-they-and-how-do-they-work>; Partnership for Public Service, "Feds at Work: Helped low-income communities gain access to investment capital," July 29, 2016, available at <https://medium.com/@RPublicService/feds-at-work-helped-low-income-communities-gain-access-to-investment-capital-83f036c3da0f>.

³ All community health and diagnostic and treatment centers such as Federally Qualified Community Health Centers (FQHCs) licensed under Article 28, mental health clinics licensed under Article 31, and alcohol and substance abuse treatment clinics licensed under Article 32 are eligible for financing through the fund. For more information, visit <https://www.pcdc.org/what-we-do/community-investment/financial-products/community-loan-fund/>.

⁴ Primary Care Development Corporation, *Primary Care Development Corporation Chosen as Administrator for \$19.5 Million New York State Community Health Care Revolving Capital Fund*, February 2017, available at <https://www.pcdc.org/capital-fund-announcement/>.

⁵ The Larry A. Green Center, *Quick COVID-19 Primary Care Survey: Series 19 Fielded August 21-24, 2020*, August 2020, available at <https://static1.squarespace.com/static/5d7ff8184cf0e01e4566cb02/t/5f47defcceda12236bb2d660/1598545661461/C19+Series+19+National+Executive+Summary.pdf>; Commonwealth Fund, Chart, *The number of visits to ambulatory care practices declined nearly 60 percent by early April*, May 2020, available at <https://www.commonwealthfund.org/chart/2020/number-visits-ambulatory-practices-declined-nearly-60-percent-early-april>.