

Testimony of

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*Regarding the Human Services Provisions of Governor Lamont's Budget Proposal*

Appropriations Committee  
February 21, 2024

Thank you for the opportunity to provide comments regarding the human services provisions in our state budget.

On behalf of the Community Health Center Association of Connecticut (CHC/ACT), and its sixteen member community health centers, I want to thank the Committee for its dedication to listening to Connecticut's residents about these important issues. Connecticut's community health centers serve more than 420,000 people each year, providing medical, behavioral health, and dental care in hundreds of locations across the state. Approximately 60% of Connecticut health center patients are on HUSKY, our state's Medicaid program – that is, we serve over a quarter of a million HUSKY patients each year.

CHC/ACT and our health centers are deeply committed to providing access to high quality care for all, including our HUSKY patients. To achieve that, CHC/ACT respectfully recommends the Committee consider the following:

- 1) **Increase Medicaid rates:** CHC/ACT recognizes that the legislature has ordered a Medicaid rate study, and that health centers are included in Phase 2 of this study. However, CHC/ACT proactively conducted research using an outside expert comparing current rates and allowable costs, and rates of comparable states. Our research clearly indicates Connecticut's FQHC rates must be raised immediately to protect access to care for our current and future patients.

As you will see from Attachment A, Connecticut health centers have a large gap between rates and allowable cost (as determined by DSS). On average, health centers lose \$84.57 for each medical visit and \$121.76 for each dental visit. As a result, in aggregate, health centers lost over \$75,000,000 in 2022 from these two services.

Although comparing Medicaid rates across states is imperfect, Connecticut's average HUSKY rate of \$163.37/medical visit is one of the lowest in the country, including being the lowest in New England and the rest of the northeast.

Because such a large percentage of our patients are on HUSKY, these low rates have a direct impact on access to care by impeding health centers' ability to hire providers and treat patients. Most importantly, unlike other providers in the Medicaid program, health centers uniquely cannot set caps on the number of, or turn away, Medicaid patients.

CHC/ACT urges this Committee not to wait for the study, and instead, to raise rates immediately, for a total cost of \$75 million (state cost of about \$30 million).

Connecticut, through the Office of Health Strategy, has set a goal to increase primary care spending to 10% by 2025. For an investment of about 1/10<sup>th</sup> of 1% of our state budget, we can make a significant impact on health center operations and will still be well below the 10% primary care spending goal. This increase would allow health centers to reduce wait lists and treat more patients immediately.

We would be pleased to engage in discussions around a phase-in of higher rates if necessary.

- 2) **Change the implementation date of the Medicare Economic Index:** The federal Medicare Economic Index (MEI) serves as an antiquated but still used cost-of-living adjustment for health centers across the country. MEI is announced each September for the upcoming calendar year. Most states implement this increase in January, and some in July. *Connecticut is one of the only states that implements this increase 10 months into the calendar year, in October.* This keeps health center rates lower than necessary for longer than necessary and leaves millions of federal dollars in Washington each year.

Changing the implementation date to January would have a one-time cost of about \$10 million (state cost of \$4-5 million).

Thank you for your consideration and your hard work on behalf of our great state. Please feel free to reach out with any questions: [sfrick@chcact.org](mailto:sfrick@chcact.org) or 860.667.7820.



# Community Health Center Association of Connecticut

## Attachment A: Connecticut Health Center Medicaid Rates

### Rates versus cost

	Average Rate	Average Loss*	Total Loss**
<b>Medical</b>	163.37/visit	\$84.57/visit	\$65,506,881/year
<b>Dental</b>	155.74/visit	\$121.76/visit	\$10,304,137/year

\* Medicaid rate compared with the allowable cost per visit, determined by DSS.

\*\*2022 total underpayment amount for the year, across all 17 CT health centers.

### Connecticut rates versus peer states

State	Average Medicaid Medical Rate	Cost of Living Rank*
Washington	\$317.00	8
Arizona	\$312.00	24
<i>New Hampshire</i>	<i>\$296.80</i>	<i>12</i>
Oregon	\$275.12	10
<i>Maine</i>	<i>\$257.50</i>	<i>23</i>
Nebraska	\$255.00	29
<i>Massachusetts</i>	<i>\$241.00</i>	<i>2</i>
<i>Rhode Island</i>	<i>\$225.00</i>	<i>13</i>
New Jersey	\$216.00	5
Pennsylvania	\$215.00	22
<i>Vermont</i>	<i>\$196.79</i>	<i>15</i>
North Carolina	\$192.00	34
Louisiana	\$188.85	39
Maryland	\$187.19	7
New York	\$185.52	4
<b>Connecticut</b>	<b>\$163.37</b>	<b>9</b>
South Carolina	\$162.73	44
Mississippi	\$151.85	50
Florida	\$145.30	21
Georgia	\$133.00	25

\*<https://www.forbes.com/advisor/mortgages/cost-of-living-by-state/>