



Raise the Rates for Community Health Centers

Medicaid Reimbursement Methodology Reform is Imperative to Ensure CHCs Continue as New York's Primary Care Safety Net

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

- Community health centers (CHCs) are the primary care safety net for NY's underserved populations. According to federal data, NY's CHCs care for 2.4 million patients – **that's 1 in 8 New Yorkers!**
- The CHC model of care enhances coordinated community care in medically underserved communities through a “one stop shopping” approach, providing seamless access to medical care, behavioral health care, dental care, and social support services all in one location.
- The CHC care model has transformed throughout the years to meet the needs of patients, with CHCs now providing comprehensive services, including social care supports like housing, transportation, and food.
- Investing in CHCs is investing in New York's health equity agenda. Closing the gap in health disparities and addressing longstanding inequities in access to care are the heart of the CHC mission.

Rate reform is needed to protect and expand CHCs' comprehensive care model.

- Because CHC Medicaid rates have not kept up with actual costs and rising inflation since their creation in 1999/2000, the CHC model of care is under threat. **Per the Urban Institute,¹ CHC costs are now 44% higher than the maximum allowable Medicaid rate.**
- Today's costs for personnel, benefits, equipment, medical supplies, office space and more far exceed reimbursement rates.
- CHCs report growing difficulty in recruiting health professionals of all kinds, including nurses, behavioral health clinicians, and dentists.
- CHCs struggle to increase staff salaries to account for increases in cost of living and are often unable to offer competitive salaries due to the deficits in CHC reimbursement rates that make it impossible to compete with for-profit providers.
- The discrepancy between reimbursement rates and actual costs is a barrier to expanding care and meeting growing patient demand.
- **Implementing rate reform (A.7560 Paulin/S.6959 Rivera*) is imperative to ensuring CHCs can continue to provide and expand access to high quality affordable primary and preventive care.**

Please pass Community Health Center Rate Reform, A.7560 Paulin/S.6959* Rivera, which will:

- Direct DOH to analyze actual CHC costs for the past 5 years and to create new rates, uninhibited by today's cost ceilings; and,
- Require the new rates to account for increased costs and changes to the CHC care model; and,
- Provide that the new CHC rates will be adjusted annually using an updated inflation factor.

* 2023-2024 Bill Numbers

¹ <https://www.urban.org/research/publication/critical-role-new-yorks-community-health-centers-advancing-equity-medicaid>