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**To: House Appropriations Committee
Cc: House Health Care
From: Mary Kate Mohlman, Director, Vermont Public Policy
Date: January 12, 2024
Re: Budget Adjustment Act, FQHC Annual Increase**

Thank you for the opportunity to comment on the BAA. Bi-State Primary Care Association supports the following provision in the BAA proposal:

10. FQHC and RHC 4.6% MEI Adjustment

- As set in federal law, state Medicaid agencies must increase the prospective payment system (PPS) rates for Federally Qualified Health Centers (FQHCs) each year by the annually published Medicare Economic Index (MEI). The PPS rates are the minimum amount per visit Medicaid must pay FQHCs, and the rate for each health center should be related to that individual health center's cost for the services it provides and the population it serves, according to federal law. For calendar year 2024, the Centers for Medicare and Medicaid Services (CMS) set the MEI at 4.6%.