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Federally Qualified Health Center Budget FY2025 Request

February 8, 2024

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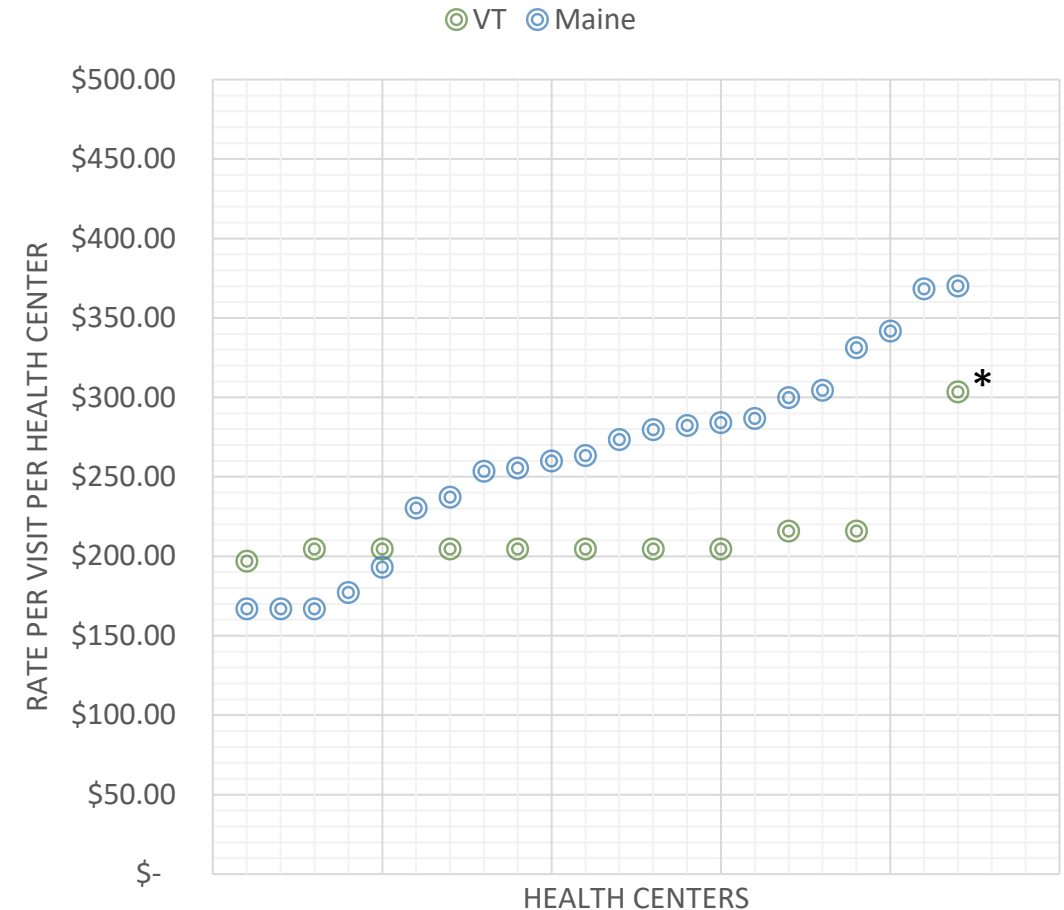
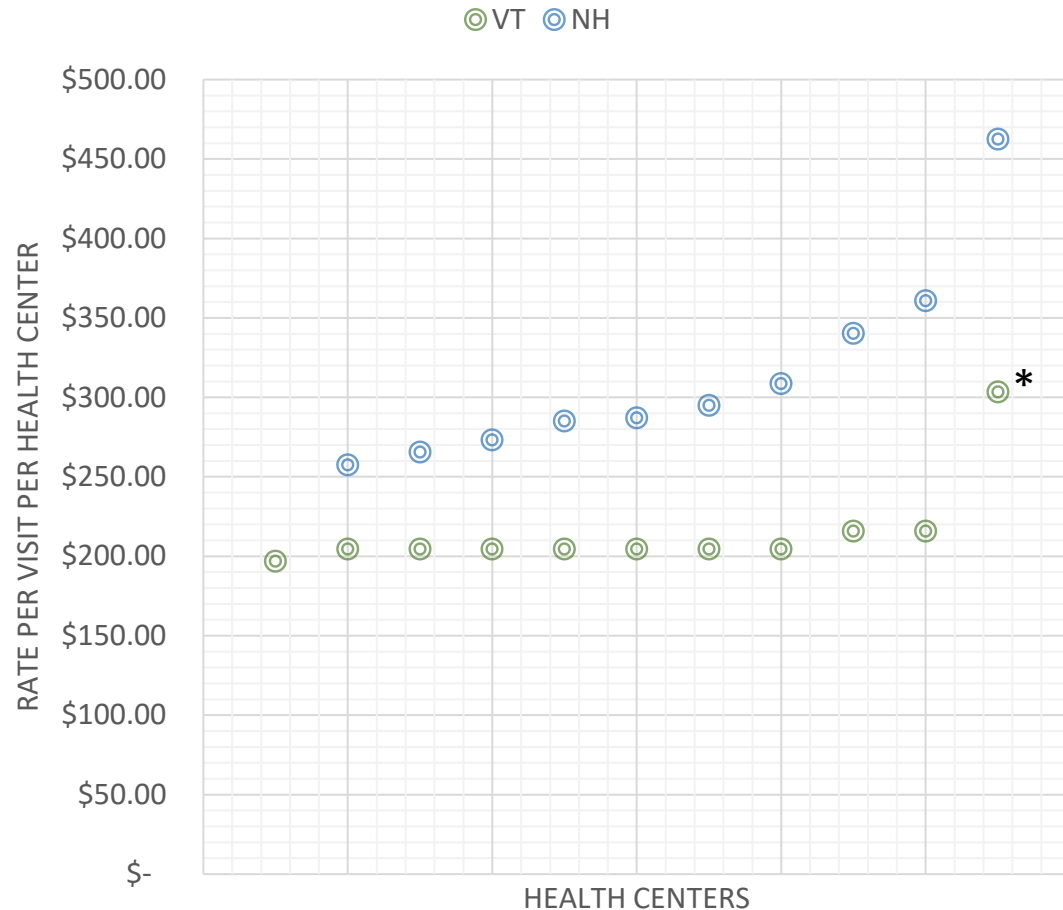
Bi-State Medicaid FY2025 Funding Request

Requesting \$2.8 million in state funds for DVHA to adjust rates to align with requirements in federal law.

- Health centers are very financially fragile right now with multiple funding streams flat or declining.
- Health centers cannot legally use grant funding to subsidize Medicaid costs.
- Federal law requires that Medicaid pay each health center minimum rate per visit based on the cost of care for the services it provides and the populations it serves.
- Request builds on DVHA's 2017 effort to come into compliance with federal law
 - See November 7, 2017, Memorandum from DVHA Commissioner Gustafson to Joint Fiscal Committee re: Report on Medicaid Payment Alignment per Act 85 of 2017

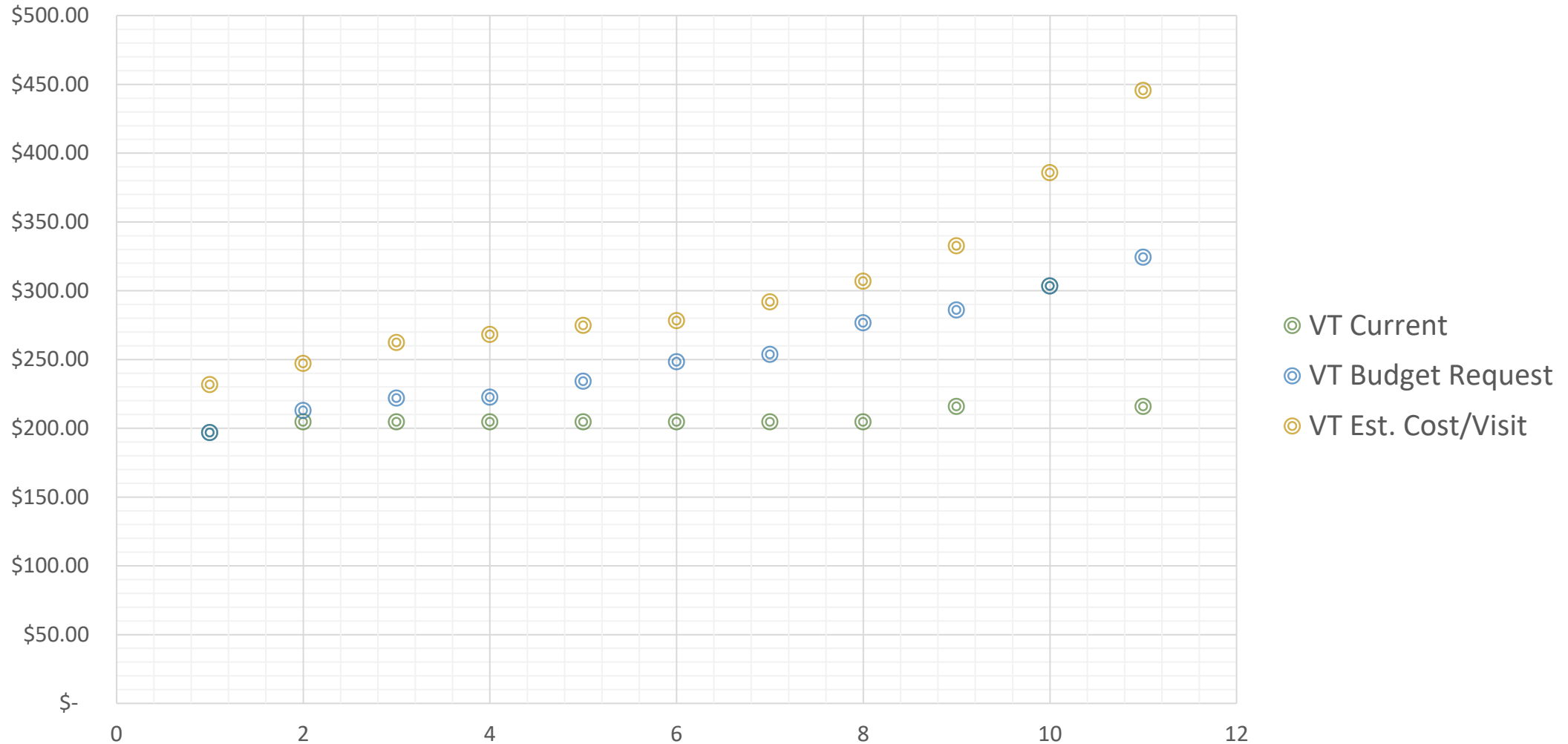
Vermont Rates compared to Maine and NH, 2023

In other states, we see much wider variation and each health center has a unique rate.



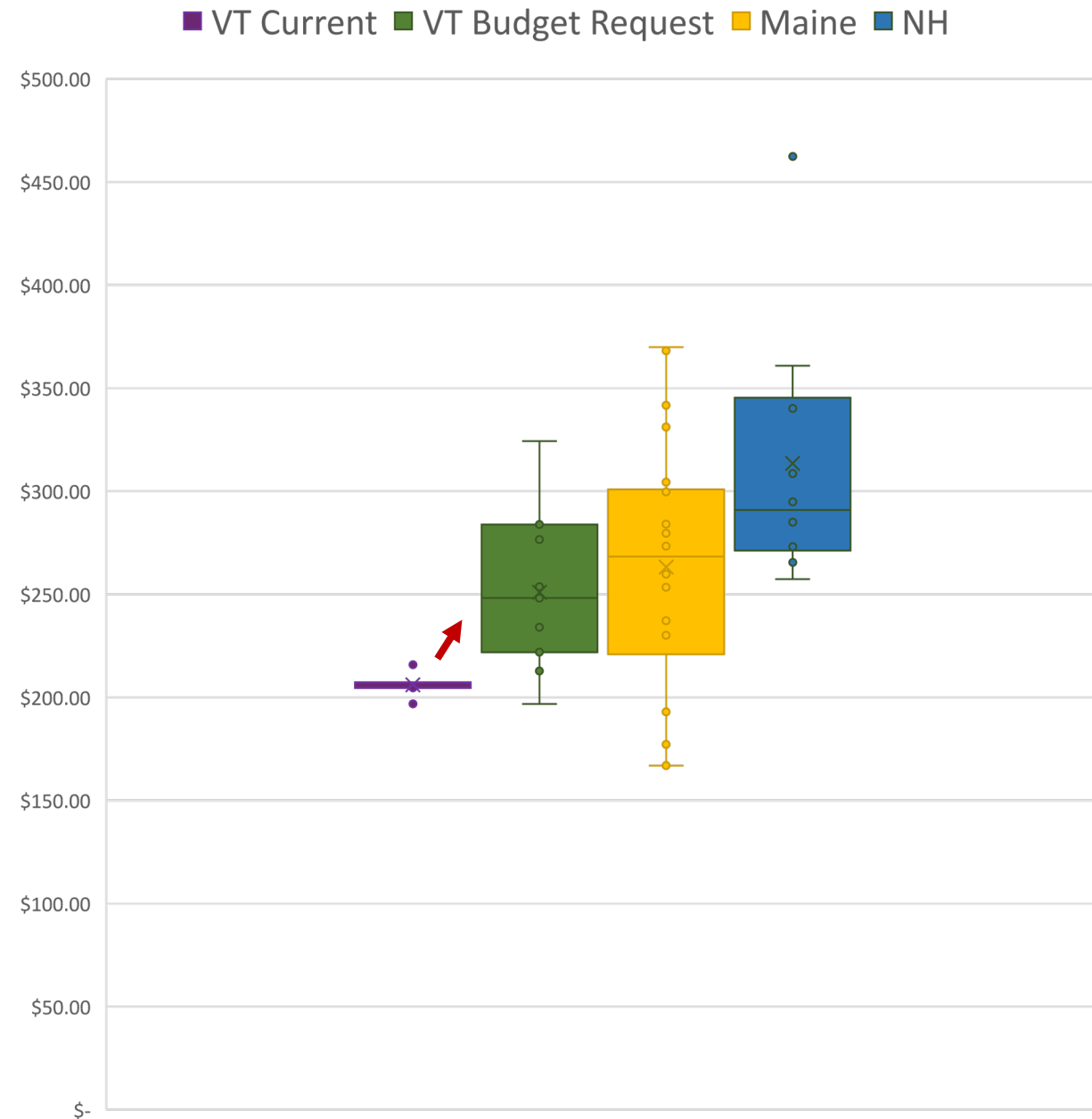
* Compliant rate, adjusted late 2023 for current scope of services and populations served

Vermont 2023 Rates Per Visit: Current vs. Request vs. Est. Cost/Visit

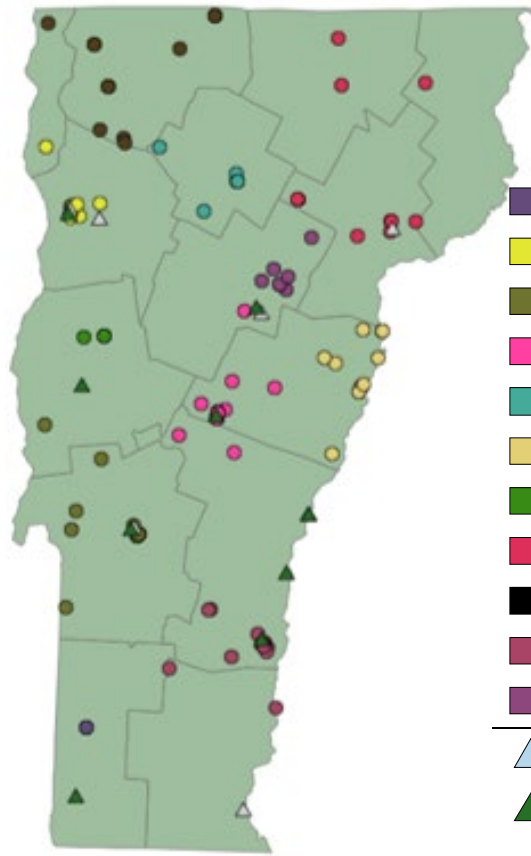


Comparison of 2023 FQHC Encounter Rates

- Vermont rates lower than both mean and median rates in comparison states
- Vermont rates have much less variation



FQHC Presence in Vermont



■ Battenkill Valley Health Center (FQHC)	Bennington County
■ Community Health Centers (FQHC)	Chittenden and Grand Isle Counties
■ Community Health (FQHC)	Rutland and Addison Counties
■ Gifford Health Care (FQHC)	Washington, Orange, Windsor Counties
■ Lamoille Health Partners (FQHC)	Lamoille County
■ Little Rivers Health Care (FQHC)	Windsor County
■ Mountain Community Health (FQHC)	Addison County
■ Northern Counties Health Care (FQHC)	Caldonia, Orleans, and Essex Counties
■ Northern Tier Center for Health (NOTCH, FQHC)	Franklin and Grand Isle Counties
■ North Star Health (FQHC)	Windsor and Windham Counties
■ The Health Center (FQHC)	Washington County
▲ Planned Parenthood of Northern New England	Statewide
▲ Vermont Free and Referral Clinics	Statewide

In 2022, FQHCs served...

- Nearly 1 in 3 Vermonters through over 753,700 patient visits
- 32,500+ children
- 48,000+ older adults (35% of VT Medicare beneficiaries)
- 5,800 Veterans
- 2,250+ persons experiencing homelessness
- 12,000+ uninsured patients (69% of VT's uninsured)
- 55,800+ VT Medicaid enrollees (37% of enrollees)



What makes FQHCs Unique?

- **Last Mile of Healthcare**
 - Outreach, Mobile, Transportation, Enabling Services
 - Community Clinics
- **Underserved Populations**
 - OUD / MAT Treatment
 - Immigrants, Refugees, New American Clinics
 - Gender Affirming Care
 - Home Based Elder Care
 - OB Services
 - Homeless Health Care
- **Serve ALL – Safety Net Provider**
 - Regardless of ability to pay
 - Embrace care for those who are denied care elsewhere

Financial Realities

- **FY 2023**
 - \$400,000 Operating Loss
 - Greater losses offset by ARPA
- **FY 2024**
 - \$1.2 MM Budgeted Operating Loss
 - Staff Layoffs (9), Program Closure
 - Last year of ARPA Funds that mitigated losses
- **FY 2025**
 - Projecting \$1MM+ Loss
 - Increased: Salaries, Health Insurance (17% increase and 35% across two years)
 - Reductions: 340b revenue, BCBS Care Management
- **Working through contingency plans for staffing and program reductions**

Change in Scope / Re-basing

- **Bi-State, FQHCs, and DVHA, Working Together**
 - Committed to implementing a process that is:
 - Compliant with Federal mandates
 - Fair and equitably applied
 - Predictable and reflective of changes in environment
- **The process is neither quick nor easy**
 - There is no currently articulated methodology for establishing rates
 - CHC working with DVHA for more than 12 months
 - Reconstructing historical cost structures to justify the need for rate increases is challenging at best and may be functionally impossible in some cases
- **Continuity of services requires funding in THIS legislative session**