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Testimony on FY2025 Budget Request to House Health Care Committee
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Bi-State Primary Care Association
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Madame Chairs, Members of the Committees:

Thank you for the opportunity to testify on behalf of Vermont's federally qualified health centers (FQHCs). My name is Mary Kate Mohlman. I am here today as Director for Vermont Public Policy at Bi-State Primary Care Association.

Bi-State supports all FQHCs in Vermont. These community health centers provide care to 1 in 3 Vermonters regardless of their ability to pay. With over 50% of their Board or Directors membership consisting of patients, FQHCs have a strong commitment to engaging with and meeting the needs of their communities, from providing primary care, to running a grocery store, to setting up a school dental clinic, to delivering thousands of pounds of food to those in need. But this mission and these services are at risk.

Today, we are asking for an appropriation of \$2.8 million in state funding, which would allow DVHA to align FQHC rates with their individual costs.

According to federal statute, an FQHC's rate should reflect the reasonable cost of the services it provides and the people it serves. This unique rate is increased annually by the Medicare Economic Index and adjusted as necessary to reflect changes in the services and the patient population.

To date, Vermont's FQHCs have not had rates that meet these requirements. Bi-State has worked with DVHA to address this issue, first between 2015 and 2017 when DVHA initially sought to comply with federal law, and again for the last two years. The funding request we put forward today builds on the work DVHA did in 2017, and our advisors agree that this approach is a reasonable way to meet federal requirements. Our goal with this appropriation is to reinforce our continued collaboration with DVHA and to achieve an enduring resolution on FQHC rates. We also hope to continue working with DVHA to improve the change in scope process and apply it consistently across health centers.

Finally, we want to thank you for your ongoing support of FQHCs. The funding you provided last year was critical, but health centers remain financially fragile. Many of them are presenting budgets with significant operating losses. To close those gaps, health centers are looking at laying off staff and cutting services and access points. They need to make these decisions even as primary and preventive care remain so critical to the communities they serve and to the state's own health care reform goals.

Thank you again for this opportunity to speak here today. I am happy to answer any of your questions.