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Sent: Monday, April 17, 2023 12:53 PM

To: Jane Kitchel <jkitchel@leg.state.vt.us>; Virginia Lyons <VLyons@leg.state.vt.us>

Cc: Lucie Garand <lucie@mmrvt.com>; Georgia Maheras <gmaheras@bistatepca.org>; Ethan Latour <Ethan@mmrvt.com>

Subject: [External] Bi-State Funding Requests for FY24

[External]

Good afternoon, Chair Kitchel:

I am writing to follow up on the FY2024 Budget request Bi-State Primary Care Association made to the Senate Health and Welfare Committee. On April 7th, we requested that the legislature appropriate an additional \$6.9 million in state funds for federally qualified health centers (FQHCs). The House-passed budget included a 4 percent Medicaid rate increase for FQHCs, which comes out to about \$742,000 in state funds. However, while we appreciate the House's work, we continue to request the full funding amount, which reflects the cost of providing comprehensive services to Medicaid enrollees and how federal law says FQHCs should be paid.

Congress established in law that Medicaid should pay a rate to each health center based on their own individual costs for providing Medicaid-covered services. That is not the current practice in Vermont. This misalignment with the federally established methodology has contributed to a growing gap between the cost to provide comprehensive Medicaid services and what the state reimburses. That gap is effectively our budget request, \$6.9 million in state funds.

I am happy to answer any questions that you may have about this request.

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