North Dakota House Human Services Committee
SB 2155
March 15, 2023

Chair Weisz, Vice Chair Ruby, and House Human Services Committee Members, my name is Patrick Gulbranson, and I am the Chief Executive Officer of Family HealthCare based in Fargo, North Dakota, and a board member of the Community Healthcare Association of the Dakotas, which represents community health centers across North Dakota. I am pleased to present testimony in support of Senate Bill 2155, which passed the Senate Human Services and Appropriations Committees with unanimous do pass recommendations and passed the full Senate with a nearly unanimous vote of 46-1. This bill will provide an appropriation to the Department of Health and Human Services to provide grants to support the sustainability and development of services at community health centers. The bill also calls for a legislative management study regarding how the number of community health centers in North Dakota may be increased and how to improve collaboration with local public health units.

Along with my colleague Brian Williams, Chief Executive Officer of Coal Country Community Health Center, I am here representing community health centers across North Dakota. You will note that – in addition to the testimony I am sharing today – several of my colleagues submitted testimony in writing. Community health centers are non-profit, community-driven primary care clinics with a unique Federally Qualified Health Center (FQHC) designation. Each clinic provides high-quality primary and preventive care to all individuals, with or without insurance and regardless of their ability to pay. North Dakota has five community health centers in 19 communities with 21 delivery sites. They serve approximately 36,000 primary and behavioral health care patients and nearly 13,000 dental patients. In 2021, about 20% of health center patients were uninsured, 12% were best served in a language other than English, and nearly half lived in families with an income below the federal poverty level.

Community health centers, or CHCs, are in rural and urban North Dakota. In rural communities, they support a community's ability to retain local health care options and support access to health care where rural North Dakotans live and work. In urban areas, they tend to care for underserved populations. CHCs serve patients without stable housing, work to meet the needs of refugee and resettlement populations, and provide care for migrant farmworkers. They offer dental services to underserved populations, and they have stepped up to play a significant role in addressing the opioid epidemic and meeting the behavioral health needs of their patient populations.

While we know the need for care exists, the resources to provide those services are difficult to find. CHCs provided nearly $11 million in uncompensated care to North Dakota residents over the last two years. CHCs do work to maximize existing funding sources, which include reimbursement for services, patient payments, grant dollars for specific programs, and federal

appropriations. But, with rising wages and a growing population needing services, additional resources are required to meet the ever-increasing needs. In addition, there are research estimates that the impact of ending the Medicaid continuous eligibility policies of the public health emergency will have about a negative impact between $1.8 and $2.6 million on CHCs in North Dakota.

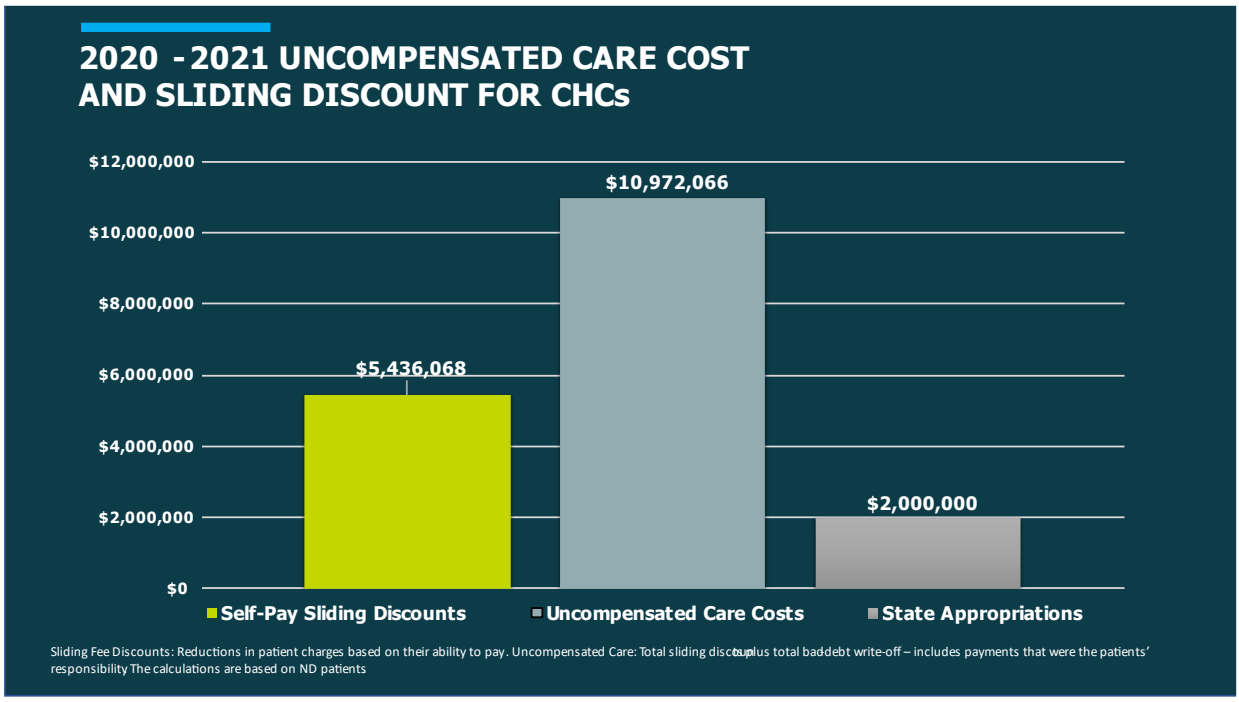
Community health centers reduce overall health care costs by reducing emergency room visits and hospitalizations for Medicaid recipients. Specifically, a study done in 2016 noted that CHCs reduce costs by 24 percent compared to other providers in the Medicaid program. In addition, CHCs reduce uncompensated care costs for other providers by preventing emergency room visits and avoidable hospitalizations for uninsured or underinsured patients in the community.

Community health centers are all governed by community- and patient-led boards. As a result, they are focused on meeting community needs. In some cases they do this through partnerships with other health and service providers, including local public health, local social service agencies and other area health care providers. Collaboration is part of the DNA of health centers, both in response to program requirements and as an outgrowth of how they are governed.

This appropriation would sustain and improve the reach of community health centers to the most vulnerable. It will help them respond to workforce challenges and shortages, enable health IT investments that support quality improvement, put more resources towards social and environmental barriers to health in underserved communities, and sustain outreach, translation, transportation, and other non-billable services.

This bill lays out a funding allocation methodology that mirrors a model currently used in other states to support their CHCs. This methodology is based on the total sliding fee discounts offered to patients at each health center. By law, CHCs must offer sliding fee discounts based on income to uninsured and underinsured patients. Each health center's sliding fee discount amount is already reported publicly to the federal government using a consistent methodology. This approach will limit additional administrative effort for the health centers and the state.

As this chart shows, in 2020 and 2021, the total sliding fee discounts that were offered to patients by North Dakota community health centers was nearly 5.5 million dollars. Total uncompensated care, which is sliding fee discounts plus bills that were written off because patients were unable to pay was more than twice that amount.



To help address this shortfall, we ask you to consider allocating $2 million in state resources to CHCs over the next biennium so they can sustain and grow their impact in the state. While the final recommendation from the Senate Appropriations Committee was for $1 million over the biennium, we ask this committee to re-instate the original request from Senate sponsor Judy Lee for $2 million. An annual allocation of $500,000 spread across 5 health care organizations will limit the impact of the state funding. While it would help cover the shortfall caused by wage pressure and unwinding Medicaid continuous eligibility, but it would not enable the expanded services that our communities need. Twenty-nine states currently appropriate state resources to CHCs to support their mission, and we hope you will agree that North Dakota CHCs should be added to this list.

Thank you for allowing me to bring this testimony before you today and I am happy to answer any questions. Respectfully, Patrick Gulbranson, CEO, Family HealthCare