

Senate Appropriations Committee

SB 2155

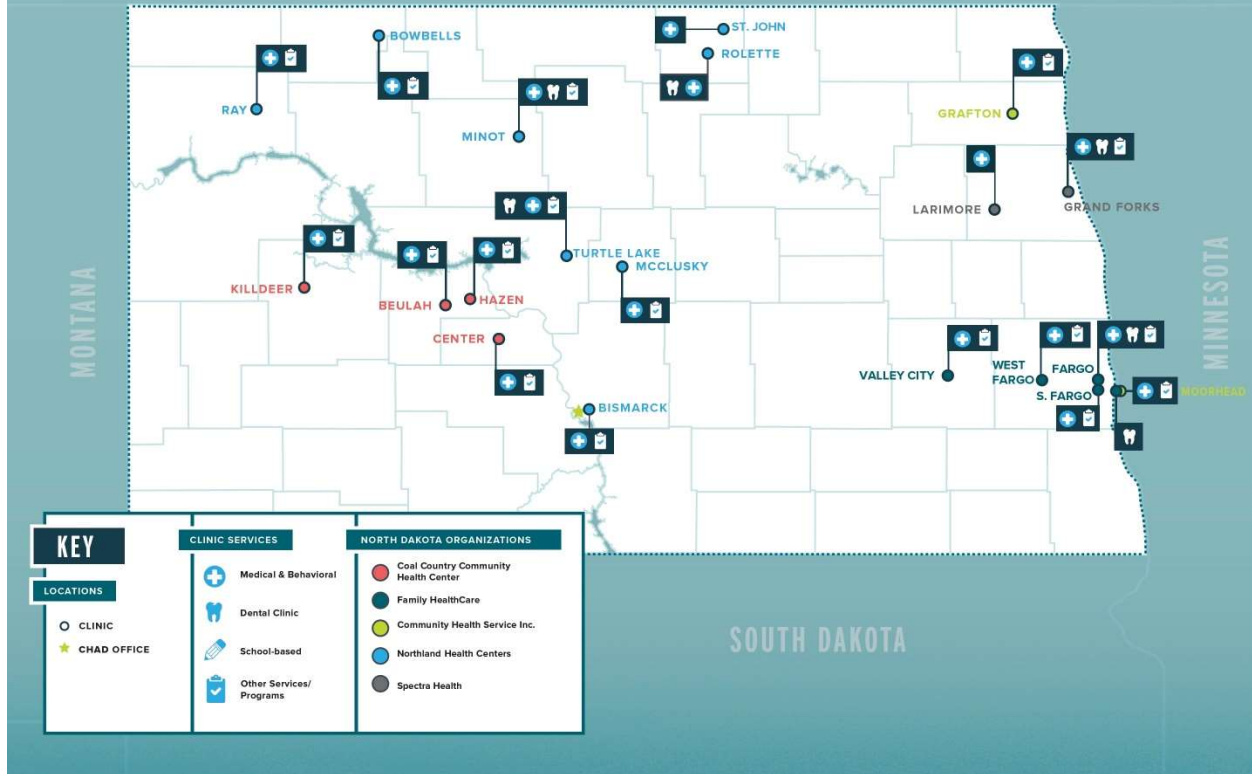
February 8, 2023

Chair Bekkedahl, Vice Chair Krebsbach, and Appropriations Committee Members, my name is Rachel Thomas, and I am the CFO of Northland Health Centers. Northland Health Centers serves eight communities in the central and northern areas of the state, providing medical, dental and behavioral health services. I am pleased to present testimony in support of Senate Bill 2155. This bill will provide an appropriation to the Department of Health and Human Services to: provide grants to support and enhance services at current Community Health Centers or CHC's; offer grants to support community assessments that could expand the reach of the health center program into underserved rural and urban communities; and provide for a legislative management study during the interim session on increasing the number of CHC's and their coordination with local public health units.

I am here representing all CHC's across North Dakota. You will note that in addition to the testimony I am sharing today, several of my colleagues submitted written testimony as well. CHC's are non-profit, community-driven 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 different CHC's in 19 communities with 21 delivery sites. We serve approximately 36,000 medical 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 CENTER LOCATIONS



CHC's, are in rural and urban communities of North Dakota. In rural communities, we support the 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, our focus is the underserved and underinsured populations. We offer dental services, focusing on the unmet needs of Medicaid patients. We play a significant role in addressing the opioid epidemic through Medications for Opioid Use Disorder (MOUD) treatment. We strive to meet the mental health needs of our patient populations through traditional and integrated therapy models. We also serve patients without stable housing, work to meet the needs of refugee and resettlement populations and provide care for migrant farmworkers.

While we know the need for care exists, the resources to provide these services are difficult to find. CHC's have provided nearly \$11 million in uncompensated care to North Dakota residents over the last two years. We work to maximize existing funding resources, 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.

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

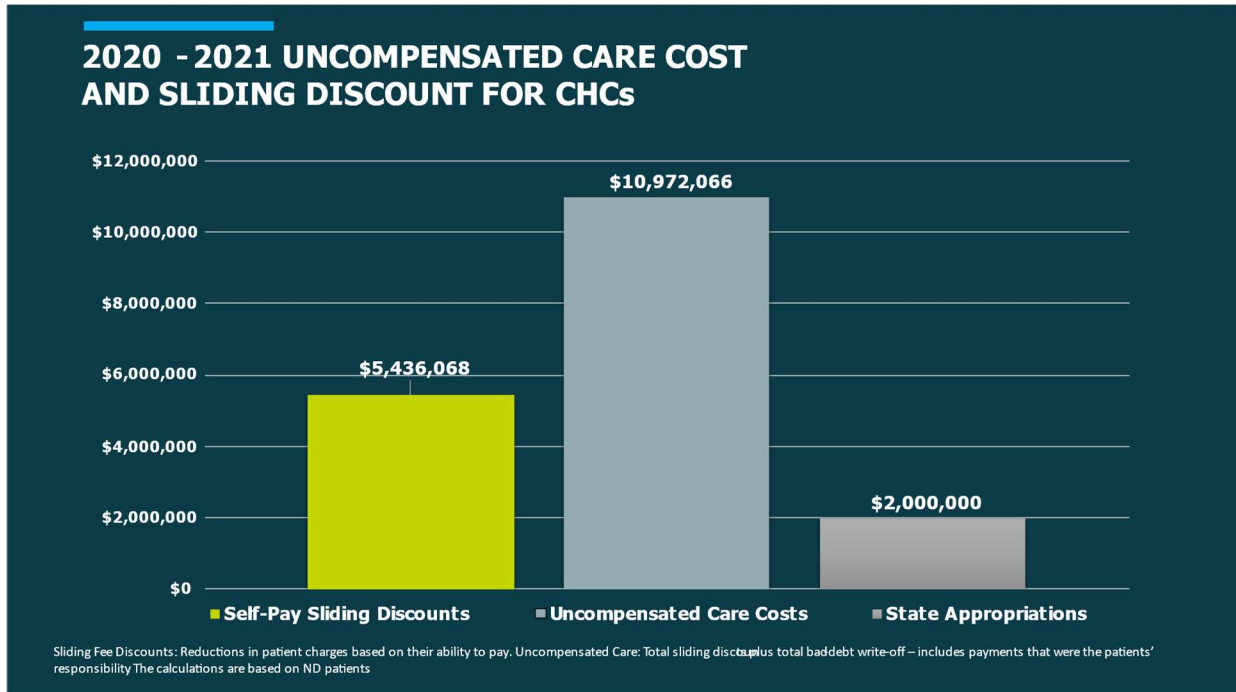
CHC's are all governed by community and patient-led boards. As a result, we are focused on meeting community needs. In some cases, we do this through partnerships with local health and service providers. Collaboration is part of a CHC's core principles, both in response to program requirements as well as an outcome of how we are governed.

Every CHC faces different obstacles involving the unmet health and wellness needs in their communities and have provided testimony for how additional funding would enable them to better support overall community health. In general, this appropriation would sustain and improve the reach of CHC's to the most vulnerable. It will help us 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 CHC's. This methodology is based on the total sliding fee discounts offered to patients at each health center. CHC's are required to 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 efforts 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 CHC's was nearly 5.5 million dollars. Total uncompensated care,

which is sliding fee discounts plus patient balances that were written off due to patients being 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 CHC's over the next biennium so we can sustain and grow our impact in the state. Twenty-nine states currently appropriate state resources to CHC's to support their mission, and we hope you will agree that North Dakota CHC's should be added to this list.

Thank you and I am happy to take any questions.