Senate Human Services Committee
SB 2155
January 30, 2023

Chairman Lee and Human Services Committee Members, my name is Shelly Ten Napel, and I am the Chief Executive Officer of the Community HealthCare Association of the Dakotas, also known as CHAD. CHAD is the membership association that supports community health centers and urban Indian health centers in North Dakota and South Dakota. 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; 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 community health centers and their coordination with local public health units.

First, I would like to share a little background on the health care organizations we are talking about and their reach in North Dakota and note that we have leaders from the several of the health centers in North Dakota here with us today.

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.

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.

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.

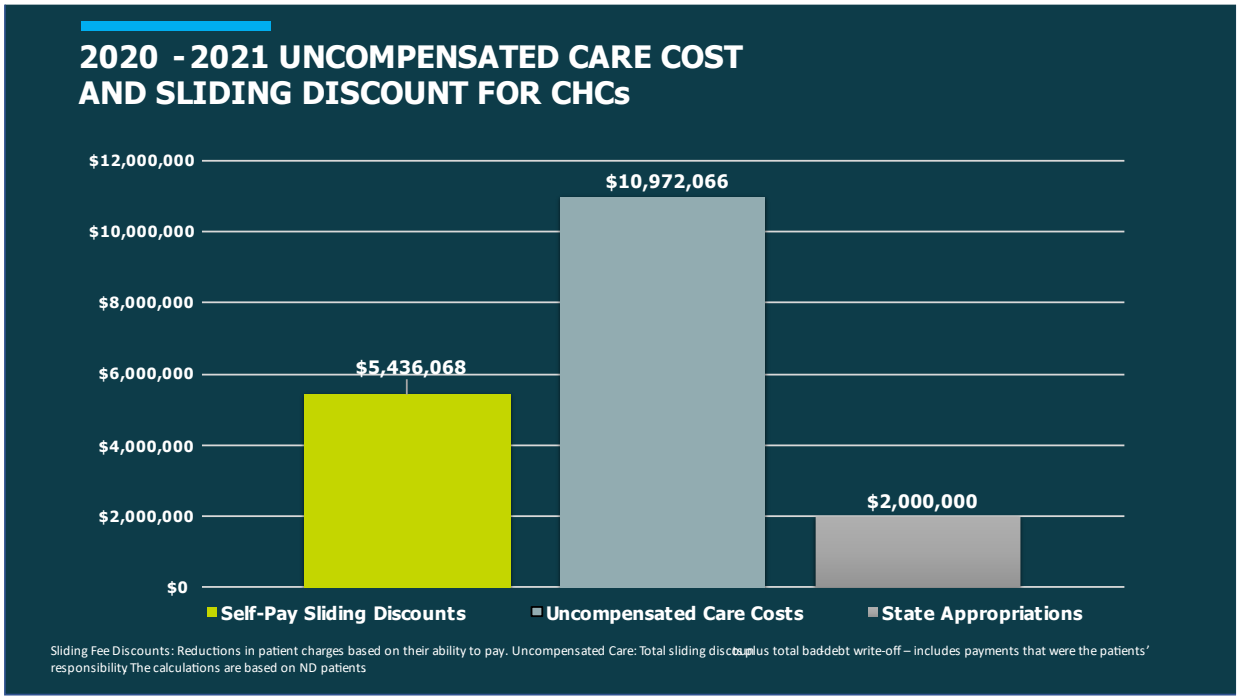
Community health centers are all governed by community- and patient-led boards. As a result, they are focused on meeting community needs. In some cases they do this through partnerships with other health and service providers, including local public health, local social service agencies and other area 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.

You will hear directly from several CHCs about the unmet health and wellness needs in their communities and how additional funding would enable them to better support overall community health. In general, 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. 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 and I am happy to take any questions.