

Testimony to City Council
Department of Health Care Finance
Committee on Health
Chairperson David A. Catania

May 3, 2010

Good morning, Councilmembers, and thank you for the opportunity to testify here today.

My name is Alicia Wilson and I am the Executive Director of La Clínica del Pueblo. As you know, our community health center serves a primarily Latino population. Most of our patients rely on the DC Health Care Alliance as their safety-net insurance plan, although we are encouraged to find that more and more may be eligible for Medicaid as eligibility expands.

We at La Clínica have a number of concerns with the Department of Health Care Finance's proposed 2011 budget. In particular, we are concerned about DHCF's proposed provider reimbursement cuts. While these proposed cuts primarily affect the non-Federally Qualified Health Centers, they will be a dramatic 30% reduction from what non-FQHC clinics are receiving now. We feel that all reductions in Medicaid reimbursements in the city whittle away at the number of providers willing to take Medicaid patients, and they may cause safety net clinics to cut services because they can't survive with these lower rates.

We also are concerned that the proposed reductions in Medicaid reimbursements may lead to reductions in Alliance reimbursements in the future. As an immigrant-services provider, the majority of our patient services revenue comes from the Alliance, and we rely on these reimbursements to survive. Currently, both Medicaid and Alliance pay below the true cost of providing services. Safety-net clinics such as ours are "contributing" the balance of the cost and raising it from other sources, when possible. This low payment is for patients who, as a whole, have greater complexity and greater health needs than the mainstream population.

In many ways, we are celebrating the District's aggressive push to move patients from the Alliance to Medicaid, but we recognize that the transfer of patients at a time of proposed reimbursement cuts will bring negative consequences for safety net clinics.

As a positive effect of the shift, we know that more patients on Medicaid should mean that more patients will have broader access to an array of health services, and the city will receive federal funds to pay for the majority of those services. While we are pleased with the Alliance as a whole, we continue to face challenges with providing our Alliance patients access to specialty care. For example, we had a patient with the Alliance who was forced to wait 6 months to start chemotherapy. With broader enrollment in Medicaid, more patients will have access to needed services such as mental health care and alternatives for pharmacy services. These are all changes we can look forward to.

There are many negative consequences, however, to this transfer at the same time as DHCF is proposing cuts in Medicaid rates. Medicaid currently pays non-FQHC clinics dramatically lower rates – on average, \$30 - \$60 -- than the Alliance, which pays at least \$95 per visit. **If Medicaid rates are cut even further, many health centers will have to forego seeing Medicaid patients, further reducing the safety net, which affects all of us – not just the non-FQHC clinics.**

Instead of reducing provider rates, we propose that Medicaid rates should actually be increased to match the Alliance rates, so that there is greater parity in health services for all residents of the city. With the already low Medicaid rates getting cut, we also know that Medicaid MCOs will ultimately reduce their reimbursements, adjusting their rates to match the Fee For Service Medicaid rates set by DHCF.

As an FQHC clinic, we are relieved to be receiving our “protected” reimbursement rate for our Medicaid patients, *when we can succeed in getting reimbursed our “wrap-around” payment from DHCF*. Because so few of our patients are citizens or Legal Permanent Residents for more than 5 years, however, most will still not meet the eligibility requirements for Medicaid. We feel that a robust safety net, with sufficient resources dedicated to both the Alliance and Medicaid, will ensure that there are enough providers for everyone living in the city to have a medical home and the specialty care that they may need.

With our country’s Health Care Reform law now moving toward implementation, we ask that the City Council make sure that the city’s unique health care safety net not be somehow diminished in the push for more Federal funding. We ask for a commitment on the part of the city council to protect the Alliance. We fear that the “nickels and dimes” approach to balancing DHCF’s budget and reducing provider payments will destroy a vital, unique safety net. We ask that you safeguard the Alliance from having its budget cut through methods such as caps on enrollment, making it harder for residents to enroll, or reducing covered services. We ask for payment parity between Medicaid FFS and Alliance, ensuring a broad array of access points for all residents of the city.

We are so proud of the city’s commitment to serve all of its residents, regardless of their immigration status. We want to safeguard the Alliance, as well as strengthen Medicaid, to ensure that the safety net remains truly available for all.