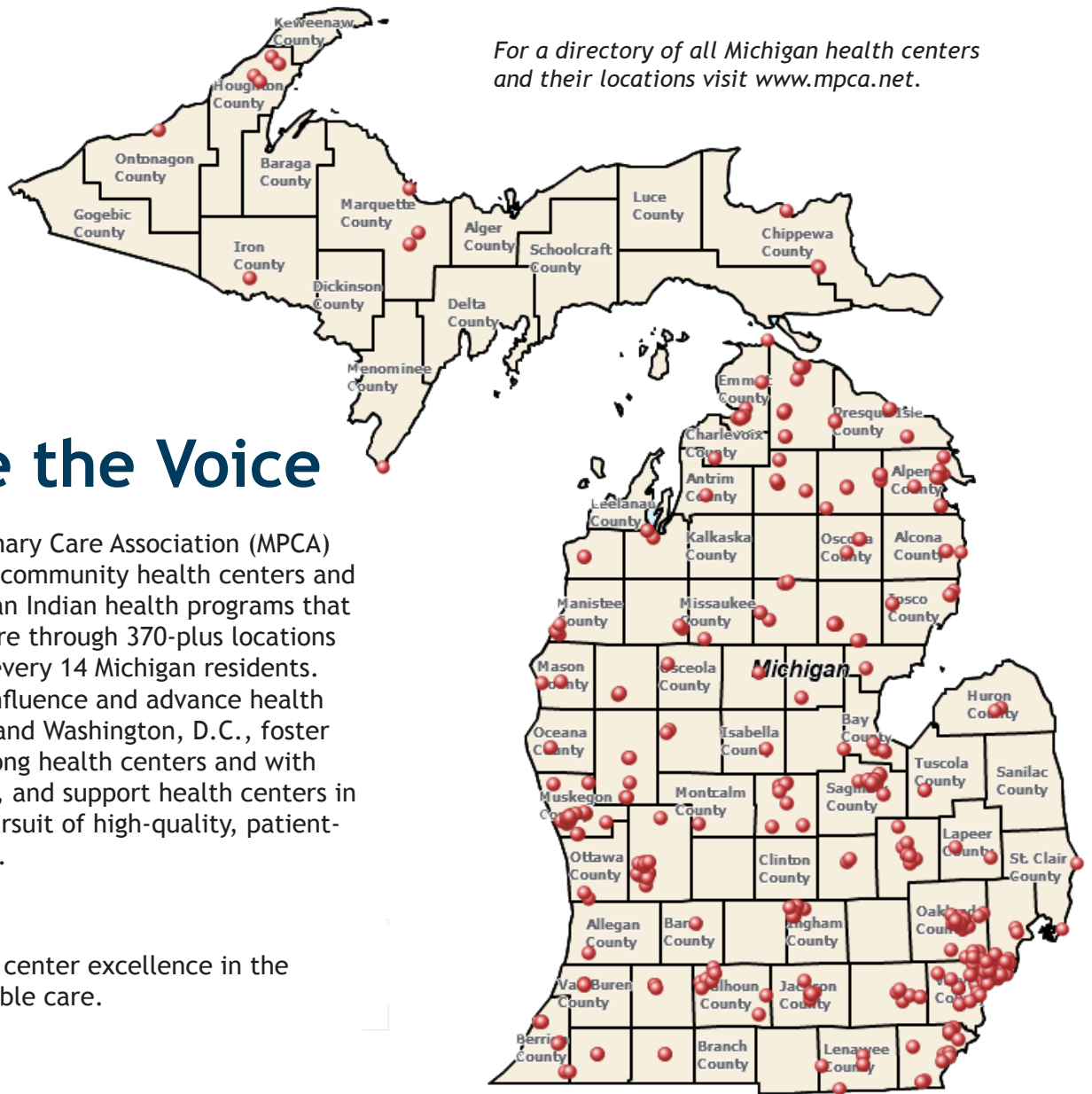




THE VOICE OF
COMMUNITY
HEALTH CENTERS



2023
Legislative Forum
April 11, 2023



For a directory of all Michigan health centers and their locations visit www.mPCA.net.

We Are the Voice

The Michigan Primary Care Association (MPCA) is the voice of 40 community health centers and four tribal or urban Indian health programs that provide health care through 370-plus locations for about one in every 14 Michigan residents. We advocate to influence and advance health policy in Lansing and Washington, D.C., foster collaboration among health centers and with external partners, and support health centers in the continuous pursuit of high-quality, patient-centered services.

Mission

To support health center excellence in the delivery of equitable care.

Vision

Equitable and Just Healthcare For All.

Driving Principles

- **Advocate-** MPCA champions health and social policies that support health centers and the patients and communities they serve.
- **Collaborate-** MPCA brings together member organizations to encourage peer sharing and learning and supports relationships between health centers and a diverse set of partners to further integration and common objectives.
- **Improve-** MPCA supports health centers in the continuous pursuit of high-quality, patient-centered services, the advancement of value-based care, and organizational excellence.



Greetings from the CEO

The Michigan Primary Care Association (MPCA) is the voice of 40 community health centers and four tribal or urban Indian health programs that provide health care through 370-plus locations across the state. Community health centers -sometimes called by their formal name, Federally Qualified Health Centers - are nonprofit, patient-directed organizations that deliver primary care and other integrated health services including oral health, behavioral health, and substance use care regardless of a patient's ability to pay.

Health centers strive for excellence in the delivery of equitable care and help to overcome geographic, cultural, linguistic, and other barriers by emphasizing strong care coordination for patients with multiple healthcare needs, providing supportive services such as health education, translation, and transportation that promote access to health care, and using systematic approaches in the pursuit of continuous quality improvement.

Michigan's health centers were on the frontline of the COVID-19 pandemic in communities statewide, serving as partners in emergency response efforts, administering vaccines, providing testing, and helping community members connect to treatment. As the formal end of the Public Health Emergency draws nearer, we find ourselves reflecting on the ways the pandemic has impacted our patients' health and essential health care (unfortunately, often harmfully) as well as the opportunity ahead not only to recover but to improve upon pre-pandemic population health outcomes and equity.

The World Health Organization (WHO) recently reiterated that “decades of evidence shows that primary care teams are capable of remarkable improvements in health” when we support integrated primary care capacity and training, and pay for their work appropriately. The benefits of that support are “enormous for promoting health, preventing diseases, advancing equity, and for health security, by building more resilient health systems.”

MPCA's 2023 policy priorities are informed by the challenges we've collectively experienced over the course of the last several years, but present opportunities to make stabilizing and transformational investments in the community health centers that about one in 14 Michigan residents rely on for their healthcare. That “reorientation toward primary care” is one of the most important things we can do to “make a real recovery from the pandemic, and be prepared” for the future.

Sincerely,

Phillip Bergquist

MPCA 2023 Policy Priorities

Healthcare Payment Reform and Primary Care Investment (Alternative Payment Methodology and Medicaid Payment Rate Increase)

Issue:

For the last several years, health centers have navigated the challenges of the public health emergency while simultaneously adapting their core healthcare services to meet the evolving needs of patients and the changing healthcare landscape. While some pandemic-related changes have been temporary, many are having lasting impacts and one of the most challenging and ongoing changes is the significantly higher costs health centers are facing.

From the expenses of maintaining facilities to the salaries of care team members, today it costs meaningfully more to deliver care than it did three years ago and the cost changes health centers have experienced have significantly outpaced reimbursement from Medicaid. A prime example of rising costs is personnel expenses, which have gone up nearly \$44 million annually in the last three years. That increase doesn't represent adding staff or growing services, it simply costs \$44 million a year more to employ the same clinicians and staff because of higher wages and workforce competition. While there are many similar examples, research from Health Management Associates sums up the impact in a single number... on average, Michigan health centers are paid \$61 less by Medicaid than it costs to provide each Medicaid patient visit. That loss adds up when it's multiplied across health centers' hundreds of thousands of Medicaid visits each year. And, unfortunately, recent investments the legislature has made in Medicaid rate changes have not positively impacted health centers because they are reimbursed through a unique payment system.

Two of the most common misconceptions about health centers are that they receive enough federal funding to make up for low Medicaid and other insurance payments and that health centers' Medicaid payments cover their costs. But, regrettably, neither is true. In most health centers, federal funding accounts for about a quarter or less of their budget, and in the Medicaid program health center payments are only adjusted by a small amount each year, for example, 2.1% in 2022 compared to broader inflation for the same period which was generally over three times that amount.

In addition, in the last decade, it's become clear that volume-based payment for healthcare services is a key factor in escalating total healthcare costs and limitations on healthcare delivery innovation. Volume-based payment models reimburse solely based on the number of services rendered, instead of the services or healthcare team members that are most effective in supporting a person's healthcare needs, and volume-based payment is generally made regardless of the quality of the service provided.

Currently, health centers are paid in the Medicaid program through a Prospective Payment System (PPS) which has some value-based aspects (the PPS uses a single bundled payment for multiple services provided in the same patient encounter) but is still based on the number of traditional patient encounters health centers provide. The PPS' volume-based structure limits innovation because health centers must design their services around what is reimbursed as a patient encounter, otherwise, the services are not sustainable.

Recommendation:

- MPCA recommends the legislature appropriate funding to increase Medicaid reimbursement rates for federally qualified health centers to fund the gap between the actual cost of Medicaid services provided to patients and current reimbursement. MPCA estimates the gap to be \$112 million annually.
- In addition, we recommend the legislature support budget boilerplate which directs the implementation of a population-based alternative payment methodology (APM) to delink health center payment from the volume of traditional patient encounters and instead shift reimbursement to a per-patient payment (generally paid per patient per month) for the population of Medicaid beneficiaries served by each health center.
- As part of APM implementation, MPCA further recommends a one-time investment of \$55.8 million to support the cost of preparing for and transitioning to the APM in health centers statewide as well as MDHHS' associated transition costs. The investment would support the work of health centers in adopting new models of care to better serve Michiganders when the APM is implemented.

Background and Discussion:

Most Michigan health centers receive modest grants to cover a portion of the care centers provide, but grants generally represent a small portion of a health center's overall budget. Patient services revenue, paid through the Medicaid Prospective Payment System (PPS) and other insurance payments, makes up a much larger portion of a health center's overall budget. As a result, the separate but related impacts of increasing Medicaid rates and implementing a Medicaid APM are two of the most significant mechanisms we can use to ensure stability and encourage transformation.

MPCA 2023 Policy Priorities

Telehealth Flexibility and Stable Reimbursement

Issue:

Health centers' experiences during COVID-19 have demonstrated that telehealth services are an effective tool for improving access to care not only during an emergency, but permanently as a healthcare delivery mechanism for patients facing transportation challenges, communities facing healthcare provider shortages, and more.

Michigan's advancements in telehealth services during the COVID-19 pandemic are at risk, however, if the policy and reimbursement flexibilities implemented are not maintained long-term. Losing the ability to, for example, provide and be reimbursed for audio-only telehealth services or receiving a lower reimbursement rate for telehealth services than in-person services, would pose significant challenges. And, now more than ever, it's critical to maintain telehealth access, particularly for services that have been widely adopted and are now relied upon in telehealth form like behavioral health.

Recommendation:

MPCA recommends supporting HB 4213 that would codify current Medicaid and Healthy Michigan Plan policies regarding telehealth and ensure that health centers and other providers receive appropriate reimbursement for the telehealth services they provide to patients. MPCA is specifically interested in:

- Ensuring a comprehensive array of services are permanently covered as telemedicine services.
- Ensuring continued reimbursement for audio-only telemedicine services which have been critical for patients who do not have easy access to broadband and/or smartphones.
- Ensuring healthcare providers are not reimbursed at a lower rate than in-person services for telemedicine and that other requirements are not more restrictive than they are for in-person services.

Background and Discussion:

“Telehealth” and “telemedicine” are often used interchangeably to reference the use of telecommunications technology to connect a patient with a health care professional in a different location. MDHHS has issued policy and made available other flexibilities that have expanded telemedicine access and resulted in an increase in telehealth service delivery. CMS has subsequently made clear to states that the “broad flexibility that states have to cover and pay for Medicaid services delivered via telehealth... will continue to be available to states after the end of the COVID-19 public health emergency”, clearing the way for the type of codifying legislation recommended.

MPCA 2023 Policy Priorities

Health Centers Careers Training Program (HCCTP) Expansion and Extension

Issue:

Michigan Community Health Centers, like other healthcare providers, have seen unprecedented workforce labor shortages over the COVID-19 Pandemic. The most critical labor shortages health centers have experienced have been in clinical support roles. The number of people newly entering healthcare occupations (especially entry-level healthcare roles) has not kept pace with the number of people leaving the healthcare field due to the pressures of the pandemic, retirement, or opportunities outside the healthcare sector. Financial, social, geographic, and academic performance factors are some of the key barriers that limit opportunities for high school graduates or those without a degree to enter health careers.

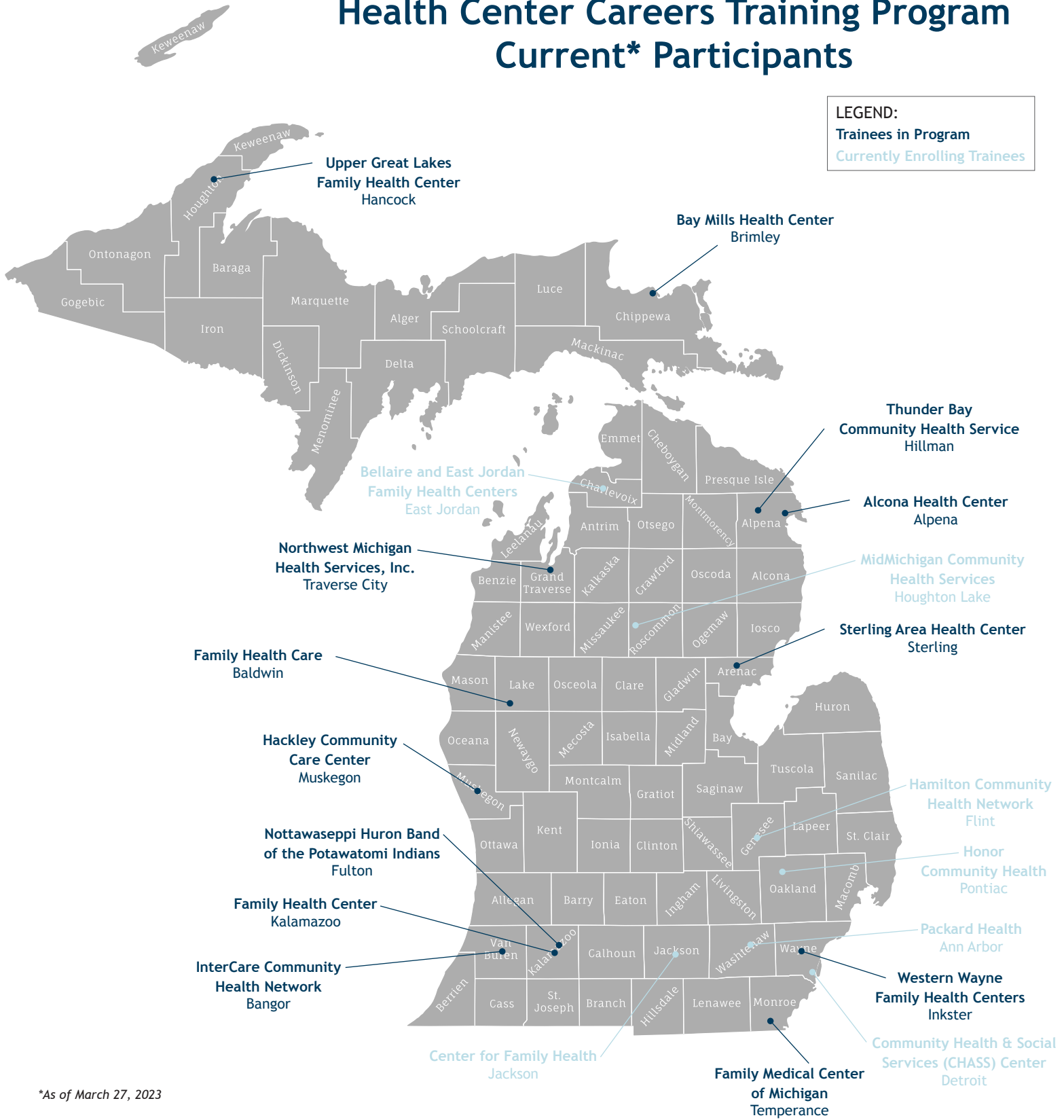
Background:

The Health Center Careers Training Program was launched in March of 2022 to train and employ up to 300 new healthcare professionals using a 7.6-million-dollar investment of American Rescue Plan (ARP) funds, part of an appropriation by the legislature for healthcare recruitment, retention, and training. Participating health centers receive funding to cover employer costs, including tuition and wages, which avoids prohibitive student loan debt or cost barriers. Within the first year of the program, thirteen Michigan health centers, including two tribal health centers, hired and trained fifty-nine new medical and dental assistants in some of Michigan's most underserved communities. In Year Two, additional Health Centers are joining, and the program has been expanded to include additional high-demand careers, including community health workers, doulas, and pharmacy technicians. MPCA was also approved by the U.S. Department of Labor to serve as an Intermediary for Health Centers transitioning their training programs into Registered Apprenticeship Programs. HCCTP has enabled rural and urban Health Centers to grow local talent and provide economic opportunities within the low-income, underserved, and BIPOC communities they serve. MPCA is actively exploring new opportunities to build on the program's success by innovating apprentice-style training pathways for other high-demand advanced careers, such as registered nurses, dental hygienists, and behavioral health professionals.

Recommendation:

- **Reinvest in the Michigan Health Center Careers Training Program (HCCTP) to sustain on-the-job training and registered apprenticeship programs that surmount barriers to entering health professions and rapidly grow the workforce needed to meet healthcare needs in Michigan's low-income and medically underserved communities.** Support long-term funding (three or more years, approximately \$2 million per year) for the HCCTP program to enable Michigan Health Centers to sustain their newly established training programs for entry-level health careers and grow innovative training program models to support advanced careers training opportunities for high-demand licensed provider roles, such as registered nurses, dental hygienists, and behavioral health professionals.

Health Center Careers Training Program Current* Participants



*As of March 27, 2023

MPCA 2023 Policy Priorities

Dental Student Training and Funding Support

Issue:

Michigan's dental schools (the University of Michigan School of Dentistry (U of M) and University of Detroit Mercy School of Dentistry (UDM)) and Michigan community health centers have long-standing partnerships in supporting the training and growth of strong, capable dentists. Both dental schools encourage their fourth-year students to do 2-week clinical rotations within health centers, and more recently, other organizations. These partnerships provide students with critical hands-on experience in community settings; they also involve a significant cost to health centers. Sharply increasing wages and rising operational costs have left most health centers with strained operating budgets, making the costs associated with hosting dental students a much greater challenge to sustain.

The continuation of this mutually beneficial relationship is important for all involved: the patients, students, dental education programs, health centers, and broadly, the chronically understaffed dental safety net.

Recommendation:

MPCA recommends appropriating \$1.5 million annually to support the clinical rotations of dental students. This amount would cover:

- Clinical rotations for approximately 58 fourth year dental students per year.
- Supporting dental students' clinical rotation expenses, like travel and local housing during their rotation.

Background and Discussion:

Michigan Dental schools offer their Fourth-year dental students the opportunity to engage in 2-week clinical rotations within safety net organizations, including MPCA member dental clinics and My Community Dental Centers (MCDC). This has been mutually beneficial, as more patients are served, students gain valuable hands-on experience working in public health settings, dental education programs grow stronger with community partnerships and more experienced graduates, and the strained health center workforce is strengthened by the students. This relationship also provides students with exposure to potential employers and health centers with exposure to potential recruits.

Health Centers Deliver Value

COMMUNITY HEALTH CENTERS are consumer-driven, patient-centered local health care organizations that provide care to people who live in medically underserved areas. Their services are tailored to fit the unique needs of the communities they serve, and their mission is simple: provide high-quality, affordable, and comprehensive medical services to everyone – regardless of who they are, where they come from, or their ability to pay.

THEIR DOORS ARE OPEN TO EVERYONE

Each year, Michigan health centers serve over 663,000 patients, including:

577,657
live
in poverty

30,510
are
homeless

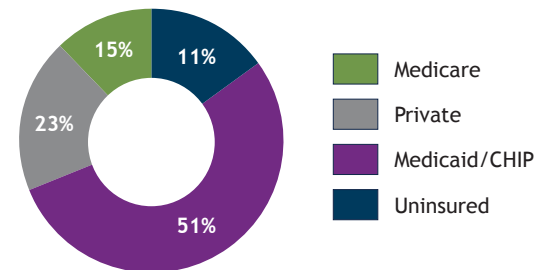
172,552
are
children

12,749
are agricultural
farm workers

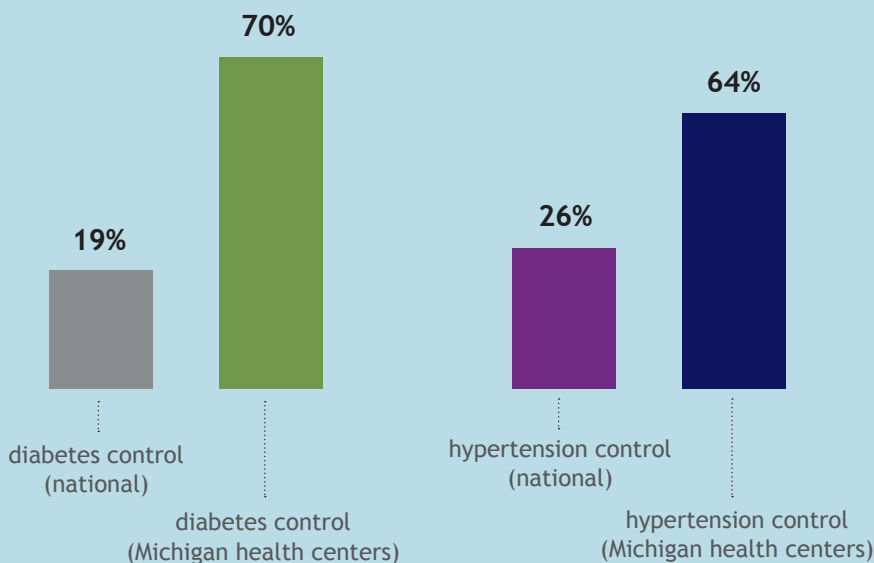
282,935
identify as racial or
ethnic minorities

13,077
are
veterans

Most Michigan community health center patients are uninsured or publicly insured:



INNOVATION LEADS TO BETTER OUTCOMES



Health centers are leaders in population **HEALTH INNOVATION** and have pioneered coordination of **SERVICES FOR BETTER CARE.**

Health centers perform better on **ambulatory care quality measures compared to private physicians.** In fact, health center patients have higher rates of diabetes and hypertension control.

HEALTHY PEOPLE SPELL A HEALTHY ECONOMY

Michigan health centers don't just put people back to work, they also CREATE JOBS and generate cost savings.



6,234

Michigan health centers employ 6,234 people of all skill and education levels.



\$2.5 million

In total, staff at Michigan health centers provide more than \$2.5 million patient visits each year.



\$51

Services provided by Michigan Health Centers to adult Medicaid beneficiaries cost **\$51 per member per month less** than those provided by other providers.



\$612

Michigan Health Centers **save Michigan's Medicaid program** \$612 per beneficiary per year.



\$123.2 million

Estimated savings Michigan Health Centers generate annually to Michigan's Medicaid program is \$123.2 million.

COVERAGE EQUALS CARE

PREVENTIVE, INTEGRATED CARE offered by Michigan health centers makes it easier to catch problems early – when they're easier and less expensive to treat. Community health centers are also on the FRONT LINES of the opioid epidemic, providing evidence-based treatment to support recovery.



1,577,967
Medical services



413,545
Dental care



339,725
Behavioral health



58,329
Substance use disorder treatment



29,893
Vision services



72,504
Enabling services

(e.g., transportation, translation, health education)

Sources

- 2021 UDS Data Fact Sheet - HRSA
- NACHC 2021 Chartbook - <https://www.nachc.org/research-and-data/research-fact-sheets-and-infographics/2021-community-health-center-chartbook/>
- An Evaluation of the Cost Effectiveness of Federally Qualified Health Centers Operating in Michigan - MPCA and MSU Institute for Health Policy - https://www.mpca.net/wp-content/uploads/2022/09/evaluationofcost_effectivene.pdf



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