



PENNSYLVANIA ASSOCIATION OF COMMUNITY HEALTH CENTERS

Medical Assistance Coverage

Issue: In 2014 there remained a clear need for insurance coverage for 500,000 needy Pennsylvanians below the federal Affordable Care Act's poverty guidelines to qualify for Medicaid expansion with matching federal funds. At that time, an alternative to Medicaid expansion -- a private coverage option plan known as "Healthy Pennsylvania"—was presented by the Corbett administration in an effort to address this need, but it also significantly restructured the existing Medical Assistance (MA) program's benefits. The Wolf administration has shifted Pennsylvania's policy direction from Healthy Pennsylvania to more traditional Medicaid expansion to provide insurance coverage to the same eligible individuals.

Background: There are more than 250 Federally Qualified Health Center (FQHC) and Rural Health Clinic sites statewide in rural and urban areas (60% urban, 40% rural) of the Commonwealth, providing quality primary care to more than 700,000 Pennsylvanians in 49 counties. These health centers are a significant portal to access to care for the Commonwealth's most vulnerable residents: 71% of patients served by FQHCs are insured by Medicaid or are uninsured and 93% have incomes below 200% of the federal poverty level. In addition, Rural Health Clinics (RHC) help fill the access gap through more than 60 sites in non-urbanized areas of Pennsylvania. PACHC remains supportive of an insurance option that would help many individuals served by these health centers to gain the security of coverage and decrease the uncompensated care burden on healthcare providers and communities.

Principles: On behalf of Pennsylvania's Community Health Centers, we stress that the following are key aspects of a successful implementation of expanded insurance coverage to eligible individuals:

1. Individuals must have unobstructed access to FQHCs/RHCs in any Medicaid expansion to ensure local access to primary health care so that individuals have the support they need to get well and stay well and not require expensive emergency and inpatient care.
2. FQHCs/RHCs must be paid in a manner consistent with Medicaid Prospective Payment System (PPS) requirements for all eligible Medical Assistance encounters so that Pennsylvania's safety net is not frayed.
3. The Department of Human Services must require managed care organizations (MCOs) to include **all** FQHCs/RHCs as in-network providers and must prohibit strategies that marginalize these providers, like higher co-pays and "tiering" to discourage patients from seeking care at their local FQHC/RHC.
4. There must be an effective payment system adopted that ensures health centers are paid correctly and timely. If DHS chooses to require MCOs to pay FQHCs/RHCs PPS, it must ensure that the payment system is operating correctly, must hold the MCOs accountable to payment accuracy and timeliness standards, and must retain a process to reconcile payments below PPS to that rate.

PACHC Position: PACHC believes the move to traditional Medicaid expansion offers a more efficient and effective way to give the security of coverage to the many hardworking individuals who currently cannot afford it. We think attention to implementation details to ensure that the safety net of FQHCs/RHCs in not inadvertently damaged in the transition is critical.

PACHC's membership is comprised of over 250 non-profit health center delivery sites offering care for more than 700,000 Pennsylvanians through more than two million office visits every year,; which makes these sites the largest network of primary care providers in our Commonwealth's rural and urban communities.