



Illinois Primary Health Care Association

**IPHCA Written Testimony
Senate Committee on Deficit Reduction
Tuesday, March 10, 2009**

The Illinois Primary Health Care Association (IPHCA) represents all of Illinois' Community Health Centers (CHCs), which provide quality, comprehensive and affordable care to all individuals, regardless of insurance status or ability to pay. Currently, there are over 300 health center sites statewide, providing access to primary, dental and mental health care to over 1 million patients annually. Of those 1 million patients, nearly 50% are enrolled in Medicaid, Family Care or the All Kids program, while 32% have no insurance at all.

MEDICAID MEDICAL HOME

HFS: Maintain Illinois Health Connect

Representing the State's largest network of safety-net providers, IPHCA would like to express concerns over proposed changes to the current Medicaid and All Kids programs, specifically the recommendations for mandatory enrollment in Managed Care Organizations (HMOs) made by the Civic Committee of the Commercial Club of Chicago. Illinois has already implemented Illinois Health Connect, a nationally recognized primary care case management (PCCM) program, which features mandatory enrollment for Medicaid and All Kids recipients. Given the chance to become fully operational, this program will provide Illinois' medical assistance programs with greater cost savings and better health outcomes for patients.

As opposed to Managed Care Organizations, which are often driven to make a profit by restricting a physician's ability to practice in the patient's best interest, the PCCM model achieves savings through a patient-centered relationship focused on comprehensive, coordinated care provided in a medical home. Illinois Health Connect requires patients to choose a primary care physician to ensure that patients and their families receive the necessary primary and preventive care to keep them healthy, avoiding costly and unnecessary visits to the ER.

In addition to Illinois Health Connect, a disease management program called Your Healthcare Plus was implemented in 2006 which provides significant guaranteed savings by interventions with Medicaid enrollees who incur the largest health care costs. Most estimates of savings from mandatory enrollment in Managed Care Organizations are largely attributable to disease management principles already underway in Illinois.

PAYMENT CYCLE

HFS: Reduce and maintain payment cycle with \$2.9 billion in additional federal match

With the passage of the federal stimulus package, Illinois has a real opportunity to use the increased federal matching funds to address the issue of the Medicaid payment cycle. For too long, Illinois has been balancing the state budget on the backs of providers responsible for the health and welfare of its most vulnerable populations. As safety-net providers, the slightest change in payment cycle or rates can have devastating effects on a health center's ability to fund its operations. Because over 30% of CHC patients are uninsured and nearly 50% are covered by Medicaid, health center administrators cannot simply shift costs onto the remaining 20% of patients. In December, some payments to CHCs

were over four months which seriously threatened the sustainability of their operations. Additionally, payment cycles for most Medicaid providers, including hospitals and nursing homes must meet the 30-day requirements of the federal Prompt Payment Act for Illinois to be eligible for the additional Medicaid match. Unfortunately, CHCs are not covered by this mandate so if the state chooses not to apply the same payment standard to these providers, the health care for over 1 million of the state's most vulnerable citizens will be compromised and could result in more people needing to seek costlier care in hospital emergency rooms.

COMMUNITY HEALTH CENTER EXPANSION PROGRAM

DPH: Maintain FY09 appropriation of \$9.9 million

Even with a fully funded Medicaid program, there will still be areas of the state that lack access to primary care and providers willing to take Medicaid and uninsured patients. In 2001, the General Assembly passed legislation creating the Community Health Center Expansion Act, which provides competitive grants to CHCs for start-up and operating costs associated with the expansion of new sites and services in underserved communities. These grants place Illinois health centers in a better position to leverage federal grant funding to help sustain the operational costs of the health center permanently.

To date, the Department of Public Health has awarded 48 grants, including four just announced in February 2009. Unfortunately, the four recently announced grants were pulled back by the Department as part of the FY09 budget review process. Our understanding is that projects are being reviewed on the basis of life, health and safety concerns. While we do understand the severity of the state's fiscal situation, we would hope that a review of this important program will demonstrate the need for expanded health services in the following communities:

- Lawndale Christian Health Center – Chicago
- Christopher Rural Health Planning Corporation – Johnson City
- Great Elgin Family Care Center – Elgin
- Community Health Care, Inc. – Moline

However, if the decision is made by the administration not to fund these projects in FY09, IPHCA respectfully requests the program continue to be funded at its current appropriation of \$9.9 million in FY10 and that these four projects be awarded on July 1, 2009, with the beginning of the new fiscal year.

~~*Please note that because the grants are awarded in 3-year cycles, reductions to the current appropriation will cut into the base of the program, placing previously initiated projects in jeopardy of not being completed. Likely outcomes of such cutbacks include reductions in operating hours, available services, patients seen, and jobs provided for both professional and administrative staff in underserved areas of the state.~~

ELECTRONIC HEALTH RECORDS

DPH: Maintain FY09 appropriation of \$500,000 for IPHCA EHR Project

EHR systems not only improve quality of care, they also reduce medical errors, improve patient safety, reduce healthcare delivery costs, improve clinical documentation to support appropriate billing services (including Medicaid), and meet the requirements of legal, regulatory and accreditation standards. However, because many health centers lack the resources necessary to purchase these large systems, IPHCA convened a committee in late 2004 to conduct an extensive investigation to determine the most cost-effective means of making new technologies available to its members.

As a result in 2006, IPHCA began the process of developing and implementing a statewide EHR system, known as e-Net. Initial implementation for the first five community health centers will begin spring 2009. The first group of centers to be placed on the network will include:

- Central Counties Health Centers, Inc., Springfield
- Community Health Improvement Center, Decatur and Champaign
- Chicago Family Health Center, Chicago, South Chicago, Roseland
- Christopher Rural Health Planning Corp., Christopher (Williamson and Franklin Co.)
- Southern Illinois Healthcare Foundation, East St. Louis

Combined, these organizations serve 174,000 patients. In 2007, they provided in excess of 580,000 unduplicated patients visits at over fifty clinic sites across Illinois. They also employ nearly 1,000 staff including doctors, nurses, dentists and other health care professionals. While implementing the initial phase of e-Net, IPHCA is also working with fourteen other health centers on issues of readiness and execution of the Management Services Agreement (MSA).

Thus far, IPHCA has secured funding for the e-Net project from a variety of different sources, which include Congressional earmarks, federal grants dollars, and approximately \$1 million in grant support from the State of Illinois. IPHCA estimates that by the end of June 2009, \$3.9 million in combined federal, state and MSA assessments will be spent to purchase the infrastructure, equipment, software, and other expenses associated with planning and implementation for the first five health centers. However, total capital cost for the next phase is estimated at \$2.4 million. Therefore, IPHCA respectfully requests maintaining the current appropriation of \$500,000 in the Department of Public Health's budget to support the implementation and expansion of this statewide project.

The federal stimulus package does include funding for health information technology, which will be administered by the Department of Healthcare and Family Services in Illinois. Funding will come in the form of enhanced Medicaid payments to providers with a certified EHR system – with preference given to safety-net providers, such as Community Health Centers and Rural Health Centers. A fully implemented EHR system will place IPHCA members in a better position to draw down these federal dollars.

COMMUNITY HEALTH CENTER CONSTRUCTION PROGRAM DPH/CDB: Include \$50 million in statewide capital spending bill

Part of the Community Health Center mission is to meet the needs of underserved communities by continually expanding sites and services in areas currently lacking access to primary care. However, given their non-profit status and the population they serve, health centers often find it difficult to access the financing necessary for large capital projects. SB 150 (Clayborne) and HB 208 (Feigenholtz) establish a competitive grant program to provide health centers a portion of the capital funds necessary to leverage additional financing from banks, foundations and the community. Additionally, providing capital funds to Community Health Centers will also have the benefit of creating both construction jobs and long-term professional and administrative jobs in underserved communities throughout the state.

As drafted, HB 208 and SB 150 specifically state that funding for the CHC Construction program is contingent upon the appropriation of capital funds. **IPHCA is seeking \$50 million in the statewide capital spending bill to fund this program – an amount expected to be spent over several years.** Last year, CHCs were specifically included in the capital bill that passed the Senate. Several other states, including Missouri, have recently passed CHC Capital programs.

REVENUE ENHANCEMENTS

In light of the State's current fiscal situation, the IPHCA Board of Directors recently voted to amend our 2009-2011 State Legislative Agenda to include the following language:

Support state revenue enhancement proposals which provide adequate funding (1) for the State's Medical Assistance programs; (2) for programs that directly or indirectly impact IPHCA and community health centers; and (3) to meet the State's current and future obligations to avoid delayed state payments and reductions in programs directly or indirectly impacting IPHCA and community health centers.

INVESTING IN COMMUNITY HEALTH CENTERS

Investing in health centers generates substantial benefits for patients, communities, payers, and state and local governments. Even though health centers treat more chronically ill and uninsured patients now than at any time in their 40 year history, they are still able to further reduce the use of costly emergency departments, hospitals, and specialty care.

Health centers save the health care system between \$9.9 and \$17.6 billion a year – a figure that will grow as health centers do.

Medicaid beneficiaries relying on health centers for usual care were 19% less likely to use the emergency department for an ambulatory care sensitive (ACS) condition and 11% less likely to be hospitalized for an ACS condition than Medicaid beneficiaries using outpatient and office-based physicians for usual care.

Patients living in underserved areas with a health center have 5.8 fewer preventable hospitalizations per 1,000 people over 3 years than patients who live in areas where there are no health centers. **In 2006, \$ 853,731,297 was wasted on avoidable ER visits in Illinois.**

If avoidable visits to emergency rooms were redirected to health centers, the nation could save over \$18 billion in annual health care costs.

IPHCA is proud of our strong partnership with the State of Illinois and look forward to continuing our work to provide access to care in the State's most underserved communities.

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