

Nebraska Legislative Priorities

As the State of Nebraska makes difficult budget decisions, we encourage the State to continue its commitment to those most in need of assistance, particularly in these financially challenging times. The legislative priorities outlined below will help community health centers maintain their level of service to the uninsured and underserved.

Maintain Direct Funding for Community Health Centers

The economic downturn has continued to increase the number of uninsured patients seeking care at the state's six health centers. By providing primary and preventive services, health centers save the State money in the long-term through earlier health care access and less reliance on emergency room services.

As unemployment and the number of Nebraskans without health care coverage increases, the need for affordable primary health care services will also increase. Providing ongoing support for Community Health Centers will alleviate the negative impact of the declining economy on Nebraskans who most need assistance in difficult times.

In 2008, 61% of Nebraska's patients were uninsured. From 2007 to 2008, the number of uninsured patients seen at the state's health centers increased 15%. Compared with health centers nationwide (38%), Nebraska's health centers care for a significantly larger proportion of uninsured, largely through the ongoing support from the Unicameral. With sustained funding, community health centers can continue to provide these essential services to those most in need.

Codification of Cost-based reimbursement for Community Health Centers

Since 2001, Nebraska Medicaid rules and regulations for reimbursing federally qualified health centers (FQHCs – also known as community health centers) and rural health clinics (RHCs) have utilized an alternative to the prospective payment system (PPS) methodology, which reimbursed these providers based on their costs.

In 2009, the Department of Health and Human Services proposed rule changes to eliminate alternative PPS reimbursement. The purpose of reimbursing FQHCs and RHCs their costs is a way of helping to ease the burden of the large number of uninsured patients the Nebraska FQHCs treat and to reward them for their efficient preventive care. As noted above, Nebraska FQHCs see a great deal more uninsured patients (61%) than the national average (38%).

While the alternative methodology (reimbursing costs) is somewhat higher than PPS reimbursement in some cases, the benefit the State gains is substantial. Cost-based reimbursement pays FQHCs and RHCs appropriately for the care they provide to Medicaid patients and prevents patients from utilizing expensive and inappropriate emergency room care, which results in much higher costs to the State. That efficiency is even more valuable during these times of economic distress and growing number of uninsured.

We ask the Unicameral to codify the PPS reimbursement methodology for RHCs and FQHCs that has been in place since 2001. This will ensure that FQHCs and RHCs, who are critical safety net

health care providers in the state, are adequately and appropriately reimbursed for the services they provide to Medicaid patients.

Implementation of LB 403

Health centers in Nebraska are concerned about the ramifications of LB 403, legislation passed in 2009 that implemented a new system of citizenship verification for individuals and families to receive state services. There has been no rule or regulation direction from the Department of Health and Human Services, although some state contracts have been altered requiring verification. The Every Woman Matters program, which provides cancer screenings for low income women, is now requiring verification, although no formal written notice of this has been disseminated by DHHS.

Implementing components of this statute in key health delivery services may save money in the short term, but will only shift costs and is shortsighted in the long-term costs to Nebraskans. Preventive care is a proven cost effective strategy particularly with low income, uninsured, or underinsured populations who are served by health centers. We believe this statute should be reviewed to assess unintended consequences and long-term cost issues.

Maintain Funding for Critical Health and Human Services Programs

As the economic crisis continues, we strongly encourage the legislature not to lose sight of Nebraska children and families who are most in need of assistance. While we understand the need to reduce spending during difficult financial times, cutting the budgets of critical health and human services programs for lower income Nebraskans only further harms children and families who more than ever need help.