



# Hawai'i Primary Care Association

345 Queen Street | Suite 601 | Honolulu, HI 96813-4718 | Tel: 808.536.8442 | Fax: 808.524.0347  
www.hawaiiipca.net

## House Committee on Finance

The Hon. Marcus R. Oshiro, Chair

The Hon. Marilyn B. Lee, Vice Chair

## Testimony in Opposition to House Bill 79

### Relating to State Funds

Submitted by **Beth Giesting, Chief Executive Officer**

February 15, 2011, 3:00 p.m., Room 308

The Hawai'i Primary Care Association represents all community health centers in Hawaii. **We strongly oppose Section 2 of House Bill 79 which repeals the community health center special fund on June 30, 2012.**

Although created with the intent to provide capital support for community health center growth, since 2008 (when enough money had been collected in the fund to distribute) the community health center special fund has been used to replace all general funds provided to community health centers for operations and their direct care for the uninsured. Community health centers no longer receive general funds for their operations. **Therefore, repealing the community health center special fund would eliminate state funding for health centers, including funding to provide care for thousands of uninsured patients.** This would reduce the \$160 million that community health centers save the state, increase emergency room utilization, and increase uncompensated health care costs to the state.

Although State funding for community health centers has remained relatively flat **from 2005 – 2010**, health centers have seen a **48% increase in patients** and 18% increase in uninsured patient visits during that same time period. In total, **uninsured patients now represent 24% of all community health center clients.** This increase in client load is, of course, taxing the operational capacity of these organizations.

Community health centers are mandated to provide comprehensive primary care and preventive services, including medical, dental, and behavioral health services to persons of all ages, regardless of their ability to pay. Many of the cutbacks in funding for other state programs, such as the Adult Mental Health and Medicaid dental care for adults, have left community health centers as the only safety net open to indigent people in need.

- **Community health centers** in Hawaii cared for 125,000 patients in 2009, making them the **second-largest provider of primary care services in the state.**
- **Unlike any other primary care provider, 71% of their patients are either uninsured or covered by Medicaid**
  - 47% of patients in 2009 were Medicaid enrollees (QUEST), which represents a 26% increase in Medicaid patients seen over 2008.
  - 24% of patients were uninsured in 2010.
- **72% of patients are served in rural areas**, where a CHC is often the only provider.
- Patients with **mental health needs grew by 46% in 2009.**

- **17% of patients are legal COFA migrants** who are facing benefit reductions and often present with significant, costly, and complex medical needs.
- **72% are below poverty.** 84% are below 200% of poverty.
- **Homeless patients** at community health centers **grew by 7% in 2009.**
- Community health centers grew overall 10% in 2009, and have grown 42% over the past five years (neighbor island community health centers have grown by 62%.)
- Our model of **care at community health centers saves \$1,262 per patient per year; that means \$160 million in savings to the State in 2010.**

In conclusion, if community health centers aren't supported they can't be:

- The mainstay of the Medicaid provider network.
- The only place available for uninsured patients to receive health care besides the ER.
- The safety net for people with mental illnesses.
- The provider of dental care for Medicaid patients and the uninsured.
- The source of care in rural areas without other health care providers.

**Please preserve the community health center special fund and the health care services they provide.** Thank you for the opportunity to testify in opposition to this measure.