New Mexico's Federally Qualified Health Centers

Prepared for the Legislative Health & Human Services Committee

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New Mexico Primary Care Association – August 28, 2024

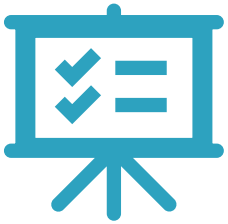
New Mexico PRIMARY CARE ASSOCIATION

Our Mission:

To Promote the advancement of high-quality Medical, Dental, Behavioral Health Services, which are:

- ***Financially &***
- ***Geographically Accessible***
- ***Culturally & Linguistically Competent***
- ***& Responsive to the Communities we serve.***

Community Health Centers Becoming FQHC/LA's



FQHC/LA are federal designations that require an application process and are granted with expectations of ongoing reporting and monitoring

An organization MUST:

Be located in or serve a high-need community

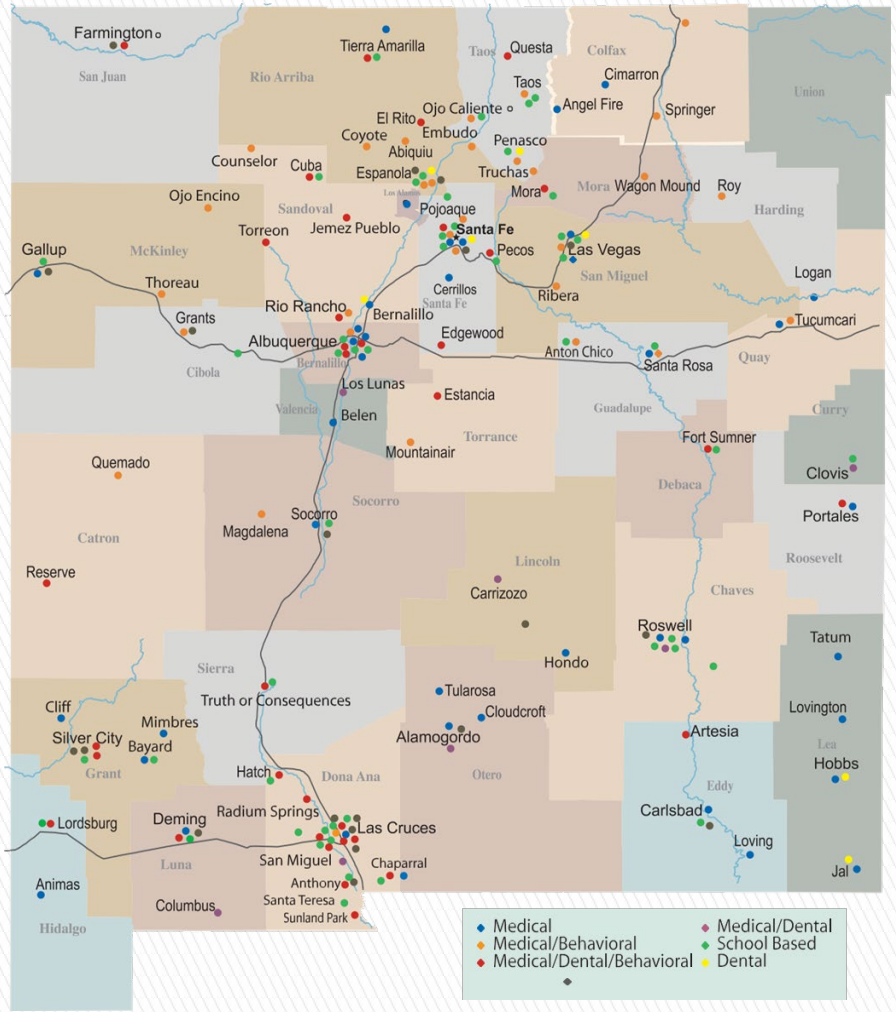
Be not-for-profit, governed by a community board that is at least 51% health center patients

Provide comprehensive care on a sliding fee scale regardless of ability to pay

Have a quality assurance program that promotes ongoing quality improvements

FQHC/LAs in NM: Providing Geographic Access to Care

- 16 Private Non-Profit FQHC organizations
- 4 Private Non-Profit FQHC Look-Alike (LA) organizations
- Over 200 locations
- Serving 32 of 33 Counties
- Cared for over 331,000 New Mexicans in 2023



What's Behind the Name?

- Federally Qualified Health Centers/ Look-Alikes (FQHCs/LAs)
- FQs
- Community Health Centers
- Primary Care Clinics
- Community Primary Care Clinics
- Primary Care
- Clinica/s

- Albuquerque Health Care for the Homeless
- Ben Archer
- Hidalgo Medical Services
- First Choice
- First Nations
- La Clinica de Familia
- La Familia
- Las Clinicas del Norte
- Las Clinicas del Pueblo de Rio Arriba
- Presbyterian Medical Services (not PHS)
- Southwest Health Centers
- Sunrise Clinics

We're hyper-local

To name a few…

80% of FQHC/LA Access Points are in Rural or Frontier Areas

Number of Sites Delivering

- Medical Services 112
- Dental Services 61
- Behavioral Health (BH) Services 101
- School-Based Health Centers 80

Note: Over 200 Physical Locations – many dental & BH services are co-located with medical

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FQHCs/LAs Serve New Mexico's Most Vulnerable

2023 Patient Poverty Status

- 63% Below 100% of Federal Poverty Level
  ($31,200 for family of 4)
- 81% Below 150% of Federal Poverty Level
  ($46,800 for family of 4)
- 90% Below 200% of Federal Poverty Level
  ($62,400 for family of 4)

Community Health Centers Serve over 60% of all New Mexicans living below 100% of the FPL

Primary Care Clinics Provided 1.76 million Visits

•	352,580 Total Patients	• Medical Visits	966,669
•	24,000 migrant/seasonal farmworkers	• Dental Visits	221,564
•	13,638 homeless patients	• Mental Health &	
•	14,800 school-based patients	Substance Abuse Visits	483,114
•	7,580 veteran patients	• Health Ed./Case Mgmt.	76,836
•	2,482 prenatal care patients	• Vision & Other Visits	12,675
Total Visits			1,760,858

How FQHCs Keep NM's Out of Expensive Specialty Care and ERs.

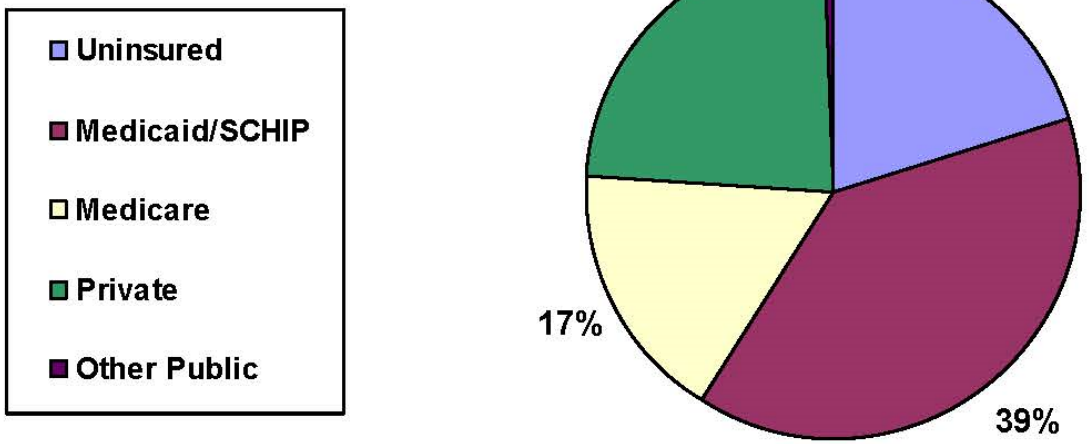
NMDOH, NMHCA and the Clinics recognize that preventive services, and treatment and control of chronic diseases are critical for the low-income & vulnerable.

- Wrap-around (SDOH) services
- Behavioral Health and substance abuse screenings and Intervention
- Obesity Screening and Treatment
- Tobacco Use Screening and Cessation
- Cancer Screening and referral
- Hypertension, Diabetes Treatment and Control and other chronic care management

Patients by Insurance Status

Data Year: 2023

Patients: 331,000



Challenges for Primary Care Clinics 1 Workforce, Retention, Recruitment & Training

Clinician and support staff costs continue to rise significantly, not only due to competition in the healthcare sector, but also in the general workforce.

FQHC stakeholders face a **severe lack of trained Community Health Workers, Case Managers, and SBIRT (BH/Substance Abuse Screeners**), available for recruitment in the workforce. These individuals help improve health status and reduce overall healthcare costs.

Declining worker interest in health centers: Health professionals-in-training and new graduates appear less interested in working in rural or underserved communities, often citing perceived inadequacies of available housing, educational options and/or activities for family members. These factors have a similar negative effect on long-term health professional retention.

Changing worker expectations and values: Significant changes have occurred in healthcare workforce expectations and values, including a strong and growing preference for remote work/telehealth positions, flexible hours, and higher compensation. There is also less worker importance attributed to *mission* and *meaningful work*.

Resident and New graduate requirements: Residents and Newly-graduating health professionals require greater mentoring and increased support during the early years of their employment, which can further strain an already-stretched health center.

Current Challenge 2: Wage and General Inflation

- There have been dramatic increases in supply costs and wage pressures. FQHCs/LAs typically expend **70%** of their budgets on employee wages and benefits. For example, using 2023 data, a 5% wage increase would require an additional $16 million.

- All healthcare providers (including FQHCs) face the daunting and potentially de-stabilizing challenge of absorbing labor and supply cost increases without a proportional increase in revenues.

- Skyrocketing costs of maintaining secure health center patient records, billing and other information systems and the uncertainty surrounding how Artificial Intelligence will be incorporated into health center operations.

Challenge Number 3 – Loss of Existing Revenues and patients

NMPCA member health centers have noted an erosion of their financial stability, resulting from multiple factors:

- Flat FQHC Federal Grant funding (since 2015)
- The end of COVID-19 related supplemental funding support
- Revenue stagnation/loss/delayed payments
  - From State (DOH) Rural Primary Care Act (RPHCA) contracts
  - The CHANGE hack slowed down payments for 6 months
  - Credentialling delays
  - Medicaid Unwinding
  - Contracting/Billing Issues
  - Increase in prescription costs

Summary

Although Many Challenges remain New Mexico's Primary Care Clinics:

- Are providing more services in more low-income and rural communities than ever.
- Are providing better quality care and utilizing care management tools and technology to make it even better.
- Have dramatically increased Behavioral Health capacity and are providing nearly a half a million visits annually to patients.
- Continue to be Economic Engines in the communities we serve. Employing over 4,000 staff.

Summary

- Have bi-partisan support for primary care at the federal, state, (Thanks to the Legislature and Governor!!), and the local level.
- Are benefiting from the recognition that primary care and the effective use of care coordination and case management have the greatest potential to solve our health care crisis.
- Enjoy cooperation, coordination, collaboration and support at many levels, including HRSA, the MCOs, and especially HSD and DOH.

What Would Be Helpful? The Ask…

- Recalculate FQHC costs to reflect new realities. **Increase Medicaid rates for FQHCs/LAs $2 million** (matched).
- Monitor regularly updated reports of health insurance enrollment times from application submission to issuance of provider billing numbers and **ensure long processing times are reduced** to be compliant with current statutory requirements.
- Add $12.5 million (in recurring funds) to the Rural Primary Health Care Act for recruitment and retention. Change the name to **"Safety-Net Health Care Infrastructure Act."**
- Pass statutory language to prevent pharmaceutical manufacturers from unilaterally placing restrictions on FQHCs' relationships with **340B** contract pharmacies.