Testimony of Michael Holmes
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Introduction

Chairman Burgess, Ranking Member Green, and Members of the Subcommittee,

My name is Mike Holmes. I am the CEO of Cook Area Health Services (CAHS), a Federally Qualified Community Health Center providing medical, dental and behavioral health care in nine locations to more than 12,000 patients in rural northern Minnesota. On behalf of our patients, board and staff, as well as the more than 1,400 community health center organizations nationwide, I want to thank the Subcommittee for the long-standing and bipartisan support you've consistently shown for community health centers.

Since 1979, CAHS has provided critical health care access to patients and communities which would otherwise most certainly go without. Our service area covers more than 8,300 square miles, and many of our patients travel 50 miles or more, often over secondary roads, to access care in our health center. Every one of our sites is located in a town with a population of less than 600. The large majority of our patients are either uninsured or publicly insured through Medicare and Medicaid. As with many rural community health centers, we are the only provider in most of the communities we serve. Our physicians are also the sole provider staff for two small critical access hospitals. We also participate in a federally-designated Health Center Controlled Network (HCCN) called Northern Minnesota Network, which drives operational efficiency and technology adoption across five member health center organizations.

Our health center's story at CAHS is just one part of a much larger national story. For more than fifty years, America's community health centers, also known as FQHCs, have served as the primary care medical home for our nation's medically underserved communities and patients. Health centers are a cost-effective and local solution to the national challenge of providing access to primary and preventive care that is accessible, affordable, and of the highest quality. Thanks to support from bipartisan administrations and Congresses, the reach of health centers has grown significantly. Today FQHCs represent the nation's largest primary care network, serving more than 25 million patients in every state and territory, and are continually working to provide integrated, comprehensive care to our patients.

Nationally, 92% of health center patients have incomes below 200% of the Federal Poverty Level. Health centers serve nearly 8 million children. Half of health center locations are in rural communities like ours. Across the country, health centers employed nearly 190,000 individuals in 2015, bringing high-quality jobs to some of the most economically hard-hit communities in America.

Our collective record of success would not be possible without the ongoing support of Congress. I am here today to urge you to continue that support by extending your investments in the Health Centers program and specifically the Community Health Centers Fund, which has proven to provide enormous value to patients, communities, the health care system and the taxpayer.

The Health Center Model of Care

The successful community health center model is reflected in the core requirements every health center must meet, as defined by statute. Every health center must be open to all patients, regardless of insurance status or ability to pay. Health centers must operate in a medically underserved area or serve a medically underserved population. Health centers are governed by consumer-majority boards, who work closely with health center leadership and clinicians to develop innovative responses to community needs. And every health center must offer a comprehensive range of primary care services. In recent years, with support from this Subcommittee, health centers have not only added new locations, but have increasingly integrated behavioral health, oral health, vision care, pharmacy, substance use disorder treatment and other services into our comprehensive care delivery system.

Health centers are on the front lines of nearly every major health crisis our country faces. In 2015, Health centers served more than 300,000 of our nation's veterans – often working with the VA to collaboratively address provider shortages, especially in rural communities. Health centers were a critical part of the response to public health threats like the Zika virus and the Flint water crisis. And as the opioid epidemic has grown in scope and severity, hundreds of health centers nationwide ramped up their capacity to provide comprehensive substance use disorder treatment in response.

The Community Health Center Fund and Recent Investments

In 2010, in recognition of the need for a robust primary care infrastructure to accompany changes in the coverage landscape, Congress created a dedicated source of funding to sustain and grow the national investment in Health Centers. With an initial five-year authorization, the Community Health Center Fund, or CHCF, directed resources toward both operational expansion and capital investment for Health Centers, while also boosting support for the National Health Service Corps, a critical tool for strengthening the clinical workforce in health centers.

CHCF investments have been made in several areas: adding service delivery sites in new communities, expanding services and capacity, construction and renovation of health center facilities, technology adoption, and quality improvement activities. Each year, Congress has given direction to the Health Resources and Services Administration (HRSA), the agency which oversees the Health Centers program, as to how to prioritize new investments.

As a result of these investments, new health center sites were added in more than 1,100 communities. Health centers are serving approximately 6 million additional people. But beyond this growth in reach, health centers are also providing more comprehensive care. Compared to 2010, in 2015 the number of behavioral health visits at health centers grew by 57% and the number of dental visits grew by 43%. At our health center, CHCF investments have allowed us to add a new access point in Tower, MN. They have also helped us expand dental services in three other communities and to significantly expand our care coordination services.

In 2015, on an overwhelmingly bipartisan vote, Congress extended the Community Health Center Fund authorization for two additional years as one of the Health Extender provisions included in the Medicare Access and CHIP Reauthorization Act, or MACRA. With that extension nearing its expiration date, we strongly urge you to renew these investments, and to do so on a long-term basis, for at least five years,

so that health centers like mine can truly provide a stable and reliable source of access to our patients - and recruit and retain a comprehensive health care workforce - in an ever-changing health care system.

We are proud of the bipartisan support health centers have earned, and see it as a direct result of the high-quality care we provide to our patients and the value we provide to the health system and the taxpayer. Earlier this year, a letter signed by 290 Members of the House of Representatives, and led by two members of this Committee, Representatives Bilirakis and Green, stressed the importance of Health Centers and the need to keep funding for the program whole. In his FY18 budget, President Trump called for an extension of CHCF Funding, and Health and Human Services (HHS) Secretary Price has repeatedly described investing in community health centers as a top priority of the department.

Swift action by Congress to extend these investment will not only help secure and stabilize health centers, it will prevent the major loss of access and disruption to the health system that would quickly result from a failure to act. Indeed, HHS *itself* has estimated that should Congress not extend the CHCF by September 30th, it would lead to the closure of 2,800 health center sites, loss of over 50,000 jobs, and most importantly, a loss of access to care for some nine million patients nationwide.

At Cook Area Health Services, the potential impact of losing CHCF funding would be immediate and severe. The loss of over $2,000,000 in annual funding would leave us no choice but to close a minimum of two to three access points. As a result there will be no care in these communities. For many of our patients, medical or dental care will be 40 to 50 miles away and as with most rural communities, there is no public transportation. We would also have to eliminate services and reduce staff. There are no good options in dealing with this type of funding reduction. System-wide, this level of disruption would inevitably drive up costs across the health care system, as more and more patients would turn to costlier settings like hospital emergency rooms for routine primary and preventive care, or simply forgo that care.

Importance of Coverage and Workforce Development

While I deeply appreciate the Subcommittee's focus today on the Community Health Center Fund and on the Children's Health Insurance Program, I do want to very briefly highlight several other programs which fall under the subcommittee's jurisdiction, each of which plays a critical part in ensuring health centers remain able to serve underserved communities.

In every state, Medicaid and health centers work hand-in-hand to turn the promise of coverage into the reality of care for low-income and vulnerable patients. Nearly half of health center patients nationally are covered by Medicaid, and Medicaid reimbursement represents the largest source of operating revenue for health centers nationwide. As I've mentioned, by statute and mission, health centers serve all, regardless of whether a patient who comes to us has health insurance coverage. But any health center can tell you the difference coverage makes – especially in terms of accessing needed specialty care beyond our walls. We are also proud that health centers deliver value back to the larger Medicaid program. A recent landmark study across 13 states found that when compared to patients served in other settings, health center Medicaid patients had 24% lower *total* costs of care. In 2015, health centers served 16% of all Medicaid patients, while accounting for just 1.7% of total Medicaid spending.

For nearly all health centers, especially those like CAHS in very rural areas, recruiting and retaining a committed and dynamic workforce is the most pressing challenge. Two key programs are an enormous

asset to us in addressing this challenge. The National Health Service Corps (NHSC), which provides scholarships and loan repayment to clinicians willing to serve in underserved areas, is a key tool health centers leverage as we recruit and retain clinical staff. 54% of NHSC clinicians practice in health centers today. Another important workforce program for Health Centers is the Teaching Health Centers Graduate Medical Education (THCGME) program, which brings physician residency training right into the community-based settings, like FQHCs, and into the underserved areas where providers are needed most. Data show that physicians trained in THCGME sites are much more likely to remain in those communities than physicians trained elsewhere.

Conclusion

This is a time of rapid change in our health care system. Even as health centers proudly help drive that change through delivery system innovation and a push toward value-based care, we remain committed to our basic founding purpose: ensuring that every American in need has a place to go for high-quality care. That purpose, that mission, is made into a reality every day for 25 million patients because of the support of Congress, and that support begins here in this Subcommittee. I appreciate the opportunity to testify before you today, and we thank you for making health centers an ongoing priority.