



## Modernize Medicaid Reimbursement for Community Health Centers (FQHCs)

### Our Ask of the NCGA in 2023

Enact a legislative appropriations request (state share: \$5.3m, federal share: \$10.4m) for Medicaid program to implement new comprehensive reimbursement methodology for FQHCs and Rural Health Clinics.

### Why a Change is Needed

Today's outdated, pre-Managed Care methodology for FQHCs has created obstacles to:

- **Value-based** contract arrangements to **drive down the cost of care** while **improving quality and outcomes**, and
- Financial stability and predictable reimbursement for FQHCs, including but not limited to for pharmacy goods and services.

Modernizing FQHC reimbursement will **maintain access** to health centers as in-network providers for Medicaid beneficiaries enrolled in prepaid health plans.

### NCGA Laid Groundwork in 2022 for Modernization

The NCGA enacted a 2022 short session budget provision to:

- Temporarily address reimbursement issues via \$4.4m state appropriation, and
- Direct Medicaid to coordinate with FQHCs toward comprehensive reimbursement structure that addresses issues.

As directed by the NCGA, N.C. Medicaid & NCCHCA have developed a consensus proposal to be reported to JLOC on Medicaid and NC Health Choice.

### About the North Carolina Community Health Center Association

NCCHCA is the state primary care association representing North Carolina's 43 Community Health Center (CHC) organizations that care for over 743,000 patients annually regardless of ability to pay or insurance status. Also known as Federally Qualified Health Centers (FQHCs), CHCs operate more than 400 clinical sites in rural and underserved communities in 85 counties throughout the state.