

Primary Care Development Corporation Testimony for the Joint Legislative Hearing on Health/Medicaid for the 2026-2027 Executive Budget Proposal

To Senator Krueger, Assemblymember Pretlow, and the members of the Joint Legislative Budget Committee on Health and Medicaid,

Thank you for the opportunity to provide testimony to the legislature today. Primary Care Development Corporation (PCDC) is a New York-based non-profit organization and a certified community development financial institution (CDFI). Our mission is to strengthen communities and increase access to health care through strategic primary care investment, expertise, and advocacy.

PCDC encourages the legislature and Governor to specifically center primary care in this year's health budget and to shift New York's health system towards preventative care as the best means to ensure healthy people and healthier communities.

I. PCDC's History of Impact and Service, With New York's Support

PCDC provides capital and technical assistance to primary care providers in communities that need it the most and unlocks insightful data and analysis to drive effective policy change that strengthens primary care and increase access to health care. Since our founding in 1993, PCDC has leveraged more than \$1.6 billion to finance over 250 primary care projects. Across the country, these strategic community investments have built the capacity to provide 5.6 million medical visits annually, created or preserved more than 21,000 jobs in low-income communities, and transformed 3.2 million square feet of space into fully functioning primary care and integrated behavioral health practices.

In New York State specifically, we have worked with health care organizations, systems, and providers across the state on over 3,600 financing and technical assistance projects to build, strengthen, and expand primary care operations and services. Thanks in part to the funding from the New York State Legislature, we have financed and worked with health care facilities and practices in all but one of New York's 63 Senate Districts and in every single Assembly District to increase and improve the delivery of primary care and other vital health services for millions of New Yorkers. In the last five years, PCDC has provided over \$80 million in affordable and flexible financing to expand primary care access across New York State.

Through our capacity-building programs, PCDC has trained and coached more than 18,000 health workers to deliver superior patient-centered care. This work includes helping more than 1,000 primary care practices achieve Patient-Centered Medical Home (PCMH) recognition, working with the Montefiore School Health Program and the New York School-Based Health Alliance to develop the first and only nationwide recognition program approved by the National Committee for Quality Assurance for school-based health centers, and training more than 5,000

staff at over 400 health centers to integrate high-impact HIV services into their practices. Over the past two years, PCDC has helped more than 35 independent practices and health centers in NYS achieve \$40 million in incremental revenue, a necessary lifeline for their success. Through this work and more, PCDC supports the expansion of high-quality primary care, helping make primary care affordable, accessible, community-based, whole-person, and integrated with behavioral health care.

A. Continue Funding for the Primary Care Development Corporation

The Legislature included \$450,000 for PCDC in the FY26 budget, and we are very appreciative of your continued support. This funding enabled PCDC to undertake important initiatives to understand and better support primary care in New York. To continue this important work, **PCDC respectfully requests an appropriation of \$450,000 in the FY27 budget.**

Last year's allocation enabled PCDC to carry out our critical mission in several ways. This included convening a [Primary Care Summit](#)¹ that featured paneled experts discussing policy that can elevate and recenter primary care within New York's health care system, and a report documenting the findings and recommendations from the Summit that will soon be released. We have also built on our Primary Care Scorecard and have created an on-line interactive Primary Care Dashboard to facilitate easy access to critically important information about primary care and health access outcomes in local communities to support policy making and investment decisions.

PCDC's focused research on primary care access in New York State, supported in part by the NYS Legislature, helps policymakers, advocates, providers, and other stakeholders understand the landscape, challenges, and potential solutions to primary care access in the state. The outcomes we have found clearly make the case for investing in primary care and expanding access to quality primary care in disinvested communities, rural communities, and communities of color. Some examples of this analysis include:

- [New York State Primary Care Scorecard](#), which aims to support policy, programmatic and budgetary decision-making by reporting on the current state of primary care in New York State.
- [Using Data to Create A Primary Care-Centric Health System in New York State](#), which covers best practices, barriers and recommendations to improve the health care data infrastructure in New York and demonstrates how increasing access to this data is essential to increasing primary care uptake, reducing costs, and promoting public transparency and accountability.
- [State Trends Primary Care Investment Update: A Look Back at 2024](#), an analysis of state level primary care aimed at increasing investment in primary care, to provide models for policymakers and other stakeholders to consider in the coming years.

- [2025 Fact Sheet – Investing in Primary Care Supports the Health of Low-Income Communities](#), highlighting the importance of investing in primary care to support the health of low-income communities.
- *The State Primary Care in New York: A 2025 Data Update (to be published in February 2026)*

In the coming year, as escalating threats to healthcare access for the most vulnerable New Yorkers continue to emerge, an FY27 allocation of \$450,000 to support PCDC’s continued research and public education work will be all the more important. We would continue to use this support to provide lawmakers and others with context and data about the importance of primary care to healthy communities, the impact of insufficient primary care, and recommendations on how New York State can do more to safeguard access, quality and affordability to primary care for all New Yorkers, especially the most vulnerable.

B. Increase Funding for the Community Health Care Revolving Capital Fund

In 2017, the state established the Community Health Care Revolving Capital Fund with an initial \$19,500,000 investment at the Dormitory Authority of the State of New York (DASNY). The Fund improves access to capital for Community Health Centers and other organizations that have limited resources and are seeking to broaden access to primary care services. The revolving loan fund provides affordable and flexible loans to centers that are often unable to obtain or afford commercial financing. PCDC, as a CDFI, was named the administrator of the Fund. In response to increasing demand, the legislature added another \$10,000,000 to bring the amount of funds available for loans to \$29,500,000.

PCDC requests \$20 million in additional capital funds to expand the PCDC-administered DASNY Community Health Care Revolving Capital Fund which supports capital improvements for Article 28, 31 and 32 health care facility expansion. PCDC has successfully deployed over \$27,200,000 from the fund, including recycling monies to finance \$42,900,000 of total project costs. We have observed that there is at least \$29,900,000 in viable projects in the pipeline that are shovel ready. A \$20 million infusion would continue to expand access, strengthen fiscal sustainability, and ensure more New Yorkers can access high-quality primary care and behavioral health in their communities.

II. The Critical Importance of a Primary Care-Centered Health System

Access to primary care is a key social determinant of health recognized by the World Health Organization (WHO) and the U.S. Healthy People initiative framework.² Regular access to primary care is associated with positive health outcomes, especially when addressing heart disease, the leading cause of death in New York State, and other common chronic conditions

such as diabetes and asthma.³ In addition, primary care reduces overall health care costs and is the only part of the health system that has been proven to lengthen lives and reduce population level health disparities.⁴

Primary care serves as the foundation of preventive services, chronic disease management, and care coordination. These functions help reduce expensive emergency and specialty care and improve population health. In addition, evidence shows that increased Medicaid coverage is associated with greater primary care utilization and preventive visits, which can lead to better health outcomes and reduced unmet medical need for low-income populations.⁵ A strong, primary-care-centered health system is essential to ensuring equitable access to health services and mitigating the harm associated with reductions in Medicaid funding and eligibility.

However, the federal enactment of H.R. 1⁶ includes substantial cuts to Medicaid spending and tighter eligibility and coverage rules that will increase barriers to care and are projected to result in millions of people losing health coverage. The Congressional Budget Office (CBO) and other analyses estimate significant increases in the uninsured population nationwide due to Medicaid provisions in H.R. 1, with strict eligibility redeterminations and reduced federal support. This will force states to cut benefits or impose greater cost-burdens on beneficiaries.⁷ Those coverage losses and funding reductions threaten the viability of primary care practices and safety-net providers, with surveys indicating that many feel endangered by the proposed cuts, potentially leading to reduced preventive and longitudinal care in communities that depend on these services.⁸ Strengthening primary care capacity through robust investments becomes even more critical to protect access, promote health equity, and sustain a health system that keeps patients healthy and out of costly acute care settings.

PCDC encourages the legislature to review each health proposal within the budget to ensure that primary care providers, patients, and the primary care workforce are included and prioritized.

Invest in Healthier People and Communities by Investing Directly in Primary Care

A recent landmark report from the National Academies of Science, Engineering, and Medicine (NASEM) entitled *Rebuilding the Foundations of Health Care*, concluded that “[w]ithout access to high-quality primary care, minor health problems can spiral into chronic disease, chronic disease management becomes difficult and uncoordinated, visits to emergency departments increase, preventive care lags, and health care spending soars to unsustainable levels.”⁹ Despite its proven impact, primary care continues to be underfunded and undervalued. In the United States, primary care accounts for approximately 35% of all health care visits each year – yet only about 5 to 7% of all health care expenditures are for primary care services.¹⁰ In contrast, other similarly situated countries spend as much as 12-14% on primary care as a proportion of their total health care spending,¹¹ at the same time as spending more on social services and social determinants of health.¹² Experts including the WHO and the authors of the NASEM report have called on governments to “increas[e] the overall portion of health care pending in their state going to primary care.”¹³

New York consistently ranks below many others in key health indicators such as low birth weight, preventable hospitalizations, and childhood immunizations – all of which can be improved with better access to primary care – yet New York’s per person health care costs are higher than the national average.¹⁴ Many parts of New York State lack an adequate number of primary care providers, leaving those communities without adequate prevention, early diagnosis and treatment of common health issues such as diabetes, hypertension and depression.¹⁵ The lack of sufficient funding for primary care drives these disparities, impacting both patients and providers, and leading to inadequate access, low-quality care, worse outcomes, and a burdened and burnt-out workforce that loses experienced professionals and has trouble attracting new ones.¹⁶

More than 4.8 million New Yorkers live in a Health Resources Services Agency (HRSA)-designated primary care Health Professional Shortage Areas.¹⁷ Projection analysis predicts a shortage of physicians of any specialty by 2030 in New York State, with some of the worse shortages in primary care.¹⁸ This is in part a result of fewer medical graduates choosing other specialties over primary care because of disparate levels of anticipated income.¹⁹

Investing more resources into primary care is a critical way to achieve the kind of robust health care system our communities deserve, including by expanding the number and diversity of providers who enter primary care and who accept new patients, including those with Medicaid coverage. PCDC recommends that policy be adopted to ensure that at least 12.5% of any health spending in New York State is on primary care. The annual budget process provides a critical opportunity to invest more in primary care.

A. Include Assembly Bill 1915A/ Senate Bill 1634 in the FY 2027 Budget

Deliberately investing in primary care is one of the most effective ways to solve these urgent problems, save lives, improve individual and community health, and move toward health equity. When it is available, accessible, and affordable, primary care is a cornerstone of vibrant, thriving communities and helps keep families healthy, children ready to learn, and adults able to pursue education and participate in the workforce.

The Primary Care Investment Act (AB 1915A/SB 1634) is a critical building block to address historic underfunding of primary care, requiring New York payers to increase investment in primary care. Increased investment in primary care over time would make care more accessible, increase the number of providers, and support those providers to provide the full range of integrated services most needed in underserved communities, thus improving health outcomes while reducing overall health costs over the long term. Specifically, the Primary Care Investment Act would:

- Measure the current level of primary care spending in the state by private and public insurers;

- Require state agencies to make that spending information publicly available in annual reports;
- Require insurers that report less than 12.5% of their overall health spending on primary care to increase that investment 1% each year until they reach at least 12.5% and to spend those funds both supporting primary care services directly and strengthening the state's primary care infrastructure.

In order to effectively carry out AB1915A/SB 1634, agency staff at both NYS Department of Health and Department of Financial Services will need to collaborate to develop guidelines, regulations and ultimately reports that will be made public. **Adopting the Primary Care Investment Act into the budget and allocating funding for agency time to effectuate the requirements of this bill would be a significant step forward for New Yorkers' access to quality primary care in their communities, and we urge the NYS Legislature to take this action.**

B. Support for Community Health Centers, the State's Primary Care Safety Net

PCDC supports the Community Health Care Association of New York State's (CHCANYS) request that the Legislature invest in Community Health Centers (CHCs), with a \$150 million state share, in the FY27 budget. While the enacted FY26 budget authorized "up to" \$40 million in FY26 and "up to" \$20 million in FY27 for CHCs, the Division of Budget's financial plan reflects \$0 in FY26 and, at most, \$40 million in FY27. This reversal represents a significant retreat from an already insufficient commitment and threatens the stability of the state's primary care safety net.

Federal policy changes under H.R.1 compound existing challenges and disproportionately harm CHCs, with projections that 1.5 million New Yorkers could lose coverage and the number of uninsured patients at CHCs could triple. CHCs stand to lose an estimated \$300 million annually, putting approximately 1,700 jobs at risk and jeopardizing essential services including school-based health centers, OB/GYN care, dental services, and same-day access. PCDC joins CHCANYS in urging the Legislature to make a full \$300 million investment without "up to" language, through Medicaid rate increases, enhancements to the Diagnostic & Treatment Center Uncompensated Care Pool, and inclusion of CHCs in the Governor's proposed \$1.5 billion general fund investment. Strengthening CHCs is not only critical to access, but also a cost-effective investment that prevents avoidable emergency department visits and hospitalizations and improves health outcomes statewide.

III. Conclusion

Primary care is the most reliable means of improving individual and community health, reducing health disparities, and ultimately lowering health care costs. We encourage the legislature to carefully consider how to best use vital state resources in the health budget to expand access to quality primary care.

We look forward to working with the Governor and Legislature to ensure that the FY27 New York State Budget supports these goals. Please contact Aamir Mansoor, Director of Policy, at amansoor@pcdc.org with any questions or to request any additional information.

Thank you for your consideration of PCDC's recommendations.

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¹ *Primary Care First: Reimagining New York's Health System*, City & State NY (Nov. 12, 2025), Museum of Jewish Heritage, 36 Battery Pl., New York, NY; available at <https://events.cityandstate.com/primary-care-first-reimagining-new-yorks-health-system>.

² Lucy Gilson et al., *Challenging Inequity Through Health Systems*, World Health Organization Commission on the Social Determinants of Health, June 2007, available at https://www.who.int/social_determinants/resources/csdh_media/hskn_final_2007_en.pdf?ua=1; Office of Disease Prevention and Health Promotion, Access to Primary Care, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/access-to-primary>.

³ Leiyu Shi, *The Impact of Primary Care: A Focused Review*, Scientifica (Cairo), December 31, 2012, available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3820521/>; Centers for Disease Control and Prevention, National Center for Health Statistics, Stats of the State of New York, <https://www.cdc.gov/nchs/pressroom/states/newyork/newyork.htm>.

⁴ Sanjay Basu, et al., *Association of Primary Care Physician Supply With Population Mortality in the United States, 2005-2015*, 179 JAMA Intern. Med. 506 (2019), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6450307/>; Barbara Starfield, Leiyu Shi, & James Macinko, *Contribution of Primary Care to Health Systems and Health*, 83 Milbank Q. 457 (2005), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2690145/>; Barbara Starfield, *Primary care: an increasingly important contributor to effectiveness, equity, and efficiency of health services*. SESPAS report 2012, 26 INFORME SESPAS 20 (2012), available at <https://www.gacetasanitaria.org/en-primary-care-an-increasingly-important-articulo-S0213911111003876>; Dartmouth Atlas Project, *The Care of Patients With Severe Chronic Disease: An Online Report on the Medicare Program*, 2006, available at https://data.dartmouthatlas.org/downloads/atlas/2006_Chronic_Care_Atlas.pdf; Robert M. Politzer, Jean Yoon, Leiyu Shi, et al., *Inequality in America: The Contribution of Health Centers in Reducing and Eliminating Disparities in Access to Care*, 58 Med. Care & Research Rev. 234 (2001).

⁵ Mahmoud Manouchehri Amoli et al., *The Effect of Medicaid Expansion on Care for Patients With Diabetes by Primary Care Provider Supply*, 63 Med. Care 724 (2025), <https://doi.org/10.1097/MLR.0000000000002174>.

⁶ H.R. 1, One Big Beautiful Bill Act, 119th Cong. (2025) (enacted as Pub. L. No. 119-21).

⁷ Implications of H.R. 1 – the One Big Beautiful Bill Act, AMCP (July 2025), <https://www.amcp.org/H.R.1>.

⁸ David Rath, Survey: Many Primary Care Practices Feel Endangered by Medicaid Cuts, HCI Innovation Group (June 25, 2025), <https://www.hcinnovationgroup.com/population-health-management/primary-care/news/55299275/survey-many-primary-care-practices-feel-endangered-by-medicaid-cuts>.

⁹ National Academy of Science, Engineering and Medicine, *Implementing High-Quality Primary Care Rebuilding the Foundation of Health Care*, Chapter 3 (2021), available at <https://www.nap.edu/read/25983/chapter/3>; see also Mark W. Friedberg, Peter S. Hussey, & Eric C. Schneider, *Primary Care: A Critical Review of the Evidence on*

Quality and Costs of Health Care, 29 Health Affairs Vol. 5, May 2010, abstract available at <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2010.0025>.

¹⁰ See National Academy of Science, Engineering and Medicine, *Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care*, Chapter 3 (2021), available at <https://www.nap.edu/read/25983/chapter/3>.

¹¹ The Organisation for Economic Co-operation and Development, *Realising the Full Potential of Primary Health Care*, Policy Brief, 2019, available at <https://www.oecd.org/health/health-systems/OECD-Policy-Brief-Primary-Health-Care-May-2019.pdf>.

¹² See Molly FitzGerald, Munira Z. Gunja & Roosa Tikkanen, *Primary Care in High-Income Countries: How the United States Compares*, Issue Brief, March 15, 2022, available at <https://www.commonwealthfund.org/publications/issue-briefs/2022/mar/primary-care-high-income-countries-how-united-states-compares#15>.

¹³ World Health Organization, *Primary Health Care on the Road to Universal Health Coverage: 2019 Global Monitoring Report Executive Summary*, 2019, available at <https://www.who.int/docs/default-source/documents/2019-uhc-report-executive-summary>; National Academy of Science, Engineering and Medicine, *Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care*, Chapter 3 at 8 (2021), available at <https://www.nap.edu/read/25983/chapter/3>.

¹⁴ America's Health Rankings, Annual Report, New York State, <https://www.americashealthrankings.org/explore/annual/state/NY>; New York State Health Foundation, *Health Care Spending Trends in New York State*, 2017, available at <https://nyshealthfoundation.org/wp-content/uploads/2018/04/health-care-spending-trends-new-york-2017.pdf>.

¹⁵ See University of Albany, School of Public Health, The Center for Health Workforce Studies, *New York Physician Supply and Demand through 2030*, University of Albany 2009, available at <https://www.albany.edu/news/images/PhysicianShortagereport.pdf>; Primary Care Collaborative, *Quick Covid-19 Primary Care Survey*, 2021, available at https://www.pcpcc.org/sites/default/files/news_files/COVID19%20Series%2030%20National%20Executive%20Summary.pdf; Press Release, 80 Percent Of Primary Care Clinicians Say Their Level Of Burnout Is At An All-Time High, Larry Green Center, June 18, 2020, available at <https://static1.squarespace.com/static/5d7ff8184cf0e01e4566cb02/t/606717481c473310b5437518/1617368905890/18June2020+Press+Release.pdf>.

¹⁶ Kriti Prasad et al., *Prevalence and correlates of stress and burnout among U.S. healthcare workers during the COVID-19 pandemic: A national cross-sectional survey study*, 35 E. Clinical Med. 100879 (2021), available at [https://www.thelancet.com/journals/eclinm/article/PIIS2589-5370\(21\)00159-0/fulltext](https://www.thelancet.com/journals/eclinm/article/PIIS2589-5370(21)00159-0/fulltext). Across New York State, primary care provider availability varies greatly, from 21 PCPs per 10,000 people to fewer than 10 PCPs for an entire county. County Health Rankings and Roadmap, New York State Health Factors, Primary Care Physicians, <https://www.countyhealthrankings.org/app/new-york/2021/measure/factors/4/data>; Primary Care Development Corporation, *New York State Primary Care Profile*, June 2018, available at <https://www.pcdc.org/wp-content/uploads/Resources/Report-Primary-Care-Access-2.pdf>.

¹⁷ Bureau of Health Workforce, Health Resources and Services Administration (HRSA), U.S. Department of Health & Human Services, Designated Health Professional Shortage Areas Statistics, as of September 30, 2025, <https://data.hrsa.gov/Default/GenerateHPSAQuarterlyReport>.

¹⁸ *Id.*

¹⁹ Press Release, Thousands Of Medical Students And Graduates Celebrate NRMP Match Results, The Match, March 20, 2020, available at <https://www.nrmp.org/2020-press-release-thousands-resident-physician-applicants-celebrate-nrmp-match-results/>; Martha S Grayson, Dale A Newton & Lori F Thompson, *Payback time: the associations of debt and income with medical student career choice*, 46 Med. Ed. 983 (2012), abstract available at <https://onlinelibrary.wiley.com/doi/epdf/10.1111/j.1365-2923.2012.04340.x>.