

Chair

September 6, 2017

Viju Jacob, MD, FAAP
Urban Health Plan, Inc

The Honorable Governor Andrew M. Cuomo

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Albany, New York 12224

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Re: S. 6012 (Seward)

Karla Powers, MBA
Secretary
Albany Medical Center

Dear Governor Cuomo:

Margaret Rogers, DNP, RN,
FNP-BC
Past Chair
Montefiore School Health

On behalf of the New York School-Based Health Alliance, I am writing to respectfully ask you to **sign S. 6012 (Seward) which will allow School-Based Health Center (SBHC) sponsors the option to remain carved-out of the Medicaid Managed Care (MMCP) program and ensure their financial sustainability in New York State.** The Alliance represents and advocates for the State's 252 SBHCs. Our mission is to create access to comprehensive, high-quality care for all children and youth in the State.

Sharon Edwards, MD
Mt. Sinai Hospital

Adria Cruz, MPA
Children's Aid Society

Since 1985, SBHCs have been carved-out of the MMCP program, enabling them to receive reimbursement directly from the New York State Department of Health (NYS DOH) on a fee-for-service basis.

David Appel, MD
Montefiore School Health

Janet Garth, MPH
NY Presbyterian Hospital

SBHCs are scheduled to be carved-in to Medicaid Managed Care on July 1, 2018. Under the carve-in NYS DOH will disburse Medicaid premiums to MMC health plans and SBHCs will be required to negotiate the terms and conditions of reimbursement and contracts directly with the health plans. **The Alliance is deeply concerned that the carve-in will significantly reduce revenues for SBHCs and access to care for children and adolescents who rely on these safety net providers.**

Melissa Reynolds, M.S.,
F.N.P.-C
North Country Family Health Ctr

Stephen Marshall, DDS, MPH
Smile New York, LLC

John Mathew, CPA
Xerox Corporation

Sarah Murphy
Executive Director

The State's 252 SBHCs provide services to over 200,000 children in medically underserved neighborhoods including primary, dental, mental, and reproductive health care services, as well as preventative, chronic and other types of care to underserved populations on-site in schools. They are required to provide access to care to every child who enters their door regardless of insurance status- a feature that is central to the success of the program and makes SBHCs a critical part of the safety net.

Currently 12% of patients served statewide by SBHCs are uninsured- a number that could increase due to federal proposals to cut Medicaid, the Affordable Care Act, and Child Health Plus.

SBHCs are a powerful tool for reducing racial and ethnic disparities. According to the State Department of Health, 44% served are Hispanic or Latino and 31% are Black or African American. They are safety-net providers for children who are undocumented and/or uninsured and are a critical point of care for immigrant children.

A multitude of studies prove that SBHCs improve educational and health outcomes. Improved educational outcomes include school performance, grade promotion, and high school completion. Improved health outcomes include the delivery of vaccinations and other recommended preventive services, lower asthma morbidity, emergency department and hospital admissions, and increases in female contraceptive use, prenatal care and birth weight. (*School Based Health Centers to Advance Health Equity. A Community Guide Systematic Review, Knopf, et al. American Journal of Preventive Medicine. 2016; 51(1):114*)

According to a recent analysis of multiple cost benefit studies, (*Economic Evaluation of School-Based Health Centers. A Community Guide Systematic Review. Ran, et al. American Journal of Preventive Medicine 2016; 51 (1):129-138*) **“The economic benefit of SBHCs exceeds the intervention cost. Further, SBHCs result in net savings to Medicaid.”** This study analyzed savings from the societal perspective including treatment, lost productivity, and transportation costs averted. In addition, it looked at per visit savings of SBHCs to the Medicaid program. From the societal perspective, total annual benefit ranged from \$15,028 to \$912,878. The study found that the total annual savings to the Medicaid program for SBHCs ranged from \$30 dollars per visit to \$969 per visit.

The Alliance and many other stakeholders have participated in Work Group meetings with NYS DOH over the last four years to integrate SBHC services into the State’s care management for all initiative. Three Sub-Work Groups have tackled claims and billing, contract & credentialing, and quality and care coordination. It has become clear during this time that the unique features of the SBHC model make it a poor fit and that integration into managed care will threaten the financial sustainability of New York’s SBHC.

For example, the requirement of serving all students, **a feature that is central to the success of the program**, necessitates SBHC participation in all health plan and vendor networks. This applies whether the student is in a health plan, in or out of a network, or is uninsured. This requirement poses significant administrative burdens for SBHCs, most of which have limited finances and staff resources, as well as a financial drain on their sponsors who must subsidize these costs. At the same time, SBHCs are not permitted to provide services to non-students- a restriction that does not apply to any other health care provider.

We believe that if the Medicaid Managed Carve-In is implemented, it will disrupt and negatively impact revenue for SBHCs. Two years after the implementation date, SBHCs will be required to negotiate rates of payment directly with the health plans and receive reimbursement from them. There is no guarantee that health plan premiums will be adequately adjusted to sustain and expand the School-Based Health Care Safety net.

The centers, the hospitals and community health centers that sponsor them, and the Medicaid Managed Care Health plans all strongly oppose implementing the SBHC Carve-In. At a moment when the future

of the Medicaid, Child Health Plus, and Affordable Care Act programs and the safety net itself are highly uncertain, SBHCs will be needed more than ever.

Also adding to the uncertainty is the level of State funding. The deadline for the carve-in follows the largest cuts to SBHCs in the 39-year history of the program. The 2017 State Budget reduced non-Medicaid funding for direct services to children by \$3.9 million, bringing the total reduction for services since 2008 to \$7.3 million or 30%. These funds help to cover the deficits incurred by the SBHCs commitment to serve all children, including the uninsured.

Additionally, on May 9, 2017, the State Health Department announced a new redistribution of non-Medicaid funding which results in unsustainable cuts to SBHCs in some of the most medically underserved and low-income areas of the State like Buffalo, Brooklyn, the Bronx, and other high-need neighborhoods. The new allocation methodology results in cuts ranging from 26% to 70%, with many in the 45% to 66% range. SUNY Downstate is now forecasting closure of four centers and other SBHCs in severely medically underserved areas are expected to follow unless something is done to avert this crisis.

This legislation would alleviate these administrative and financial challenges and at the same time advance our mutual goal of care management for all. It requires the development of a standard memorandum of understanding to be entered into by sponsoring organizations and managed care providers to provide coordination of health care and participation in quality improvement initiatives.

Senate Bill 6012 (Seward) will help to assure that every SBHC in the State will have stable and adequate rates of Medicaid reimbursement to continue to provide vital health services to children and adolescents. It will preserve access to physical, mental, chronic, and dental health services for underserved children and adolescents in New York State by supporting the continued financial viability of SBHCs.

School-Based-Health Centers are an unqualified success across the State and they need support now more than ever to remain in business. **For all of the above reasons, the Alliance respectfully requests that you sign S6012 (Seward) into law.**

Thank you for your consideration of these issues.

Sincerely,

A handwritten signature in black ink that reads "Sarah Murphy". The signature is written in a cursive, flowing style.

Sarah Murphy, Executive Director

Cc: Alphonso David, Counsel to the Governor
Axel Bernabe, Assistant Counsel to the Governor