NEW YORK
SCHOOL-BASED
HEALTH ALLIANCE
Healthy Children, Healthy Teens, Healthy Schools

September 26, 2024

Honorable Kathy Hochul
Governor of New York State
Executive Chamber
State Capitol
Albany, NY 12224

Re: A8862, Paulin/ S7840, Rivera
AN ACT to amend the social services law, in relation to coverage for services provided by school-based health centers for medical assistance recipients

Dear Governor Hochul:

On behalf of the New York School-Based Health Alliance, I am writing to respectfully ask you to sign A8862/S7840 into law. This bill would maintain the nearly 30-year long status quo to allow School-Based Health Centers (SBHCs) to remain carved-out of Medicaid Managed Care (MMC) and to continue to receive Medicaid on a fee-for-service basis.

Now more than ever, there is an unprecedented need for accessible healthcare services and SBHCs fill that role for New York State's children and adolescents. As our state continues to grapple with mounting mental health challenges, significant unmet dental and primary care needs for children, and an influx of migrant families, SBHCs continue to serve on the front lines of health care as a critical safety net for these vulnerable populations.

Since 1997, SBHCs have been carved-out of the MMC program, enabling them to receive reimbursement directly from the State on a fee-for-service (FFS) basis. Given the insurmountable costs and unresolved issues associated with carve-in implementation, it is critical that SBHCs be able to continue serving children and adolescents with Medicaid on a FFS basis permanently.

Medicaid FFS reimbursement provides the foundation and stability for these Centers to serve as safety net providers for children who depend on them as a primary source of health care including primary care, dental, mental health and reproductive healthcare, as the need and population served has grown. **SBHCs throughout the state are very concerned and strongly opposed to the planned April 1, 2025 carve-in as announced by the State Department of Health on September 20th, and the financial uncertainty and administrative burdens it would create.**

School-Based Health Centers are Safety Net Providers

The State's approximately 250 SBHCs are unique, highly child-centered health care providers that provide services to more than 350,000 children including primary, dental, mental, and reproductive health care services, as well as preventative, chronic and other types of care to underserved youth. This includes over 100,000 dental care visits provided by SBHCs per year. SBHCs provide unparalleled access to care because they meet children where they spend much of their days- on-site in schools. SBHCs are required to provide access to care to every child who enters their door regardless of insurance status and serve as a critical point of care for the state's most vulnerable children who may otherwise fall through the cracks as demonstrated by data provided by the NYS Department of Health. For instance, 43% of youth served by SBHCs are Hispanic or Latino and 27% are Black or African American. Further, 12% of those served are uninsured, indicating that SBHCs are a critical point of care for children who are undocumented and/or uninsured.

School-Based Health Centers Save the State Money and Keep Kids in School
Research shows that SBHCs improve academic performance, graduation rates, and health outcomes including facilitating higher vaccination rates and reduced complications for chronic illnesses including asthma and diabetes. They save the State money by reducing emergency room visits and hospitalizations. SBHCs are a critical partner in addressing the burgeoning mental health issues facing school children in New York State and the precipitous decrease in children's vaccinations, physical health and oral health care due to the COVID-19 pandemic. They are also an irreplaceable source of reproductive healthcare services for adolescents in underserved communities. SBHCs have established communication protocols for ensuring a student's primary care provider, when they have one, is notified of any services received in the SBHC setting.

MMC Carve-In: Reduces Medicaid Revenue to SBHCs/No Savings to the State
Unlike other carve-ins implemented by NYS DOH, this one has no fiscal savings associated with it**. In fact, the carve in will add cost to Medicaid since it will now need to pay managed care plans to administer this benefit in their rates.** Importantly, this shift, will also cost SBHCs and sponsors a significant amount of money to implement. Under the carve-in, the centers and their sponsors will face costly and insurmountable administrative challenges involving credentialing, contracting, billing, claims processing for centers, and great instability from payment delays and denials. Both SBHCs and their sponsors will need to make significant investments in IT and other systems to process payments and meet State data reporting requirements—all for a relatively small portion of the Medicaid population. CMS permits States to determine the benefits that are in and out of the managed care benefit package without approval under the waiver and so there is no financial risk to the State of keeping the services carved out as they have been for nearly 30 years.

Unresolved Barriers to Carve-In Implementation
While discussions between DOH, SBHCs and various stakeholders including managed care organizations took place several years ago related to Carve-In implementation, numerous issues remain unresolved. **And to be clear there have not been any implementation discussions between SBHCs, other stakeholders and the State since prior to the COVID-19 pandemic**. The movement of SBHCs into MMC poses significant administrative and financial burdens on centers and sponsoring organizations that threaten the financial viability of SBHCs as demonstrated in the following areas:

- Contracting: SBHCs would need to contract with as many as seven Managed Care Organizations (MCO) in some areas of the state in addition to contracting with each MCO's vendors for services like dental, behavioral health and vision. This would result in a significant contracting effort with upfront staffing, legal and administrative costs and negotiations. Further, any type of contracting delays could cause significant and untenable cash flow issues that would only exacerbate the already financially vulnerable position SBHCs are in today.
- Credentialing: As part of securing contracts with plans, each SBHC provider would need to be credentialed with each plan every three years. Like many health care providers, SBHCs are already facing workforce challenges and turnover, so credentialing would be both an initial and regular exercise that would now need to be undertaken by SBHCs and their sponsoring organizations and could exacerbate existing challenges.
- Claims and Billing: Claims and billing systems for both SBHC sponsors and plans will require time-consuming and expensive system reconfigurations due to the unique billing requirements around Family Planning policies for a split claims system, as well as other unique billing policies that would be required for implementation. The confidentiality of adolescent reproductive health claims could also be jeopardized due to plan Explanation of Benefits. Finally, SBHCs do not have the infrastructure or financial wherewithal to wait for or fight for reimbursement from plans for denied or delayed claims and sponsoring organizations have their own claims to chase which are very significant.

In your 2022 veto message of similar legislation (A9288/S8447), you cited "clinical, administrative, and financial arguments in favor of both a carve out and carve in." We would argue that the clinical, administrative, and financial realities of a carve into MMC would have devastating impacts to the entire SBHC field. Two years later, we are no closer to a solution to this reoccurring issue that places SBHCs in a cycle of uncertainty year after year. **We struggle to understand the need or benefits of a MMC carve in given the unquestionable success of SBHCs across the state while remaining carved out.**

SBHCs continue to fill a critical role in providing care to our most underserved children and adolescents in New York State and a permanent carve out will ensure that this work continues. For these reasons, we would ask you to reject the NYSDOH plan to move SBHCs into MMC 4/1/25 and instead approve this legislation to bring long-term support and stability to this essential model of care for our most underserved youth in New York State.

Sincerely,

Sarah Murphy
Executive Director
New York School-Based Health Alliance