New York School-Based Health Alliance

Testimony Submitted for the Joint Legislative Public Hearing on Health

SFY 2025-2026 Budget

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NEW YORK SCHOOL-BASED HEALTH ALLIANCE

Healthy Children, Healthy Teens, Healthy Schools

Honorable Chairs and Members of the Senate and Assembly Health Committees, Senate Finance Committee and Assembly Ways & Means Committee, thank you for the opportunity to submit testimony related to the New York School-Based Health Alliance's (NYSBHA) priorities for the SFY 2025-26 State Budget Proposal. School-Based Health Centers (SBHCs) provide child-centered care for New York's most vulnerable children – serving approximately 250,000 at-risk youth in the most underserved rural and urban areas of the State. NYSBHA's priorities are detailed below.

School-Based Health Centers (SBHCs) currently face the most significant threat since they were first established in New York. SBHCs have always been "carved-out" of Medicaid Managed Care (MMC), however in September 2024, the New York State Department of Health (DOH) informed SBHCs that their services would be "carved-in" to MMC on April 1, 2025, allowing less than six months to implement this significant transition which threatens to disrupt and jeopardize access to care for hundreds of thousands of New York's most vulnerable children. The planned 4/1/25 transition must be stopped to allow for meaningful engagement with all stakeholders to determine the feasibility of a carve-in and discuss major, outstanding barriers to implementation. NYSBHA strongly supports maintaining the current Fee-For-Service (FFS) payment model for SBHCs (as provided by S1224, Rivera/ A957, Paulin and S3547, Rivera).

In light of this existential threat to school-based health services which exacerbates historic funding cuts, state support for SBHCs is critically needed. SBHCs are incredible grateful for the support of the NYS legislature for providing $3.8 million to cover a portion of funding gaps created by prior year cuts. SBHCs are requesting a continuation of this funding in the budget in addition to the $22.1 million in non-Medicaid funding included in the Executive Budget which supports day-to-day operations including important mental, dental, and other wrap-around supports.

Attached, please find additional materials detailing NYSBHA's SFY 2025-2026 budget priorities and other documentation relating to the infeasibility of the administration's planned transition of SBHCs into managed care on April 1, 2025. **Please reject managed care carve-in of SBHCs in Final State Budget to protect these vital child-centered services for our most vulnerable children and adolescents statewide.**

1. SFY 2025-2026 Budget Priorities
2. 1/7/25 Letter to Governor Hochul Requesting to Stop Managed Care Carve-In
3. 1/27/25 Response to NYSDOH Re Updated SBHC Transition Guidance and FAQs

SFY 2025-2026 BUDGET PRIORITIES

School-Based Health Centers (SBHCs) play a critical role in making health, mental health, reproductive health, dental, and other care accessible to children across New York with locations in the most medically underserved communities in the state. Your leadership and support has never been needed more to protect the future of this vital, child-centered model.

PRIORITY #1: Include Permanent Carve-Out of SBHCs from MMC in Final State Budget (S1224, Rivera/ A957 Paulin & S3547, Rivera)

SBHCs have always been "carved-out" of Medicaid Managed Care (MMC), which enables them to receive reimbursement directly from the State on a fee-for-service (FFS) basis. However, in September 2024, the New York State Department of Health (DOH) informed SBHCs that their services would be "carved-in" to MMC on April 1, 2025, providing a highly compressed timeline to implement this significant transition which threatens to disrupt and jeopardize access to care for hundreds of thousands of New York's most vulnerable children. While initially scheduled to be transitioned into MMC in 2014, the carve-in date has been extended seven times since then. This is due to a myriad of administrative and operational issues that SBHCs, their sponsoring organizations, and managed care organizations have raised that would undermine and decimate this highly effective and child centered health care model. To be clear, a carve-in of SBHCs into MMC is universally opposed by all stakeholders including hospitals, FQHCs, the healthcare workers union 1199SEIU, NYSUT and the managed care plans themselves.

Unlike other carve-ins implemented by NYS DOH, this has no fiscal savings associated with it. However, it will cost SBHCs and sponsors a significant amount of money to implement, while jeopardizing care. 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. And SBHCs have a mission and mandate to care for all students in the school they operate in, regardless of insurance status or ability to pay. If the SBHC encounters a student enrolled in an out-of-network plan, the clinic will be required to provide uncompensated care.

A permanent carve-out of SBHCs from MMC will ensure SBHCs can continue focusing on what they do best – providing comprehensive and much needed preventive, mental, and dental healthcare services to children and adolescents in high-risk areas all across New York. **Given the insurmountable costs and unresolved issues associated with carve-in implementation, the 4/1/25 transition must be stopped. It is critical that SBHCs be able to continue serving children and adolescents with Medicaid on a FFS basis permanently by including in the final State Budget, as provided for in S1224, Rivera/A957, Paulin and S3547, Rivera.**

PRIORITY #2: Support $3.8 Million Legislative Add

Over the last decade, SBHCs have sustained the largest cuts in the program's 45-year history. Following multiple across-the-board cuts in SFYs 2014 and 2018, the Department of Health established a new funding methodology that resulted in major reductions ranging from 25-70% of total grant funds to 27 SBHC sponsors in some of the most medically underserved areas of the State. In SFY 2019, the Cost-of-Living Adjustment (COLA) for SBHCs was permanently eliminated. As a result of this systemic disinvestment, SBHCs across the state find themselves in financial crisis while the need for school-based health services continues to grow. Without SBHCs, many of these children cannot access care anywhere else.

SBHCs are incredibly grateful for the support of the NYS Legislature for providing the funds to cover a portion of the gaps created by past funding cuts. **SBHCs are requesting that the Legislature include $3.8 million, as included in the past several years, in the Final Budget to ensure the continued viability and operation of SBHCs.**

PRIORITY #3: Support Continued Funding as Included in Executive Budget

In her Executive Budget, Governor Hochul has included $22.1 million in non-Medicaid funding for SBHCs which directly supports the day-to-day operations of SBHCs including important mental, dental and other wrap-around supports for SBHCs. This base investment in SBHCs is critically needed to support existing centers that are under threat due to historic funding cuts and tight operating margins that do not support meaningful expansion, despite significant community need for these services. A number of SBHCs have been forced to permanently closed their doors due to these financial challenges. At a time when many SBHCs are struggling financially, this unrestricted grant funding directly supports SBHC operations to ensure availability of services for the students who rely on them. **Please support a continuation of $22.1 million in State Funds in the Final Budget, as included in the SFY 2025-2026 Executive Budget.**

About School-Based Health Centers

The State's approximately 250 SBHCs provide access to services to over 250,000 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 and SBHC provide over 350,000 visits per year.

SBHCs are a powerful tool for reducing racial and ethnic disparities. According to the State Department of Health (DOH) 12% of patients served statewide by SBHCs are uninsured, 44% are Hispanic or Latino, and 27% are Black or African American. Sixteen percent live in rural areas where geography and shortages of health and mental health providers make access to services extremely difficult. SBHCs are safety-net providers for children who are undocumented and are a critical point of care for immigrant children. For some youth, SBHCs are their only source for counseling, health screenings, reproductive care and immunizations.

The benefit of SBHCs to children and adolescents is wide-ranging. They improve educational outcomes such as school performance, grade advancement, and high school completion. Improved health outcomes include the delivery of vaccinations and other recommended preventive services, lower asthma morbidity, and increases in contraceptive use, prenatal care and birth weight. SBHCs are an unquestionable success across the State, and they need support now more than ever to remain in operation and to continue to meet the growing needs of our most underserved children and adolescents.

Please Support the School-Based Health Center Safety Net for Children!

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

Save School-Based Health: Stop 4/1/25 Managed Care Carve In
Kids Don't Win with SBHC Medicaid Managed Care Carve In

January 7, 2025

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

Dear Governor Hochul:

State legislators, hospitals, clinics, unions, health and education providers, schools and others supporting the critical network of school-based health centers (SBHCs) are united in their strong opposition to the State's proposed shift of SBHCs from Medicaid fee-for-service (FFS) to Medicaid managed care (MMC) on April 1, 2025. *Please see attached list of organizations opposed to the carve in.* Additionally, the state's health plan association and its members, who would be charged with administering this benefit, have weighed in with opposition to a MMC carve in for SBHCs stating that their care coordination services do not fit the unique SBHC model. Instead, the health plans have urged that the program remain permanently in FFS.

We are now just over 80 days away from this major system transition and there has been no engagement with the SBHC community beyond one webinar held in October. Given the complexity, challenges and unaddressed questions, there is no way that this essential safety net for New York's most vulnerable youth will be ready for such a reform which threatens to dismantle this highly unique, child-centered provider. **We urge you to pause this transition and instead ask the Department of Health (DOH) to put a plan in place for regular meetings and a meaningful dialogue with the SBHC field at large to discuss the feasibility of a MMC carve in and needed elements and timeline for such a shift.**

Unanswered Questions

During the October 2024 DOH webinar held with clinic staff only, dozens of questions and concerns were raised. Two months later they remain unanswered, and no further discussions have been had. Questions by the field are wide-ranging and include:

- How will NYS help SBHCs sponsors absorb this increased burden of uncompensated care created by MMC integration? According to New York State regulation, SBHCs must provide care for all students regardless of their insurance type and without out-of-pocket cost to the student or family. This provision does not affect almost every other health care or MMC provider who will only provide services to patients within their contracted network. The regulation that SBHCs must provide care to all students under all insurance circumstances already results in an

enormous burden of uncompensated care to out of network patients and patients. The cost of these uncompensated visits are currently absorbed by the SBHC sponsors. Medicaid Fee for Service has been the only source of reliable reimbursement for SBHC patient visits.

- We are not aware of any communication, outreach or technical assistance provided to plans to date that supports the MMC go live. One sponsoring organization proactively reached out to plans in their area to discuss the carve in, contracting and confirming APG payments for two years. The plan responded that it was not aware of the change and does not need to pay APGs. When DOH was consulted for support, a technical chart was provided to the SBHC sponsor and they were instructed to give it to the plan directly, notwithstanding that the SBHC sponsor does not have oversight of the MMC.

- DOH has stated that plans will be required to pay at the Medicaid APG rates for two years following the transition. What happens after two years? Based on the real experience of NY providers, when forced to negotiate directly with plans for rates, they lack the leverage to maintain or achieve an increase and the resulting rates are unsustainable.

- There is lack of clarity around SBHC Dental services carved into MCC. Concerns with how a carve-in would affect a major SBHC dental provider which is not in plan networks and is a mobile provider. Would they be designated as a child's primary dental provider? If they can no longer serve these children in the MMC model, who will care for these patients with the significant shortage of pediatric dentists in our state and few take Medicaid.

- How would the state assure that plans make the necessary systems changes to protect adolescent confidentiality for those receiving reproductive health care and other confidential services to prevent EOBs from being sent home to members?

- The transition will require significant administrative and technology changes by providers and plans. A new bureaucracy will be put in place for SBHCs to be part of all MMC plan networks in their areas, have all of their providers credentialed, expand their billing staff and other work to accommodate a managed care model. This is a significant infrastructure enhancement required of both MCC plans and SBHC sponsoring institutions and there is insufficient time or SBHC funding to allocate new resources to support this work.

- There are approximately 250 SBHCs across the State with 50 unique sponsoring organizations which range in size, staffing and capacity from hospitals and healthcare networks to small, rural clinics and other providers who sponsor SBHCs. There are over a dozen MMC plans in some areas and subcontracts with other plans for certain services provided by SBHCs like mental health and dental care.

- At this point in just over 80 days, contracts need to be negotiated between all of these plans, their subcontractors and SBHCs in each region, networks need to be formed and validated by the state, the thousands of individuals who work at SBHCs caring for children need to be credentialed with each plan by 4/1/25 for billing and countless other tasks, in addition to the beta testing the State would need to do prior to going live. **This is impossible to accomplish in 80 days, and we do not understand why the State is trying to rush this massive transition through.**

- April 1, 2025 is in the middle of an academic school year where vulnerable children need to be able to continue to receive vital physical health, mental health, reproductive health, dental and

other services uninterrupted. There is no way that this transition can happen in just over 80 days without interrupting services for children served by SBHCs, children who have no other access to care.

SBHCs are more critical than ever due to the state's escalating mental health crisis, shortage of pediatric dental care, and to serve as a safety net for migrant families. SBHCs have been proven to reduce ethnic and racial disparities in the communities they serve and improve school attendance and performance. Further, the state's own studies have demonstrated the marked reduction in hospitalizations and emergency department visits among children who receive care at SBHCs. The State has set SBHCs on a clear path to failure. We have already had two sponsoring organizations close their SBHCs upon hearing the MMC carve-in announcement.

Moving SBHCs to managed care does not have any savings attached to it. In fact, this shift will increase costs to the State. DOH will have to pay managed care plans to administer the coverage while also paying for many protections to try to compensate for this unworkable model for SBHCs. These funds should be going directly to services, not to health plans.

Children who are already facing many other challenges deserve to know their SBHC will always be there for their health, dental, reproductive, and mental health needs. **Please hear our earnest appeal. Pause the 4/1/25 MMC transition** and allow for the establishment of a meaningful engagement between the State and all stakeholders to ensure stability for SBHCs and all the children who depend on their essential services.

Sincerely,

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NEW YORK SCHOOL-BASED HEALTH ALLIANCE
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Response to NYSDOH Updated 1/8/25 Guidance and 1/14/25 FAQs
Transition of School-Based Health Center Benefit and Population into Medicaid Managed Care, April 1, 2025 Implementation
January 21, 2025

KEY POINTS

⇒ Without any stakeholder engagement or input, the State announced in September 2024 that billing and reimbursement for School-Based Health Centers (SBHCs) services would be transitioned to a Medicaid managed care model in less than 6 months on April 1, 2025.

⇒ Such a transition is universally opposed by SBHC stakeholders out of concern that managed care will jeopardize the care SBHCs provide to underserved youth.

⇒ Since the September announcement, one webinar was held with SBHC staff in October 2024 and just this month the State Health Department (DOH) released guidance and FAQs.

⇒ Ten years ago, when a SBHC managed care carve-in was discussed, there was an agreement to leave dental carved out. The State has ignored that decision as well as the current pediatric dental crisis in New York and is including dental in the SBHC managed care carve in.

⇒ Given significant confidentiality concerns, it was also agreed that reproductive health would remain carved out ten years ago. Such concerns have only increased yet the State is now requiring that reproductive health services also be carved in 4/1/25.

⇒ The State is requiring plans to pay at Medicaid Fee-for-Service (FFS) rates and is prohibiting concurrent review authorization or retrospective utilization review for SBHC services for only a period of two years. Two years only creates a 24-month cliff before plans begin to deny, delay and limit coverage for essential services provided by SBHCs.

⇒ Continued payment of FFS rates does not account for the increased costs, staff, resources and overhead that would be required for SBHC contracting and billing of managed care plans. Further, after two years SBHCs will be forced to "negotiate" rates again with each of the plans. SBHCs have no leverage to negotiate adequate rates with plans and like other providers in managed care will be forced to accept below-cost rates which will decimate this critical child-safety net provider.

⇒ We are less than 70 days from 4/1/25. There have been no stakeholder meetings, trainings or technical assistance provided to SBHCs or health plans. Contracts with plans have not been put in place. Provider credentialing has not commenced, there are no networks for the State to review and no claims testing has begun. **There is no way the field can transition to managed care on April 1st** in a manner that protects children's ability to continue to receive care at their SBHCs.

⇒ Depending on the region of the State, SBHCs may need to contract with 5-10 or more managed care plans along with subcontractors for behavioral health and dental. This requires additional staff, resources and funding which SBHCs and their sponsoring organizations do not have.

⇒ There was always supposed to be a pilot program completed prior to implementation. When asked about this, DOH simply said "April 1, 2025 (the State's imposed deadline) did not allow for a pilot program to be considered."

⇒ The State's stated goal of the managed care transition is to maintain access to SBHCs while integrating them into the larger health care delivery system to improve quality and promote an efficient, effective delivery system. **SBHCs are already heavily integrated in their communities and the health care system**. The care they provide is highly effective at reaching our most vulnerable youth and giving them direct access to essential primary care, mental health, reproductive health and dental services. The State does not need to force the field into managed care. We would be very supportive of efforts to increase communications, data sharing and coordination to bring about even greater integration in the existing FFS model.

⇒ The State has said it will work with SBHCs and managed care plans to ensure a smooth transition of SBHC services and payments to ensure students have continued access to health care services. Forcing a transition to managed care that no one supports and for which the field is ill-prepared, in less than 70 days is completely contrary to this commitment.

⇒ We reiterate our **request that the Governor pause the 4/1/25 transition** to allow for a meaningful dialogue with all stakeholders on the feasibility of this major system transformation of SBHCS in the best interest of the children and adolescents served by SBHCs.

FULL RESPONSE

On January 8th, NYSDOH released updated guidance to the field related to a transition of School-Based Health Centers (SBHCs) to Medicaid managed care on April 1, 2025, and on January 14th the Department provided updated FAQs. This transition is universally opposed by all stakeholders including the SBHC clinics, their sponsoring organizations (hospitals, FQHCs, NYC Health Department etc.), the health insurance plans, and countless other health and education providers who have grave concerns about the impact of managed care on this highly effective, child-centered safety net provider serving the state's most vulnerable youth. SBHCs are required to serve every child that seeks their care, regardless of insurance type, plan networks or ability to pay. The managed care model is in conflict with this mandate.

After reviewing the guidance and FAQs, our serious concerns remain and we reiterate our request of the Governor to pause the transition, scheduled to take effect in less than 70 days at this point, to allow for a meaningful dialogue with all stakeholders and the state related to the feasibility of this major system transformation of SBHCs.

Specific to the NYSDOH guidance and FAQs, we have outlined our significant concerns below by section of the guidance:

<u>Overview of Transition</u>

- The guidance states that the goal of the SBHC transition to managed care is to "maintain access to SBHC services while integrating them into the larger health care delivery system." It further

states, "It is anticipated that the integration of SBHC services within the existing managed care framework and coordination of services with the child's Primary Care Provider (PCP) will improve quality and promote an efficient, effective delivery system."

- RESPONSE: School-based health centers are already heavily integrated into the health care delivery system with very strong relationships throughout their communities serving as a bridge between the educational and health care systems built around the children they serve. SBHCs may serve as a child's PCP and if they are not the PCP, they communicate with PCPs and other community providers through referrals and coordination of the children's care. The state does not need to put SBHCs into a managed care model for billing/payment in order to enhance such coordination. We would be very supportive of efforts to increase communications, data sharing and coordination between SBHCs, other community providers and a child's managed care plan. This can absolutely be done without imposing a complex, costly and unstable billing system for this highly effective model of care, which is often a child's only access point to essential health care.

- The guidance states, "The policies outlined in this document were developed with significant input from both SBHCs and managed care plans."
  - RESPONSE: The 4/1/25 transition was announced by NYSDOH on September 20, 2024. The field was blind-sided by the announcement as there had not been any substantive discussions about a carve-into managed care in years. Since the September announcement, the state has held one webinar with a limited group of stakeholders- only the SBHC clinic staff. No further discussions, guidance or technical support has been provided until the January 8th guidance document and January 14th FAQs were released, less than three months prior to the forced transition. The field was not consulted in the development of the guidance or FAQs.
  - As the FAQs point out, "In the past there was to be a pilot program prior to implementation" which has not been done. The department's response is that there is no time to pilot given the April 1, 2025 effective date. And yet, the state is forcing the transition to take place in an extremely hurried manner on April 1, 2025 without piloting this major transition. A forced, rushed transition would not be in the best interest of the children served.

Scope of the School-Based Health Center Benefit

- The guidance lists certain dental health services which may be provided without prior authorization and allows managed care plans to require prior authorization for other services.
  - RESPONSE: We have a pediatric dental crisis in New York State. There is a serious shortage of pediatric dentists and those that exist rarely take Medicaid. Children that have not had access to preventative dental care often present with serious dental care needs which must be urgently addressed. SBHCs provide on-demand dental care for children who have no other access points in their communities. Often, they do so through mobile dental care services. Such dental providers would not meet dental PCP requirements to join networks. Imposing a managed care model will negatively impact SBHC dental services and significantly increase existing limits and barriers to care that will harm children.
  - Ten years ago, there was a stakeholder process between NYSDOH, and all interested stakeholders (SBHCs, sponsors, health plans, others) to look at a possible SBHC managed care carve in. Following multiple months of workgroup discussions and meetings, a consensus was reached to carve dental care out of a carve in due to the challenges with plans designating dental PCPs and networks given the way the model works. Given the growth in use of mobile dental providers, the field was shocked to see

that dental care would be included now given the prior, thoughtful discussions and consensus.

- The guidance document prevents managed care plans from requiring concurrent review authorization or to conduct retrospective utilization review for SBHC services for a two-year transition period.
    - RESPONSE: Two years would only provide a stopgap before managed care may begin to deny, delay and limit coverage for these essential services for our most vulnerable youth served by SBHCs. This is **acknowledged in the FAQs in multiple places that managed care plans may deny services** and the only recourse for the SBHC would be to file an appeal which can take months to adjudicate while the SBHC receives no payments. This is a clear example of why managed care should not be imposed on the SBHC model.

- The guidance states that SBHCs and managed care plans will work collaboratively on quality improvement initiatives including information sharing to improve outcomes and will develop a process to share information inducing with PCP to promote wellness and ensure children receive all well-child visits and other needed services.
    - RESPONSE: Promoting wellness and ensuring children receive recommended well child visits and other needed services is the sole mission of SBHCs. They are providing care that the children served cannot access elsewhere due to various factors. The state does not need to impose managed care in order to see that this happens. In fact, based on the experience of other providers in managed care, we are gravely concerned that the managed care model will only create barriers to this essential care. If the state is interested in increasing communication between SBHCs, other community providers/PCPs (if not the SBHC) and health plans we are glad to engage in discussions to do so. Furthermore, the state currently has all encounter data of the services SBHCs provide by child since it is currently the payer through fee-for-service (FFS). There is nothing to prevent the state from sharing such SBHC encounter data with the health plans for greater visibility, similar to how this data is sharing with the pharmacy carve out enacted in 2023.

Transitional Care

- The guidance says that the Department will assess the status of contracting efforts between SBHCs and managed care plans and overall network readiness 90 days prior to the implementation date and take corrective action if necessary.
    - RESPONSE: We are now less than 70 days out from the forced 4/1/25 transition. There are no contracts in place between health plans and SBHCs, staff are not credentialed, and no claims testing is taking place. **We urge the department to conduct a readiness assessment which would clearly tell the State no one is ready to be carved in.** While the guidance outlines actions which would be taken if there are not executed contracts in place, these actions are entirely insufficient to protect access and continuity of care; they either require SBHCs to rely on retrospective payment later or create a complicated process for single case agreements and out of network billing. Why is the state forcing this transition to take place in such a rushed manner on 4/1/25 leaving SBHCs and the children who rely on them so vulnerable?

SBHC/Operator Requirements

- The guidance discusses the confusing, bifurcated process for how managed care billing would work if the SBHCs sponsor is a Federally Qualified Health Center (FQHC), which by federal law

cannot be forced to contract with managed care plans versus the process if the sponsor is an Article 28 or other authorized sponsor.
    - RESPONSE: This is yet another example why a straightforward, consistent reimbursement process for SBHCs through Fee for Services (FFS) makes far more sense to avoid such a bifurcated process based on which type of sponsoring organization operates an SBHC.
- The guidance requires all SBHC staff to be credentialed with the managed care plans that the children they serve are enrolled in and includes a series of data sharing, service and consent requirements on SBHCs.
    - RESPONSE: Provider credentialing with all managed care plans and their subcontractors is a multi-month process which can take 90 or more days and will serve as a continuous administrative burden on SBHCs as they have staff turnover, leaving them unable to bill plans until the staff are credentialed. The FAQs acknowledge that credentialing criteria may differ by plan which adds to the burden and complexity. There has yet to be any outreach to SBHCs by plans related to their unique credentialing processes and requirements.
    - Further, the data sharing and other requirements in the guidance are either already done by SBHCs or certainly could be enhanced outside of forcing SBHCs into managed care, like data sharing with managed care plans and enhanced communications with other community providers.

Managed Care Plan Responsibilities

- The guidance states that managed care plans will work with SBHCs to improve enrollee health outcomes.
    - RESPONSE: There is no evidence to demonstrate that other providers and services that have already been transitioned to a managed care model have seen better outcomes as a result. The state's own data demonstrates how effective SBHCs are at improving health outcomes, increasing vaccinations, wellness visits and preventing more costly care and hospitalizations. The state must trust the experts who built and continue to work in the SBHC model that **forcing SBHCs into managed care will diminish the care and outcomes SBHCs provide, not enhance it**.
    - We are unaware of any health plan communications or training on what is required of the plans. Like other stakeholders, the guidance and FAQs seemingly lack any input from the managed care plans.

SBHC Billing and Managed Care Reimbursement

- The guidance accurately recognizes that SBHCs will be forced to have contracts with not only every managed care plan that the children they serve are enrolled in, but also to have contracts with each and every subcontractor of the plan (behavioral health, dental etc.). The guidance further states that health plans will be required to pay SBHCs at the Medicaid APG rate for a period of two years before SBHCs will be forced to "negotiate" their rates with plans.
    - RESPONSE: In some regions, this could mean SBHCs will need to have contracts and the ability to bill 5-10 or more unique plans in order to be paid for their services. This will require additional staff, resources and adds significant costs/overhead for such contracting and billing that SBHCs would need. Continuing to pay them the same rates they receive today for two years certainly does not provide any additional revenue to address of these added expenses.
    - Two years merely creates a 24-month cliff to when the model will become unsustainable. SBHCs must see and treat all children who need their services in the schools they are in pursuant to federal requirements. They have no leverage to "negotiate" adequate rates with the managed care plans who are motivated by producing profits for their shareholders. Just like other providers, SBHCs will be paid below-cost rates, face

denials, delays and other barriers to payment which will decimate this critical safety net provider. This is not in the best interest of the most underserved youth who rely on SBHCs for their essential care.

Confidentiality

- The guidance claims to protect youth confidentiality by preventing unauthorized disclosure of their enrollees' protected health information. The guidance further states that managed care plans "must accommodate an enrollee's reasonable request to receive communications by alternative means or at an alternative location…"
    - RESPONSE: Ten years ago, when the state and SBHC stakeholder had serious discussions about a SBHC carve into managed care, there was an agreement to keep reproductive health care provided by SBHCs carved out for this very reason. **There is no way to assure youth confidentiality in a managed care model.** The guidance speaks to an enrollees' rights but is a teenager expected to make such a request directly to the plan? The enrollee in most cases would be their parent or guardian. **We are greatly concerned that youth services and confidentiality will be compromised in a managed care model.**

Contracting

- The **guidance includes a series of requirements for what must be in place 4/1/25** including contacts with managed care plans and their subcontractors, SBHCs being listed as approved sites for care in managed care plan provider directories and materials, PCP designation if SBHC elect to do so and others.
    - RESPONSE: **We are less than 70 days out and none of this is in place**. The guidance and FAQs have just come out and little to no conversations have taken place between SBHCs and plans at this point. No stakeholder meetings have been held with the state despite our requests.

Continuity of Services

- The guidance states that the Department of Health will continue to work with SBHCs and managed care plans "to ensure a smooth transition of SBHC services and payments to ensure students have continued access to health care services."
    - RESPONSE: Forcing the entire field to transition to managed care on April 1st in the middle of a school year with only a few months' notice is in no way working with SBHCs and plans to ensure a smooth transition and is guaranteed to interrupt and discontinue student access to health care services. We've already seen two sponsors pull out of the program focusing their SBHCs to close if a new sponsor cannot be identified due to the state's September announcement that the carve in would take effect 4/1/25. The state must pause this transition to allow for meaningful engagement with all stakeholders on the feasibility of carving SBHCs into managed care.

For more information, please contact Sarah Murphy, Executive Director of the New York School-Based Health Alliance at 518.694.3423, nysbha@gmail.com