

## **A Place for School-Based Health Centers within the New Era of Alternative Payment Models in Medicaid**

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*Executive Summary:* School-based health centers are a key part of the health care delivery system in many states, particularly in addressing the needs of low income and underserved communities. As the momentum for adopting alternative payment models (APM) develops and influences the reimbursement of Medicaid services, school-based health centers (SBHC) should be included in APM models. SBHCs serve as vital primary care sites for youth living in low income communities.<sup>1, 2</sup> Delivery systems undergoing alternative payment model reform will do well to leverage school-based health centers as a means to address health disparities experienced by low income, underserved youth.

There are a handful of states that have begun to strategically embed school-based health centers into alternative payment models. New York State recently announced it will be moving SBHCs into the state's Medicaid Managed Care program in July 2016, and transitioning reimbursement away from fee-for-service. Per member per month (PMPM) payments linked to school enrollment data can offer better budget predictability for the provider groups that serve as operating sponsors of SBHCs. In some cases, upfront, capitated payments can serve as the initial investment capital needed to build and operate new SBHC sites in order to capture the financial savings generated when managing patients in this lower cost setting. Through Medicaid 1115 waivers, states are innovating and transforming the way care is delivered and paid for within their state. Statewide lessons should be studied and shared nationally in hopes of creating policies that shape a comprehensive and standardized reimbursement environment which supports and expands the financial sustainability of school-based health centers.

*Background:* The Centers for Medicaid and Medicare Services (CMS) announced an ambitious goal to establish alternative payment models (APM) as the basis for 50 percent of its payments by 2018. Alternative payment models will fundamentally alter the basis by which health care providers are reimbursed for their services. Payments will be based on successfully achieving and improving clinical outcomes, in contrast to the current dominant form of reimbursement that rewards payments based upon units of service provided. Although Medicare has been the program most immediately affected by the CMS 50 percent alternative payment models goal, Medicaid, the federal-state program to provide care to the poor, will also be impacted.

Since the implementation of the Affordable Care Act (ACA), the number of individuals covered by Medicaid has increased by 22 percent. Over 71 million low income Americans depend on Medicaid coverage. Projected Medicaid payments in 2015 are \$343 billion, and expenditures are expected to increase as income disparities escalate.<sup>3</sup> For example, in California, nearly one half of all babies born are covered by MediCal, California's version of the federal-state program. As more states expand Medicaid eligibility under provisions of the ACA, more children from low income, impoverished backgrounds will depend on Medicaid.

Since children covered by Medicaid are by definition, part of low income families, they likely attend public schools. Public schools, in turn, are typically the sites of SBHCs. Far removed from the archetypal "nurse offices" of yesteryear, these clinics provide a wide spectrum of clinical services, including primary care, behavioral health counseling and services, and in some cases, oral health screening and prevention. Some SBHCs provide clinical services to multiple schools and/or the broader community, extending its reach far beyond the student body of a

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<sup>1</sup> *Pediatr Ann.* 2014 Feb;43(2):e33-8. doi: 10.3928/00904481-20140127-08. Improving access to care through the patient-centered medical home. North SW, McElligot J, Douglas G, Martin A.

<sup>2</sup> *J Sch Nurs.* 2015 Jul 3. pii: 1059840515590607. Mental Health Services in School-Based Health Centers: Systematic Review. Bains R, Diallo A.

<sup>3</sup> *JAMA.* 2015 July;314(4):343-4. Medicaid's New Role in the Health Care System. Mann JD, C., Oslus, MPA, E.

particular school. Many of these clinics are vital in promoting and developing preventive health programs, and promoting healthy behaviors. These clinics are often the most accessible, safe and convenient environment for children to obtain critical services, and most particularly so in the case of underserved adolescents.

*Benefits of SBHCs:* While SBHCs provide core primary care, their impact goes far beyond direct medical services. Children seen at SBHCs are typically provided services as part of the normal school day, minimizing missed class time and student absenteeism, and alleviating the need of parents and/or guardians to leave work for a child's health needs.<sup>4,5</sup> Some SBHCs include information and assistance for families to apply for Medicaid, Women, Infants and Children (WIC) and other social entitlement programs. In many cases, school-based health centers may be the main source of addressing the sexual health needs of teens, by providing screening for sexually transmitted infections and contraceptive counseling.<sup>6</sup>

Studies extolling the value of school-based health centers in providing physical and mental health services in a managed care and HMO setting were first published twenty years ago.<sup>7,8</sup> The number and resulting impact of SBHCs have almost doubled since that time. In 1998, there were 1,200 school based clinics serving approximately 1.1 million children.<sup>9</sup> Today, there are over 2,315 school based clinics in 49 of 50 states and the District of Columbia serving millions of users from kindergarten to high school.<sup>10</sup> SBHCs have experienced this rapid growth through the collaboration, support and sponsorship of various components of the health care system, including federally qualified health centers (FQHCs), insurers, hospitals, health systems, local health departments and school districts. Thus, SBHCs have a unique position in the delivery system, bringing together a number of constituents, and having a significant impact on providing care to at-risk youth, particularly those living in low income and underserved communities. Without school-based health centers many of these youth, comprised of Medicaid recipients and the uninsured, would have no access to a regular source of primary care and behavioral health services.

Although SBHCs provide care to a wide age range of children, perhaps their most unique attribute is supporting the health needs of “twens” and teens. This period of development is rife with challenges and self-doubts, and critical decisions and choices may have either affirming or devastating effects that extend well into adulthood. SBHCs are located in settings where these youth can access care and counseling without the fear of scrutiny or self-consciousness that typically accompanies a traditional “doctor visit” in the presence of a parent and/or

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<sup>4</sup> Health Soc Work. 2014 May;39(2):83-91. Understanding the relationship between school-based health center use, school connection, and academic performance. Strolin-Goltzman J, Sisselman A, Melekis K, Auerbach C.

<sup>5</sup> Arch Pediatr Adolesc Med. 2012 Jul 1;166(7):675-7. doi: 10.1001/archpediatrics.2012.553. School-based health center use and high school dropout rates-reply. Kerns SE, Pullmann MD, Walker SC, Lyon AR, Cosgrove TJ, Bruns EJ.

<sup>6</sup> J Adolesc Health. 2015 Jun;56(6):658-65. doi: 10.1016/j.jadohealth.2015.02.016. Providing long-acting reversible contraception services in Seattle school-based health centers: key themes for facilitating implementation. Gilmore K, Hoopes AJ, Cady J, Amies Oelschlagel AM, Prager S, Vander Stoep A.

<sup>7</sup> Arch Pediatr Adolesc Med. 1998 Jan;152(1):25-33. Managed care and school-based health centers. Use of health services. Kaplan DW, Calonge BN, Guernsey BP, Hanrahan MB.

<sup>8</sup> Health Care Finance Rev. 1997 Spring;18(3):149-75. Managing access: extending Medicaid to children through school-based HMO coverage. Coulam RF1, Irvin CV, Calore KA, Kidder DE, Rosenbach ML.

<sup>9</sup> J Adolesc Health. 2003 Jun;32(6 Suppl):98-107. School-based health centers: accessibility and accountability. Brindis CD, Klein J, Schlitt J, Santelli J, Juszczak L, Nystrom RJ.

<sup>10</sup> School-Based Health Alliance [webpage on the Internet]. 2013-14 Digital Census Report. Available from: <http://censusreport.sbh4all.org/#access>. Accessed March 26, 2016

guardian. In the SBHC, a consented student can access services in a manner that acknowledges his or her role in decision making, and provide a safe environment where they can explore therapeutic options and communicate their needs that feels more natural than in other outpatient settings. Additionally, issues surrounding substance/alcohol use, sexual identity and health may be more effectively managed in a setting where these conversations are commonplace, namely in middle and high school.

*Conclusion:* Alternative Payment Models are being promoted by CMS as more than just a formula for reimbursement. The underlying incentive for APMs is to be more patient centered, more cost effective, and to improve the health of target populations. Medicaid APMs should include SBHCs because school-based health centers offer high quality services while generating cost savings.<sup>11, 12</sup> The implementation of APMs in Medicaid programs will have a profound impact on the nature and efficacy of healthcare delivery systems. SBHCs have a proven track record of providing high quality, cost effective services to low income and underserved youth in an environment that is familiar and safe. SBHCs facilitate healthy behaviors and provide ambulatory care that is convenient to students and their caregiver(s). In recognition of their strategic impact in underserved communities, school-based health centers should be integrated into Medicaid driven alternative payment models so school-based health centers can continue to provide vital services to low income youth, and play a pivotal role in promoting health and wellness for vulnerable, at-risk children and adolescents.

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Disclosure: Dr. Bynum and Dr. Wong currently sit on the Board of Directors of the national School-Based Health Alliance ([www.sbh4all.org](http://www.sbh4all.org)). Dr. Bynum is the Chair of the Outreach and Engagement Committee, and Dr. Wong is the Chair of the Policy and Advocacy Committee at the School-Based Health Alliance.

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<sup>11</sup> Am J Public Health. 2010 Sep;100(9):1617-23. doi: 10.2105/AJPH.2009.185181. Epub 2010 Jul 15. School-based health centers: cost-benefit analysis and impact on health care disparities. Guo JJ, Wade TJ, Pan W, Keller KN.

<sup>12</sup> Pediatrics. 2013 Mar;131(3):e709-17. doi: 10.1542/peds.2012-1883. Epub 2013 Feb 11. Cost-effectiveness of the School-Based Asthma Therapy (SBAT) program. Noyes K, Bajorska A, Fisher S, Sauer J, Fagnano M, Halterman JS.