

## FOR IMMEDIATE RELEASE

March 31, 2025

Contact: Sarah Murphy, Executive Director, New York School-Based Health Alliance at [sarah.nysbha@gmail.com](mailto:sarah.nysbha@gmail.com)/ 518-694-3423

### **NEW YORK STATE MUST STOP THE 4/1/25 CARVE-IN OF SCHOOL-BASED HEALTH CENTERS INTO MEDICAID MANAGED CARE** *Final SFY 2026 State Budget Must Protect Healthcare Safety Net for Underserved Children*

[Albany, NY] – As final state budget negotiations continue this week, organizations representing school-based health centers (SBHCs), hospitals, health care worker union, and health and education providers and advocacy groups applauded the efforts of the State Senate and Assembly to stop the devastating carve-in of SBHC services into Medicaid managed care (MMC) pursuant to a State directive set to take effect April 1st. Groups urged inclusion of a permanent carve-out of SBHCs from MMC to remain in Fee-for-Service (FFS) Medicaid in the final budget consistent with S1224, Rivera/ A957, Paulin, as included in both the Senate and Assembly’s one-house budgets.

In September 2024, at the direction of Governor Kathy Hochul, the New York State Department of Health (DOH) announced that SBHCs would no longer be paid through Medicaid FFS and would be transitioned to MMC on April 1, 2025. This complicated and costly shift to managed care is misaligned with the SBHC model to see all children in underserved communities regardless of income, insurance or immigration status or other factors, and is universally opposed by all SBHC stakeholders. If not stopped, this transition is certain to disrupt access to SBHC services and threatens the survival of this important healthcare safety net.

SBHCs have long provided comprehensive, accessible, and high-quality care to students, particularly in low income, urban and rural areas of the state. This includes primary care, dental, mental health and reproductive healthcare among other services for over 250,000 children statewide. Advocates argue that moving these services, which have always been provided on a FFS basis, into MMC poses significant risks, including reduced reimbursement, added administrative burdens, and disruptions to care delivery. In light of federal funding cuts and uncertainties surrounding Medicaid funding which are likely to disrupt healthcare delivery, transitioning SBHCs into MMC at this time could further destabilize and limit access to these services. These overlapping threats highlight the shortsightedness of the transition to MMC, which could dismantle the SBHC model in New York State, and underscore why it must be stopped.

The proposed shift is being met with universal resistance from stakeholders, who warn that it could jeopardize access to critical healthcare services for hundreds of thousands of youth across the state. Key stakeholders, including the New York School-Based Health Alliance, 1199SEIU, Greater New York Hospital Association, New York State United Teachers, NYS PTA, Medicaid Matters New York, Smile New York Dental and many other stakeholders (see list below) including the New York State Health Plan Association.

“School-based health centers are on the frontline of care for New York’s most vulnerable children, providing essential health services that families depend on,” **said Sarah Murphy, Executive Director of the New York School-Based Health Alliance.** “We call on Governor Hochul to avert the crisis this transition will cause and preserve this child-centered model. We commend the Senate and Assembly for their continued advocacy for a permanent carve out in the final budget. While the directive is scheduled to take effect April 1<sup>st</sup>, this transition can be stopped within the budget. Critical transition milestones, including plan contracting and provider credentialing have not yet taken place. The State can easily stop/reverse this transition and the field would continue billing FFS as they always have.”

“We must allow SBHCs to continue to focus all of their energies and resources to provide essential healthcare to children who have no other access points in underserved communities,” **said Kyle Belokopitsky, Executive Director of the NYS Congress of Parents and Teachers (NYS PTA).** “Managed care detracts from this critical mission and would increase administrative and overhead costs for SBHCs to contract and bill several plans in hopes to receiving payment. We must keep SBHCs focused on healthcare and using their limited resources to

hire more nurses and physicians, not administrative staff. We urge that the managed care carve in of SBHCs be stopped in the final state budget.”

"School-based health centers, including those operated by GNYHA member hospitals, provide critical primary care services to underserved public school children across the State. These services are provided at no cost to families regardless of their immigration status. The State must adequately fund SBHCs to protect these populations and reverse its decision to carve SBHCs into Medicaid managed care. It imposes a costly administrative burden on these critical safety net clinics, with no benefit for the children they serve. GNYHA and our partners urge the Governor and Legislature to protect SBHCs to prevent service reductions and closures," **said Chatodd Floyd, Senior Vice President, Government Affairs, Greater New York Hospital Association.**

“School-Based Health Centers are a lifeline for students and families, ensuring that children receive the care they need to thrive in the classroom and beyond. 1199SEIU proudly supports expanding and strengthening these vital services because every child deserves access to quality healthcare, regardless of their zip code or family income. Investing in SBHCs is an investment in our future and we urge the State not to move forward with the managed care carve in of SBHCs, **said 1199SEIU WNY Vice President, Jim Scordato.**

"Students must continue to have access to health care, dental care, and mental health care through school-based health centers. We often talk about meeting people where they are, and school-based health centers do just that to provide quality care and services to children and adolescents across our state. Adding the administrative layer of managed care would threaten access to care for young New Yorkers." **said Lara Kassel, Campaign Coordinator, Medicaid Matters NY.**

### **Organizations Opposed to the NYS Medicaid Managed Care Carve-In of SBHCs**

New York School-Based Health Alliance  
1199SEIU  
Greater New York Hospital Association  
Healthcare Association of New York State  
Community Health Care Association of New York State  
New York State United Teachers (NYSUT)  
The Foundling  
New York State Academy of Family Physicians  
New York City Department of Health and Mental Hygiene  
Kaleida Health  
Northwell Health  
Montefiore Health  
Community Health Network  
New York School-Based Health Foundation  
Long Island Jewish Medical Center/CMCC  
Children's Aid NYC  
NYU Langone Health  
Morris Heights Health Center  
Family Health Centers at NYU Langone  
New York-Presbyterian Hospital  
Harmony Healthcare Long Island  
States Island University Hospital  
Healthy Capital District  
Open Door Family Medical Center  
Community Health Academy of the Heights Essex Street Academy  
Lower Manhattan Academy Arts Academy  
Urban Assembly Academy of Government and Law  
New Design High School for Dual Language and Asian Studies  
Rochester Regional Health

Bassett Healthcare Network  
Sun River Health  
Community League of the Heights  
Academy of Innovative Technology  
Far Rockaway Educational Campus, Pathways to Graduation  
New York State Community Schools Network  
Network for Youth Success  
Village Academy, Brian Piccolo MS53 Campus  
North Country Family Health Center  
Brooklyn Plaza Medical Center, Inc.  
Urban Health Plan  
University of Rochester  
Institute for Family Health  
Syracuse Community Health  
East Harlem Council for Human Services Inc./  
Boriken Neighborhood Health Center  
NYU Langone Hospital - Long Island  
Family Health Network of CNY, Inc.  
NY Society of Adolescent Health & Medicine  
Ariel Tassy Nunez, MD, Deborah Saunders, MD, Eric Weiselberg, MD, Rachel Bergeson, MD, Khalida Itriyeva, MD, members, AAP Chapter 2 Committee on Youth and Adolescents  
Finger Lakes Community Health  
Smile New York Outreach  
FHC at NYU Langone School Based Dental Program  
BMS Family Health and Wellness Centers  
Connex Care  
Mount Sinai Hospital  
Mount Vernon Neighborhood Health Center Network  
Ryan Health

###