

The American Academy of Pediatrics
District II, New York State

**Testimony Before the Commissioner of
Health & the Commissioner of
Insurance for the Partnership For
Coverage....Universal Health Care for
New York**

New York City

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Good afternoon Commissioner Daines and Commissioner Dinallo, and guests. I am Henry Schaeffer, District Chair of the New York State district of the American Academy of Pediatrics. I am also a pediatrician who works as residency program director and medical student clerkship director at Maimonides Medical Center in Brooklyn. The mission of the American Academy of Pediatrics, District II, New York State is to work with parents, state leaders, other health care and education leaders and community leaders to attain optimal physical, mental and social health and well-being for all infants, children, adolescents and young adults. The almost 6,000 pediatricians across the state believe that implementing high quality universal health care that can provide a "Medical Home" for every child in New York is the way to meet our mission.

I am here today to call upon you and all of our state leaders to keep your promise to New York's children and deliver high quality, accessible health coverage, which we will, and can, call universal health care, to all children starting next year.

We propose that New York start its move toward universal health care for all New Yorkers by designing, funding and implementing universal health care for all children first. The AAP has, for the last two decades worked to help New York provide high quality health care to more and more children through expansion of eligibility and expansion of covered services in public, public/private and private health coverage.

We believe that working together we can create a universal health care model for all children. We also believe that once we implement that model and have some experience with it, we can move toward universal health care for all. Starting with our children offers the state, the health care provider community and our health insurers the opportunity to work with a known cohort of covered lives, a relatively clear and comprehensive benefit package, and therefore with a definable financing need.

The AAP's White Paper on universal health care, Building Blocks for a Medical Home for Every Child, which we have been distributing to state leaders and others involved in the state's efforts to move toward universal health care, provides a blueprint for the state to move forward to build a "Medical Home" for every child.

The leadership of District II, in partnership with the chairs of the pediatric departments of all the medical schools in the state, took on the task of preparing a detailed proposal to help New York State implement universal children's health coverage. Building Blocks for a "Medical Home" for Every Child: The American Academy of Pediatrics District II, New York State's Proposal for Universal Health Care for the Children of New York presents the AAP's practical approach to designing and implementing high quality universal health care for the children of New York.

As we move toward universal health care for children, it is imperative that our statewide system of public, subsidized and private insurance provide appropriate coverage for the health care needs of newborns, infants, children, adolescents and young adults in a Medical Home. Since children's health care is directly related to their age and developmental needs, a package of comprehensive benefits focused on age-specific population groups is the only real way to secure quality health care for all children.

A “Medical Home” is a place where children regularly get their care. It is an office or clinic where children, parents and pediatricians are partners in assuring high quality, effective health care delivery. A “Medical Home” is a place where children go for their well baby, well child visits, immunizations and acute care. A “Medical Home” offers a full service high quality health care engagement providing comprehensive, coordinated, compassionate, culturally competent care for children.

Designing and delivering equitable, accessible, high quality universal health care for the 4.8 million children in our state will require additional financial support to secure the preventive, primary, acute, specialty, sub-specialty, and surgical care that are the core components of a children’s health care system.

In many parts of the state it is difficult for families to access the specialty and sub specialty care they need for their children. Additional resources and a redirection of existing resources are required to reach the stated goal of high quality, universally available health coverage for all children.

Adequately financing the system of universal health care for children is an equity issue, It costs the same to provide quality health services to children whether the child is from a wealthy, middle class or low income family. The resources must be in place to provide high quality health care to all children.

There are several principles that we believe must guide New York State’s move toward universal health care for all children. They include:

- Equity and Fairness, for children and for providers
- Payment that reflects investments in primary, preventive and office based acute care
- A health care system that truly can care for the whole child
- High quality care for every child consistent with best practices and technological advances
- Accessible services, including sub-specialty and surgical care where and when they are needed
- Sufficient payments for case management for pediatricians to provide comprehensive care in a Medical Home for children with chronic illnesses

Benefits Package

Children’s health care needs are directly related to their age and developmental stages. A comprehensive benefits package focused on the unique needs of children at various ages is an effective way to deliver quality health care to all children; minimal health care coverage, health care savings accounts and catastrophic coverage are not effective. The national American Academy of Pediatrics (AAP) has developed a proposal for a comprehensive child-focused benefits package that meets the needs of all children. In

anticipation of New York State's move toward universal health care for all children, the State should adopt the benefits package developed by the AAP.

The AAP health care benefits package meets the needs of all children. The details of our benefit package are outlined in our publication, [Building Blocks for a Medical Home for Every Child](#).

They include:

- Medical Care
- Critical Care
- Pediatric Surgical Care
- Behavioral Health Services
- Specialized Services for Children with Special Health Care Needs
- Pediatric Oral Health

Interim Proposal: Child Health Plus Benefits

Until the comprehensive AAP proposal is implemented, the Child Health Plus benefit package should continue as the standard for all children's coverage in the state. All health care coverage, public or commercial, should provide, at a minimum, all of the benefits required within Child Health Plus B. This would assure equitable access to comprehensive, child-specific health care services.

Increasing Capacity in Areas of Critical Need

In addition to the specific benefits in the proposed AAP comprehensive benefits package, system capacity and service gaps in two critical areas must be addressed. At present, there are inadequate numbers of mental health and oral health providers for the pediatric and adolescent population

Mental Health

To address the serious lack of children's mental health service providers, New York must implement programs and support activities that will increase the number of trained and skilled providers that can provide these services and will expand school-based mental health programs.

Oral Health

Adequate and high quality oral health is imperative to assure the health of all children. Recognizing that there is both a shortage of pediatric dentists and a shortage of dentists willing to treat children, New York must create a reimbursement program which will encourage pediatricians to offer dental sealants and varnishes in the primary care setting. An expansion of oral preventive care in the pediatric primary care setting will significantly reduce the occurrence of oral caries in toddlers and young children. At the

same time, New York State must design and implement a pediatric dentistry expansion program to create adequate pediatric dental services across the state.

A “Medical Home” for Every Child: Access to Care

Implementing a comprehensive child-specific benefits package is only one step toward assuring a Medical Home for every child. New York must promote the development of a system of care that allows families to access this high quality care for their children without traveling hundreds of miles or waiting months for medical attention.

Health Care Coverage for Medically Complex Children

To meet the needs of high need children, such as those with autism and those with other special health care needs, who now often spend down to Medicaid Fee For Service, we propose two levels of additional support to provide them with the health coverage necessary to address their complex health care needs.

First, for special needs children and/or chronically ill children, the system we propose would operate a **Risk Adjusted Medical Home Care** model. This level of support would assure that high users could get their medical needs met without creating financial burdens on pediatricians or insurers. Many of these children receive a high percentage of their health care in academic medical centers, where the needed specialists and sub-specialists are available. But they often get their primary care and acute care needs met in the pediatrician's office. Payment for care management for these medically complex children would reflect the increased work that would be required. Medically complex children often require extensive and expensive care. But with focused, highly effective medical care management, there is a realistic expectation that costs savings can be achieved by reducing the high number of medical emergencies.

A second level of support, a **State Supported Reinsurance Pool**, would support the small number of chronically ill very high need children, who require extensive and constant care. This pool would cover the health care costs of the most highly complex, high need medically compromised children. Although the number of these children is relatively small, their use of medical services is enormous. Having an insurer of last resort will assure that these very medically needy children will have access to the high cost care that is required to assure them a reasonable quality of life.

The three levels of coverage proposed would provide accessible, high quality care for all children in a “Medical Home” that can and will meet their health care and developmental needs.

Systems Issues

New York State's subsidized children's health insurance programs, CHIP A (Medicaid) and CHIP B (SCHIP), provide health care for more than 1.6 million children in our state: approximately 1.2 million in Medicaid and approximately 400,000 in Child Health Plus.

AAP proposes the following recommendations for overcoming the barriers currently encountered by the families of more than 400,000 children who are eligible for, but not necessarily enrolled in New York State's subsidized health insurance programs. These recommendations will:

- Address the existing complex re-enrollment process that presents barriers to continuing coverage for children who are already enrolled in these programs
- Expand coverage to vulnerable populations not currently covered or inadequately covered under the present system
- Implement more effective outreach to find and enroll eligible children
- Promote State take-over of the Medicaid program
- Enhance cultural sensitivity
- Address access and quality of care issues
- Preserve and expand access to reproductive health care for adolescents
- Enhance access to mental health services within primary care and access to mental health specialty referral for children and adolescents

The principles defined in this document are applicable to all children and adolescents regardless of their insurance coverage. In addition, as program modifications are made, significant effort must be made to disseminate information to all providers and consumers.

Differences in payment, low payment for care for low income children, has built and maintained an inequitable health care system. It is indefensible that a pediatrician gets \$30 for a new patient visit for a Medicaid Fee for Service enrolled child, when the median commercial insurance reimbursement for the same visit is \$115.00.

The children of New York deserve better. And they should be getting better health care in a universal health care system which will provide accessible high quality health care for all children and fair and equitable payment for the pediatricians who provide that care.

Making a commitment to universal health care requires that we make a commitment to equitable payment which will produce equitable access.

Children's health care is a good investment. Quality children's health care can prevent the development of chronic or more serious illness and therefore reduce longer term expensive care. And yet, we continue to starve the system to the point where we are negatively impacting access. There are many families across the state unable to access the specialty and sub-specialty care that their children need. Either the services are not available and families have to travel great distances to get the care, or waiting lists are so long that care delayed is really care denied.

A New Direction for Children's Health Care – The Pediatric Medical Home Care Model

High quality health care for children requires that each child have a "Medical Home." The AAP proposes that New York return to the original concepts of coordinated care, first defined in the PPAC program, (a children's medical care coordination program designed and implemented in the children's Medicaid program in the early 1990's and abandoned with the statewide application of managed care), and design a universal health care system for children that provides a high quality, accessible and equitable "Medical Home" for every child.

Pediatricians are committed to working with the State Health Department and the State Insurance Department to design a Children's Health Care Delivery System that actually coordinates care. A Pediatric Medical Home Care model would be designed that could be implemented across the public, subsidized and private health insurance industry. The model would provide a high quality, accessible "Medical Home" for every child. Using the AAP's proposed children's benefit package as the base line for all children's "Medical Home" services, the Pediatric Medical Home Care model will include all services necessary to deliver appropriate care to children at appropriate times.

The AAP proposes to work with all stakeholders in children's health to design a Pediatric Medical Home Care model that actually coordinates children's health care. With this model, we could bring all children into a higher quality, more accessible health care system that would assure access to high quality preventive, primary, acute, specialty and subspecialty care. Pediatricians would become true care managers, and their payment would reflect their enhanced responsibility.

Pediatricians would provide preventive, primary and acute care, full coverage 24/7, and supervise and manage access to specialty and subspecialty care when needed.

Rates for the new Pediatric Medical Home Care model would be negotiated based on key care management principles and quality measures.

The state would become the honest broker in working with the AAP and the Health Plan Association to create a payment structure that reflects not only the new expectations and quality measures and outcomes, but also recognizes the costs of providing high quality health care to all children. This new model would include measures of quality of care and financial incentives to reflect success in achieving improved processes and outcomes of care, such as high rates of appropriate immunization for children by their second birthday, low rates of emergency room visits and hospitalizations, reduction in the number of missed days of school for children with asthma or other chronic and manageable diseases, and high rates of anticipatory guidance for adolescents.

The Pediatric Medical Home Care model would be available to the majority of children in public, subsidized and private health insurance programs in the state.

The Pediatric Medical Home Care model would address both developmental and mental health needs of children within the primary care practice when appropriate.

Referral to specialists and sub-specialists would be part of the practice model. However, several core services including specific levels of children's mental health services, specific children's oral health services, and various learning differences assessments could and would be handled within specially trained and staffed practices.

Children's Mental Health Services Within the Children's Medical Home Care Model

Currently there is a shortage of trained medical personnel to provide mental health services to the children in New York State.

To meet the current need, and build capacity into the future, the AAP proposes:

- Creating a new reimbursement mechanism for pediatricians and other primary care professionals to perform behavioral assessments and provide treatment. This would include reimbursement for up to six visits without the assignment of a diagnosis.
- Allowing physicians employing licensed clinical social workers and clinical nurse specialists with psychiatric certification to bill for the services of these mental health professionals if the physician provides on-site supervision.
- Allowing health departments who employ licensed clinical social workers, licensed psychologists, and advanced practice nurses to bill for their services in school-based health centers if a physician provides supervision by phone or beeper.
- Encouraging medical students to choose a career in child and adolescent mental health services using loan forgiveness programs as an incentive.
- Increasing funding for school psychologists, social workers and trained counselors to build in school and child care located children's mental health capacity.

Financing a "Medical Home" for Every Child

The funds to support our approach include:

- Existing and additional Medicaid Funds from the Federal & the State Budgets
- SCHIP funds, existing and additional from the Federal & the State Budgets
- HCRA funds that currently support various children's health initiatives, with additional funds from cuts in other parts of the HCRA funding formula.
- A new State children's insurance pool with contributions from employers who do not provide health insurance for their employees' families and a percentage of proceeds from any not for profit to for profit health insurance conversions.

- Surcharge on excess profits of for profit health insurers
- Exploration of small percentage tax on multi-millionaires to help pay for universal health care for children similar to California Proposition 63.

It is time for New York State to design, implement and support a universal health care system that can and does deliver high quality health care to all the children in our state. The basic building blocks are in place. It will take creativity, motivation and resources to design and deliver a "Medical Home" for every child in New York.

Working together, this can be accomplished.