



Wayne A. Smith
President & CEO

October 30, 2020

Secretary Molly Magarik
Delaware Health and Social Services
Chair, Delaware Health Fund Advisory Committee
1901 N. Du Pont Highway, Main Building
New Castle, Delaware 19720

*Alfred I. duPont Hospital
for Children*
Mark Mumford,
Executive Vice
President
Chief Executive,
Nemours Delaware
Valley Operations

Bayhealth
Terry Murphy,
President & CEO

Beebe Healthcare
David A. Tam,
MD, MBA,
President & CEO

ChristianaCare
Janice E. Nevin,
MD, MPH
President & CEO

TidalHealth Nanticoke
Penny Short, MSM,
BSN,
RN
President & CEO

Saint Francis Healthcare
Brandon S. Harvath,
President & COO

*Wilmington Veterans
Affairs Medical Center*
Vincent Kane
Director

*Delaware Healthcare
Association*
Wayne A. Smith
President & CEO

RE: Maintain Current Funding for School Based Health Centers Program

Dear Secretary Magarik:

On behalf of Delaware's hospitals and health systems, the medical sponsors of 31 of Delaware's 32 high school School Based Health Centers (SBHCs), I urge you and members of the Health Fund Advisory Committee to recommend against any cuts to the School Based Health Centers program for Fiscal Year 2022. While we understand that the Committee must make hard decisions with finite resources, School Based Health Centers, and the students they provide critical services to, must at a minimum maintain level funding. We also request that the SBHC program be brought back under the General Fund, to avoid future funding challenges facing the Health Fund.

School Based Health Center Services are Needed Now More than Ever

Delaware students utilize SBHCs for a variety of reasons, including addressing their medical, mental health, and even substance use disorder needs. SBHCs monitor chronic disease, administer needed vaccinations, provide reproductive health care as well as health education. SBHCs are the safety net for Delaware youth – the place they can get the care they may not be able to access otherwise, particularly mental health care. Studies have shown that the COVID-19 pandemic has had a significant negative impact on the mental health of Americans, including children and adolescents. The uncertainty and isolation that comes with the COVID-19 Pandemic contributes to greater feelings of anxiety and depression, and many do not have access to medical care. SBHCs can bridge the gap and provide quality mental health services, either via telehealth or in the centers when able. We must continue to provide SBHCs with the resources they need to provide needed mental health and medical care that our students need now more than ever.

Hospitals, the SBHC Providers, are Still Recovering from COVID-19 Losses

During the height of the pandemic, elective surgeries and appointments were ceased to free up room in Delaware's hospitals for a surge of COVID-19 patients. During these months, Delaware hospitals and health systems were losing in total more than \$5.66 million per day, nearly \$170 million per month. As COVID cases lessened and elective surgeries resumed, hospitals have begun to recover, but there is still a long road - and uncertainty around COVID - ahead.

Similarly, hospitals also faced financial loss from their SBHC operations in 2020 due to the COVID-19 Pandemic. DHA surveyed our hospital members and found that in 2020, total health system losses from SBHCs were \$786,876. Surely, if the funding provided to the SBHC program were reduced, hospital losses would increase, negatively impacting their ability to provide much-needed services to Delaware students.

Cuts would Negatively Impact the Sustainability of School Based Health Centers

Delaware hospitals and health systems support SBHC operations because these centers have a positive impact on the health of Delaware students, and in turn, these students' ability to remain in school and receive quality education. While funding from the Delaware budget is critical to the work of these SBHCs, it does not cover all the necessary costs for SBHCs. SBHCs are expected to bill student's/parent's health insurance and get reimbursed for services to make up the difference, but again this does not cover all the costs of operating a SBHC.

There are several services that SBHCs provide that cannot be reimbursed by insurance, therefore the hospital provider covers those costs. For example, there are privacy requirements for a student that receives reproductive health care at a SBHC. If a SBHC provider bills the student's parent's insurance, an Explanation of Benefits would be sent home from the insurance company to the parent (the policy holder), thus violating the patient's right to privacy for the service they received at the SBHC. The only way to avoid this issue is for providers not to bill and therefore not to get reimbursed for these services, adding to the expenses/losses for the hospital medical sponsor of the SBHC. Addressing these gaps in funding and reimbursement are critical to ensuring the sustainability of SBHCs in the years to come. Any cuts to the funding of SBHCs would exacerbate the losses for SBHC medical sponsors and call into question the ability of SBHCs to function adequately into the future.

In addition, SBHCs provide critical services to students who do not have insurance. These services are not reimbursed. This care often is the crucial piece that satisfies the requirements for a student's school attendance such as a school physical and required immunizations. SBHCs are able to successfully circumvent the barriers these students often encounter such as lack of ability to afford copays, language barriers, and even transportation, as SBHCs are often more conveniently located for families in these situations. SBHCs can also provide virtual services for those unable

to come in-person. SBHCs also are able to facilitate students and families to successfully access and obtain insurance and community resources.

There is currently a statewide Strategic Planning initiative underway that the Delaware Healthcare Association is participating in along with other stakeholders to bolster School Based Health Centers and help guide their expansion into high-needs elementary schools. Until this group is able to come up with solutions to address the sustainability of SBHCs, Delaware must fund the SBHC program, at a minimum, at its current level for FY22.

Sincerely,



Wayne A. Smith
President & CEO
Delaware Healthcare Association