

Health Pulse

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Centene to uphold 'ethical and religious directives' for one year after Fidelis acquisition

Fidelis Care's plan to sell its assets to St. Louis-based Centene, announced last week, represented a major shakeup for the state's Medicaid and Qualified Health Plan market, in which Fidelis Care is the dominant player. But state regulators must still conduct a rigorous review of the proposed \$3.75 billion sale.

One issue that's likely to surface at future public hearings: Fidelis Care's policy on reproductive health services. In conforming with its Catholic mission, the insurer doesn't cover abortion, sterilization and most forms of birth control. To comply with state regulations concerning reproductive rights, Fidelis contracts with Unified IPA to cover contraception and infertility treatments. Unified does not cover voluntary termination of a pregnancy.

In its asset-purchase agreement, Centene said that for one-year following the closing of the deal it would "use commercially reasonable good-faith efforts to comply with the protocols and policies ... relating to the ethical and religious directives for Catholic Health Care Services in connection with the operations of the business in the state of New York." It noted that it would do so "to the extent permitted by applicable law and government authorities." The transaction is expected to close in the first quarter of 2018.

When asked about the provision, a Department of Health spokeswoman said the agency will continue to ensure access to reproductive health services during the transition.

The Health Department, the state Department of Financial Services and the state attorney general must all approve the deal. The Health Department plans to "conduct a thorough review of the details of the proposed sale with the primary goal of ensuring that the 1.6 million Fidelis Care members maintain their access to high-quality health care services," the spokeswoman said.

In a statement Fidelis said the deal "will provide compelling benefits for members, with greater tools and resources to promote better health outcomes and enhance care and disease management."

Consumer-health advocates are discussing how they will ensure that members' rights are protected, said Lara Kassel, coordinator of Medicaid Matters, a coalition of 140 organizations that advocate for Medicaid beneficiaries. Centene's vast size, with a market capitalization of \$14.2 billion, and the fact that the company is based outside New York made her uneasy.

"We're all trying to figure out what it means for consumer access," she said. "The risk that consumer interests and protections could be lost is troubling."

Recently Centene has helped extend access to coverage. It swooped in to offer coverage in 2018 for several counties where all other plans had exited, including parts of Indiana, Ohio, Missouri and Nevada.

That move bodes well for the plan's commitment to the Affordable Care Act marketplace, said Peter Newell, director of the United Hospital Fund's Health Insurance Project.

"Centene has stepped up to fill bald spots on the ACA exchanges," he said.

While it's still unknown how the expansion will affect Centene's performance next year, the insurer's commitment to Medicaid, Medicare Advantage and the ACA market resulted in \$561 million in net income last year.

"When they exit the market, we end up with a very balanced growth of business," said Michael Neidorff, chief executive of Centene, at the Morgan Stanley Global Healthcare Conference in Manhattan on Tuesday, according to a transcript from Seeking Alpha. —J.L.



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Saint Barnabas opens \$200M pavilion

Saint Barnabas Medical Center in Livingston, N.J., today will open a 5-story, \$200 million addition that expands the capacity of some of the hospital's specialty units and makes it more welcoming to families.

The new Cooperman Family Pavilion, spanning 241,000 square feet, features 114 private rooms, as well as a 56-bassinet neonatal intensive care unit that's five times the size of its predecessor. The expanded area will also house outpatient diagnostic services, the endoscopy lab and a same-day surgery lounge.

Saint Barnabas, the flagship facility in the 11-hospital RWJBarnabas Health system, received a \$25 million gift from Leon and Toby Cooperman to help fund the project. Billionaire Leon Cooperman is the founder of hedge fund Omega Advisors. Toby Cooperman is a board member and retired learning disabilities consultant of ECLC of New Jersey, a nonprofit that serves adults and children with developmental disabilities, according to Inside Philanthropy.

The new family pavilion creates a comfortable environment to heal, said Stephen Zieniewicz, the hospital's president and chief executive.

"Our private rooms can accommodate a family member for an overnight stay; many of our rooms have floor-to-ceiling windows to let in natural light; and we have family conference areas and waiting rooms available to offer inclusionary, private space," he said in a statement. —J.L.

Home care agencies panic over 24-hour pay ruling

Home care agencies are demanding that the state clarify whether they must pay 24-hour home attendants for every hour they're on call, following state appellate court decisions last week rejecting the current policy of paying workers for 13 hours of each 24-hour shift.

New York Supreme Court judges ruled in favor of the plaintiffs and granted class-action status in the lawsuits Andryeyeva v. New York Health Care Inc., and Moreno v. Future Care Health Services, Inc. The suits are just two of several cases home care workers have filed in recent years challenging the current policy, which the state Department of Labor endorsed in a 2010 opinion letter.

The judge rejected the Labor Department's use of a minimum-wage exemption reserved for "residential" workers to support the so-called 13-hour rule, since the workers in question have their own residence.

"We are most certainly fielding numerous calls from members troubled by this development, which is extraordinarily far-reaching in terms of the cost liability for agencies who followed the DOL's opinion letter in good faith," said a spokesman for the state Home Care Association in an email. He added that the association met with Health Department officials Thursday but did not get a definitive answer on how employers should proceed.

In addition to potentially having to pay aides more in the future, agencies could be on the line for six years' worth of back wages.

The state Health Department said in a statement Friday it is "reviewing this decision closely."—C.L.

LI center to provide better behavioral health care

Charles Evans Center, a freestanding diagnostic and treatment center in Nassau County, is seeking permission from the state Department of Health to expand and better integrate mental health and substance abuse services with its primary care program at its Bethpage, Long Island health center, according to its certificate-of-need application.

The federally qualified health center, which partners with Adults & Children with Learning and Developmental Disabilities, specializes in providing comprehensive medical, dental and mental health services to adults and children with developmental disabilities. Charles Evan is planning the integration effort as a participant in the Nassau Queens Performing Provider System.

Individuals with developmental disabilities need easy access to integrated services, the center said in its application. According to the application, "The coexistence of intellectual or developmental disabilities and psychiatric disorder can have serious effect on a person's daily functioning by interfering with educational and vocational activities, jeopardizing residential placements and disrupting family and peer relationships— in sum, greatly reducing quality of life." —R.S.

AT A GLANCE

WHO'S NEWS: Dr. Wayne Riley was inaugurated Friday as the 17th president of the State University of New York Downstate Medical Center.

MEDIA PARTNERSHIP: Hackensack Meridian Health announced a partnership with Manhattan radio company Cumulus Media to create the Hackensack Meridian Health Stage 17 Performance Studio. The venue will help promote the health system and create a site for expert health panels, charity events and other activities.

CORRECTION: Brighton Health Group is a holding company, not a consulting firm. Brighton Health Plan Solutions administers health plans for self-insured companies. It has created a new health-plan model, not a new insurance model, as stated in the article. The rates paid by employees for those plans are contributions, not premiums. Those facts were misstated in the Sept. 14 issue of Health Pulse.

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