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Insurers and CBOs team up to get baby formula to New Yorkers in need

MAYA KAUFMAN

JACQUELINE NEBER

Plus:

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Health plans and community-based organizations are joining forces to help New Yorkers cope with the continuing infant formula shortage.

Not-for-profit insurers EmblemHealth and MetroPlusHealth are trying to connect members with food pantries, milk banks and other social services organizations that are collecting formula donations to distribute to families in need.

Dr. Andrea Zaldivar, director of complex managed care and social determinants of health for MetroPlus, said the health plan texted its members links to community-based organizations with formula supply. The messages went out to thousands of English- and Spanish-speaking members with infants age 12 months and younger.

Zaldivar said Spanish-speaking members in particular were eager to get on the phone with a plan representative to ask questions not only about finding formula but also other resources they needed, such as diapers and referrals to parenting classes.

Emblem also provided its members with a list of community-based organizations such as Sisters With Purpose in Brooklyn and Blanche Memorial Church in Queens.

Among the nonprofits working on the front lines of the crisis is Queens Community House, which maintains a list of more than a dozen people who have visited its food pantry in need of formula. Each time a donation comes in, the nonprofit reaches out in order of greatest need; maybe that person's baby is sick, or requires a specific formula. The cans practically fly off the shelves, said Zani Simmons, the nonprofit's director of community engagement.

Linda Harellick, executive director the New York Milk Bank, a nonprofit in Westchester County that collects and distributes breast milk from donors, said health plans could help combat the shortage by covering donated breast milk for all infants.

The nonprofit primarily provides milk to hospitals, which feed it to premature and sick infants in their care. In such cases, the state's Medicaid program covers donated milk at a reimbursement rate of \$5 per ounce, Harellick said.

"For premature and sick babies, it's really a medical necessity," Harellick said. "It's like a medicine."

Families whose babies are not hospitalized can place orders for the milk bank's excess supply. The bank also negotiates single-case agreements with private health plans to cover the provision of its donated supply to other babies in need. But even then, Harellick said, the organization struggles to get reimbursement from insurance.

Gov. Kathy Hochul's office did not respond to requests for comment on whether the administration will take regulatory action to get local health plans to cover donated milk.

While the U.S. Food and Drug Administration is taking steps to address the monthslong crisis by importing infant formula products from abroad, local innovators including Laura Katz are working on a longer-term fix.

Katz, founder and CEO of Helaina, is using food science technology to produce and commercialize a synthetic breast milk that offers the same immune-building benefits as the real thing.

The startup, which has a lab at Deerfield Management's Cure life sciences campus in Gramercy, has been developing its product for more than two and a half years. The next step, a clinical study, is in the planning process and expected to get off the ground next year.

Katz said the FDA's regulatory process for infant formula details specific timelines and involves many checks and balances—which is both a critical safety measure and a significant barrier to new products entering the market. Every batch of formula needs to be tested for contaminants and evaluated for adequate nutrient levels.

“It's a tricky category to move quickly in,” she said. —Maya Kaufman

New York's health care during the pandemic 16th best in the country, report says

New York delivered the 10th best overall health care performance and the 16th best pandemic health care performance in the country from 2020 to 2022, according to a Commonwealth Fund scorecard released Thursday.

The fund ranked the 50 states and the District of Columbia based on data from the U.S. Centers for Medicare and Medicaid Services. States were evaluated on 49 measures including access to care, insurance coverage, quality of care, the cost of providing care and health outcomes. There were seven Covid-specific measures on the new scorecards, including vaccination rates, hospital and intensive care unit capacity and excess mortality rates. The data covers the beginning of the pandemic through the end of March 2022.

“I can hardly recall a time when the value of evaluating states' performance has been more apparent. The impact of policy on people's health has been crystal clear,” Dr. David Blumenthal, fund president, said during a news briefing. “Covid-19 has pushed health systems in all states to their limits.”

Each state received a score for each category. New York ranked seventh best in the Healthy Lives category, which measured the overall health of the population, state public health funding and more. New York ranked worst in the Avoidable Hospital Use and Cost category, which looked at estimates of per-person spending among people who received Medicaid and how much Medicare and employer-sponsored insurance spent that went toward primary care.

New York's top-ranked individual indicators include having minimal days of hospital staffing shortages due to the pandemic. The fund reported that New York had only 18 days of high

ICU stress—and no days with hospital staffing shortages—this year. The state also performed well in terms of seeing fewer preventable hospitalizations for people 65 and older and fewer potentially avoidable emergency-department visits for the same age group. New York's bottom-ranked indicators include patient experiences at hospitals and Medicare spending per beneficiary. The state ranked 10th in how quickly 70% of eligible people were fully vaccinated against Covid-19. It ranked 20th in deaths from Covid-19 in nursing homes, with 88 deaths per 1,000 beds in 2022.

Throughout the country, many more people died sooner than they might have because the pandemic disrupted their care access. Blumenthal said that when looking at whole nations, health care spending does not correlate with performance.

As a nation, “we’ve spent a lot but we’ve done poorly,” he said.

The fund said that adding the Covid-specific performance measures means scores for the new report are not comparable with others.

According to this year’s report, throughout the pandemic Hawaii had the best overall performance, and Mississippi delivered the worst.

New York had ranked 10th on the fund’s September 2020 scorecard, up 10 places from the previous year. —Jacqueline Neber

Bank of America commits \$40M to expand primary care access

Bank of America has pledged \$40 million in low-cost and long-term capital to develop and expand community health centers across the country, the bank announced Tuesday.

The bank said it will work with nonprofit community development financial institutions—organizations that work within communities that banks have traditionally deemed too risky to invest in—in medically underserved areas. The CDFIs will distribute funds to local primary care centers and other organizations, the bank said.

Louise Cohen, chief executive of Primary Care Development Corporation, a Financial District-based CDFI, said it will receive \$10 million to lend to health providers across the country.

“Many community health clinics serve people of color and people with lower incomes,” Cohen said. “This capital is a lifeline in this rising-interest-rate environment.”

Primary Care Development plans to measure the impact of the \$10 million by how many jobs are created in primary care organizations across the country, how many more patients have access to community care, whether providers' quality metrics have improved and whether behavioral health services have improved.

Capital Impact Partners, the Reinvestment Fund and the Enterprise Community Loan Fund are receiving money from Bank of America as well. The bank said \$10 million of the funding will go to more CDFIs to encourage them to develop primary care facilities.

"Improved health and financial stability are integrally linked," Ebony Thomas, president of the bank's charitable foundation, said in a statement. "Enabling access to quality medical care drives greater economic mobility and builds stronger communities."

Bank of America, which reported nearly \$94 billion in revenue last year, is the largest private investor in CDFIs in the country, having put more than \$2 billion in the sector.

Primary Care Development Corporation funds primary and behavioral health programs in lower-income rural and urban communities across the country. It has funded a little more than \$1 billion in projects to date and created and preserved more than 18,000 jobs. It is working on another \$10 million deal with Bank of America, Cohen said. —J.N.

AHRC sells Long Island City building in \$29M deal to build new facilities for New Yorkers with disabilities

AHRC New York City, the biggest provider of disability services in the state, sold its nearly 18,000-square-foot Weinberg Day Habilitation Center in Long Island City for nearly \$29 million, the organization announced Wednesday. Williamsburg-based 39th Ave Equity bought the building. Denham Wolf Real Estate Services in Midtown brokered the deal.

The Weinberg Center, located at 32-03 and 31-17 39th Ave., offered day habilitation services to 165 adults with disabilities. Participants headed to the center during the day to take classes, go on community outings and accomplish their individual growth goals.

Chief Executive Marco Damiani said AHRC decided to sell the building because it was aging, making it harder to provide the best quality care, and program participants also have aged and might need different accommodations.

The nearly \$29 million will be completely reinvested into AHRC's budget to update the services it offers, Damiani said. The services include residential programs, home health care, camps, clinical services, support for families and employment support for people with

disabilities. Having more money to reshape services was AHRC's motivation for selling now, while the market is in good shape, Damiani said.

AHRC has freed up existing space to host the day habilitation program as it finalizes leases and builds out the new facilities, to disrupt participants' routines as little as possible, Damiani added. Some participants will be receiving virtual habilitation services. The organization is looking in Jamaica and Flushing for new buildings, which likely will be smaller than the Weinberg Center.

That is consistent with the transition many providers have made in recent years to smaller, more personalized program facilities.

The Weinberg Center is in a qualified opportunity zone, where new investments might be eligible for preferential tax treatments. Denham Wolf pushed to sell the building before the 421-a tax-incentive program ended, according to a news release.

AHRC NYC is a chapter of The Arc, a national disability services provider with several chapters in New York. AHRC NYC, based in the Financial District, provides services to between 12,000 and 15,000 people with disabilities throughout the city. Its staff numbers about 5,000, and it has an annual budget of about \$330 million. —J.N.

AT A GLANCE

NEW RULING: The American Hospital Association, America's Essential Hospitals and the Association of American Medical Colleges won their Supreme Court case against the Health and Human Services Department, [Modern Healthcare reported Wednesday](#). The decision rules that HHS cannot change the 340B Drug Pricing Program reimbursement rates—essentially changing what hospitals who participate in the program pay for outpatient drugs—without gathering data on prices first. 340B is designed to get hospitals with large lower-income patient populations, children's and cancer hospitals, and other providers access to lower-priced drugs.

WEST POINT: U.S. Army medical personnel assigned to Keller Army Community Hospital in West Point will soon train alongside anesthesia, plastic surgery, trauma and reconstruction specialists at Westchester Medical Center, the hospital announced Tuesday. The Army staff will gain trauma and critical care experience. This partnership is the latest in a series between the Army and WMC, which is headquartered in Valhalla.

BIG HEARTS: The Big Hearts Walk for St. Mary's Kids, an annual walk to raise money to support the critically ill and injured kids receiving care from St. Mary's raised \$85,000 this past weekend in Bayside, the hospital announced Tuesday. St. Mary's is the only provider of pediatric long-term and rehabilitative care in the city.

WHO'S NEWS: The "Who's News" portion of "At a Glance" is available online at [this link](#) and in the Health Pulse newsletter. "Who's News" is a daily update of career transitions in the local health care industry. For more information on submitting a listing, reach out to Debora Stein: dstein@crain.com.

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