

**Joint Legislative Budget Hearing Testimony
New York State Department of Health**

**State Fiscal Year 2012-13 Executive Budget
January 30, 2013**

**Nirav R. Shah, M.D., M.P.H. Commissioner
New York State Department of Health**

Good morning Senator DeFrancisco, Assemblyman Farrell, other distinguished members of the Senate Finance and Assembly Ways and Means Committees, Senator Hannon and Assemblyman Gottfried. I am Dr. Nirav Shah, Commissioner of Health, and I am pleased to have this opportunity to appear before you today to discuss the Executive Budget as it relates to the mission of the Department of Health.

The Executive Budget continues the historic Medicaid reforms initiated in 2011 as part of Governor Cuomo's Medicaid Redesign Team initiative. These reforms are achieving better health care outcomes and containing the growth of our state's Medicaid costs. The Executive Budget also reflects the Governor's commitment to cap the cost of Medicaid to local governments, saving them an additional \$111 million in fiscal year 2014.

Governor Cuomo's multi-year Medicaid reform plan has also transformed the program in ways that benefit Medicaid members and providers. One million additional Medicaid members are now accessing high-quality primary care through Patient Centered Medical Homes; almost 16,000 high-need people are now getting individualized care management through New York's Health Homes; enrollment in Medicaid Managed Care continues to grow; and enrollment in the State's highly successful Managed Long Term Care Program has nearly doubled.

New York is leading the nation in connecting high-need Medicaid patients with supportive housing. In 2012, Governor Cuomo announced the state's \$75 million investment in supportive housing to rein in costly Medicaid expenditures while more effectively managing the chronic conditions of more than 4,000 high-need New Yorkers. Just last week, Governor Cuomo announced that ground has been broken on the first supportive housing development in the Bronx.

The budget supports the continued move to care management for all Medicaid recipients, which is expected to be completed in 2016.

A cost-neutral package of new MRT initiatives is proposed to make critical investments in health care delivery, including care coordination for mentally ill recipients discharged from State psychiatric centers and those receiving court ordered services through Assisted Outpatient Treatment; assisting hospitals with the transition to a new indigent care methodology, increased payments to essential community providers, integrating service delivery in common locations for physical health, mental health and substance abuse; and expanding tobacco cessation efforts. These investments are balanced by savings resulting from improvements in benefits design, more appropriate treatment outcomes, greater controls on pharmaceuticals, and compliance with Federal law that requires spousal support.

The Executive Budget also builds upon reforms to the **Early Intervention** program accomplished last year by integrating covered EI services into health insurance networks and streamlining the eligibility process to ensure timely access to Early Intervention program services for children and their families while reducing program costs.

The budget supports reforms to the **General Public Health Work program**, which provides state aid reimbursement to the 58 local health departments in New York that are at the front lines of delivering essential public health services to promote and protect the health of New Yorkers. The budget will provide administrative relief to county public health agencies; modernize program components which have not changed since the late 1980s; and improve fiscal predictability in spending.

In his budget message, the Governor said it is critical for **State funding to be consolidated** and targeted to better meet the needs of New Yorkers. Consistent with that message, the Department's 2013-14 Budget provides a structure for making public health investment more effective by funding evidence-based programs and best practices. The budget also supports **consolidation of state laboratory** functions and better coordination of response to public health concerns. Currently, the State has public health and environmental labs that are operated by

five agencies. Most space is in fair to poor condition and in need of replacement. For the Department of Health these conditions pose health and safety risks to employees and, potentially, to the general public. By improving lab facilities and supporting greater coordination among State labs, New York will be poised to leverage our lab activities with private and university partners to advance economic development.

Lastly, the health care community - like so many sectors of the State - continues to recover from and assess the near- and long-term challenges related to Hurricane Sandy. With tremendous effort and coordination by all partners, we were able to safely evacuate more than 7,000 hospital patients and health facility residents in the face of the unprecedented storm and its aftermath. With respect to damaged facilities, DOH has been working in coordination with the State Emergency Management Office (or NYS Department of Homeland Security) to assure providers have the necessary information to apply for repair and recovery funding through approved federal resources.

The Executive Budget for Health reflects Governor Cuomo's commitment to reforming State government to better serve taxpayers, while making strategic and targeted investments in our health care system.

The Department of Health will continue to work in partnership with the Legislature, health care stakeholders, and all New Yorkers to create the finest public health and health care systems in the nation.

Thank you. I am happy to answer your questions.

