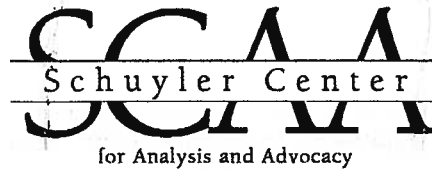


31



**Testimony before the Joint Fiscal Committees
on the SFY 2016–17 Executive Budget
Health/Medicaid Budget Hearing
January 25, 2016**

**Bridget Walsh, Senior Policy Analyst
Schuyler Center for Analysis and Advocacy**

Schuyler Center would like to thank the chairs and members of the respective committees for the opportunity to submit our testimony on the 2016-2017 New York State Executive Budget. The Schuyler Center is a 144-year-old statewide, nonprofit organization dedicated to providing policy analysis and advocacy in support of public systems that meet the needs of disenfranchised populations and people living in poverty. Schuyler Center often works in areas that fall between multiple systems, including physical, and mental health; child welfare; human services; and early childhood development.

Schuyler Center is part of the leadership team for Medicaid Matters New York, a coalition that advocates on behalf of Medicaid members *and* Health Care for All New York, a coalition dedicated to affordable high-quality insurance for all New Yorkers. Kate Breslin, Schuyler Center President and CEO, participates in several of the State's Medicaid and health-oriented advisory bodies, including the Value-Based Payment Workgroup, Delivery System Reform Incentive Payment Program Project Approval and Oversight Panel, Medicaid Evidence-Based Benefit Review Workgroup and the Governor-appointed Behavioral Health Services Advisory Council. For more about Schuyler Center and our work, please visit our website www.scaany.org

Community Water Fluoridation

The Executive Budget includes funds for communities to repair, upgrade, or purchase fluoridation equipment. This \$5 investment fulfills a promise made last year to create a \$10 million fluoridation equipment fund.

We appreciate the Legislature's support for last year's appropriation and seek your support again this year. In October, the New York State Department of Health released a set of RFAs for the first round of funding and the opportunity remains open to communities through February 29, 2016. We understand that applications have been submitted and we look forward to an announcement of grant awards.

Community water fluoridation is, far and away, the single most cost-effective way to improve oral health, especially for children in poverty. The Governor's proposal is a smart, cost-saving public health investment.

Protecting and expanding access to fluoridated water is one proven strategy that benefits New Yorkers of all ages. Water fluoridation, the practice of adjusting the level of naturally occurring fluoride to the optimal level, is the single most effective and least expensive way to reduce decay for both children and adults. Fluoridated water has been shown to reduce tooth decay by about 25% over a person's lifetime.¹

Tooth decay is a disease and unless it is prevented, it must be treated. As a disease, it brings with it innumerable costs: in pain, in lost time away from school and work, and in health care spending. This is why the New York State Department of Health has made the reduction of tooth decay among children a centerpiece of its 2013-2017 Prevention Agenda.²

A 2010 study done by the New York State Department of Health revealed that low-income children covered by Medicaid in less fluoridated counties of New York needed 33% more fillings, root canals, and tooth extractions than those in counties where optimally fluoridated water was available.³ As a result, over the 12 month period of the study, the treatment costs per child covered by Medicaid were \$23.65 higher per person for those living in less fluoridated counties.⁴

As beneficial as community water fluoridation is, there are large areas of New York State that do not yet adjust fluoride to the optimal levels to prevent cavities. Outside New York City, fewer than 50% of New York residents on community water systems are receiving fluoridated water. A recent study modeling practices in New York to prevent oral disease found that raising the share of children outside of New York City who have access to fluoridated water from 49% to 87% has the potential to save the State Medicaid program \$27.7 million over ten years by reducing the need for fillings and other dental treatment. This strategy could save \$6.13 for every dollar spent.⁵ Increasing the percentage of residents on community water systems receiving optimally fluoridated water is also a goal of the 2013-2017 Prevention Agenda.

There are numerous preventive health strategies to help address the issue of tooth decay and save the State health care costs, but community water fluoridation is the most effective and offers the largest return-on-investment of any public health effort. By reducing the need for fillings and tooth extractions, fluoridation saves money for families and taxpayers.

The Schuyler Center urges the Legislature to support the Executive Budget policy to improve children's oral health in a cost-effective way, by approving the \$5 million for communities that need to repair, upgrade, or purchase fluoridation equipment.

Strengthen and Expand Evidence-Based Maternal, Infant and Early Childhood Home Visiting

Maternal, infant and early childhood home visiting has emerged across the nation as a promising and proven way to engage new and expecting parents and their children with services that support the family and lead to positive health and other outcomes—and public cost savings—in the short-, medium- and long-term.

The Schuyler Center coordinates the statewide Home Visiting Workgroup, composed of child welfare, health and education advocates, and home visiting programs. The Workgroup engages in research and analysis and makes recommendations about how the State can expand and better coordinate home visiting and other services proven to improve outcomes for at-risk young families. This year the evidence-based home visiting models came together to develop a joint request for funding that would enable additional investments in proven home visiting programs.

Funding for the **Healthy Families NY** program has been held at \$23.3 million for the past eight years and the Executive Budget continues that funding level for another year. Continued flat funding is resulting in an erosion of services and staff reductions at home visiting programs that have either not been able to keep up with cost increases or have suffered because of funding instability. An additional appropriation of \$4.5 million will stabilize and increase capacity at

existing sites and provide needed workforce development and service enhancement (mental health, fatherhood initiatives and community coordination). It will also allow for some additional expansion to unserved areas.

The Executive Budget again proposes \$3 million for the **Nurse Family Partnership (NFP)**. Last year the Legislature added another \$1 million resulting in \$4 million for NFP. We urge the Legislature to restore the \$1 million added last year and an additional \$1 million to fund service expansion around the state. NFP is an evidence-based home visiting program serving 11 counties across the state, including parts of New York City. It is a program that gets results: stronger, healthier moms; healthier kids; and long-term savings to localities and the State in health, social service and even criminal justice costs.

This year we are also seeking new funding for two additional models, both of which currently operate programs in New York but do not receive any State budget appropriations. **Parents as Teachers (PAT)** is an evidenced-based home visiting model designed to support parents as their child's most influential first teachers, and shows positive outcomes in child health and development, prevention of child abuse and neglect, and school readiness. An investment of \$3 million would expand the PAT capacity to reach an additional 1,000 families around the state. The **Parent-Child Home Program, Inc. (PCHP)** is an evidence-informed home visiting model that prepares young children for school success by increasing language and literacy skills, enhancing social-emotional development, and strengthening the parent-child relationship. An investment of \$2 million would expand PCHP's capacity to offer services to 500 additional families across the state.

Because each program approaches home visitation with a specific focus and specific enrollment criteria, no one program can individually meet all the needs present in a community. Instead, the programs work together to ensure that all families who need services have access to the program or programs that are most appropriate for each family. Investing in home visiting programs can strengthen New York's families and save the State in health, education and social services spending down the road.

Schuyler Center urges the Legislature to support and expand home visiting programs and infrastructure by:

Maintaining \$26.3 million (\$23.3 million HFNY and \$3 million NFP) included in the Executive Budget and invest an additional \$11.5 million to strengthen and expand home visiting in areas around the state. The Funding would support children and families served by:

Healthy Families New York (HFNY):

- Maintain \$23.3 million in the Executive Budget to sustain current funding.
- Add \$4.5 million in new funding, including:
 - \$3.5 million to increase capacity at existing sites, workforce development and local service enhancement (mental health, fatherhood, community coordination),
 - \$1 million for new services to underserved populations in NYC and upstate.

Nurse-Family Partnership (NFP):

- Maintain \$3 million in the Executive Budget.
- Restore \$1 million that was added by the Legislature in the 2014-2015 State budget.
- Add \$1 million in new funding for expansion, including:
 - \$500,000 in New York City to increase capacity by 75 slots,
 - \$500,000 in Upstate to increase capacity by 100-125 slots.

Parents as Teachers (PAT):

- Add \$3 million in new funding to expand capacity to serve 1,000 new families across the state.

Parent-Child Home Program, Inc. (PCHP):

- Add \$2 million in new funding to expand capacity to serve 500 additional families across the state.

Funding for County Health Departments, Article 6

The Executive Budget maintains the existing base grant and state aid percentage for Article 6 funding for local health departments. Without a change in the formula, local public health will continue to experience reduced capabilities.

Article 6 State Aid to local health departments is the fiscal foundation that enables local health departments to prevent, prepare for, and respond to public health needs and priorities. These include Legionnaires' disease, Ebola, measles, pertussis and other communicable disease outbreaks, the heroin epidemic, insect-borne diseases such as Lyme disease and West Nile Virus. Funds also go to prevent or reduce incidence of the major causes of death from chronic disease such as heart disease, diabetes, asthma, and cancer.

State funding under Article 6 has decreased over the past four years. The elimination of optional services from state aid and subsequent administrative reductions and restrictions have deeply offset the modest base grant increases. This overall reduction of state aid compromises the capacity of local governments to ensure the provision of core services to protect the public's health. Local health departments are losing staff through lay-offs and attrition, reducing staff time by cutting work hours or imposing furloughs, and cutting programs. As New York State aims to reduce health care costs and improve outcomes, in part by focusing on community-based initiatives and prevention, strengthening local public health capacity with an increase in Article 6 funding is a step in the right direction.

Schuyler Center urges the Legislature to:

- *Increase the base grant for Article 6 local health departments funding to \$750,000 for full-service health departments/\$650,000 for partial service health departments;*
- *Increase the per capita rate from 65 cents to \$1.30 per resident; and*
- *Increase the beyond base grant reimbursement rate from 36% to 38%.*

Consumer Assistance for Health Insurance

The Governor's proposed budget maintains \$2.5 million for the Community Health Advocates (CHA) program. We urge the Legislature to add an additional \$1.5 million for a total appropriation of \$4 million.

Let's face it—the health care and insurance industries are not easy to understand. They often use terms that people are not familiar with (premiums, co-pays) and rules (out-of-network, denial of care) that seem daunting. Using a central, toll-free helpline as well as community and small-business-serving agencies, the CHA program helps New Yorkers understand, use and keep their health insurance. The CHA program also helps consumers resolve problems with insurance billing regardless of the type of insurance coverage. Since 2010, CHA has helped nearly 200,000 New Yorkers and saved over \$14 million for consumers around the state.

Helping New Yorkers understand their rights and how to use the health care delivery system will decrease reliance on emergency care services and increase use of preventive care so they can get the care they need at the right time and from the right place. An appropriation of \$4 million will maintain the CHA program at its current capacity, allowing it to serve thousands of individuals, small businesses and employees who are newly insured through the NY State of Health or have other forms of insurance.

Schuyler Center urges the Legislature to support the \$2.5 million appropriation in the Executive Budget and add an additional \$1.5 million to ensure that the final budget includes a total of \$4 million to keep the Community Health Advocates program robust and allow expansion into unserved areas of the state.

Minimum Wage

The Executive Budget includes provisions to increase the minimum wage to \$10.50 in New York City and \$9.75 in the remainder of the state, effective July 1, 2016, gradually increasing the minimum wage to \$15.00 in New York City on December 31, 2018 and across the rest of the state on July 1, 2021. This is a significant proposal, aiming to help raise low-wage working families out of poverty. At the State's current minimum wage of \$9.00 per hour, a person working full-time and year-round (40 hours per week, 52 weeks) earns \$18,720, far less than the amount necessary to provide for a family, and barely enough to simply cover median housing costs (rent and utilities).

We mention the minimum wage in our testimony on the health and Medicaid portions of the Executive Budget because, among those who would be granted a much-deserved raise under these provisions, are the hundreds of thousands of workers who care for some of our state's most vulnerable residents, including children, seniors, and people with special needs. These caretakers—the workers who provide personal care, home care, child care, care for seniors and disabled people—are a large and important part of our statewide workforce that desperately need a wage increase. A wage increase for these (and all) workers is particularly essential now that the minimum wage for fast-food and tipped workers has been increased, leaving health and human service employers at a competitive disadvantage. The special challenge here is that, in many cases, employers in this sector are non-profit organizations funded to care for people through State programs or public contracts. For these non-profit employers to be able to cover the wage increase without cutting hours or services, New York State will need to increase rates, fees and contracts associated with the provision of these services.

The Schuyler Center urges the Legislature to support an increase to the minimum wage together with commensurate increases for health and human services entities to bring wages up in those sectors and ensure viability of the sector.

Medicaid Funding for Children's Behavioral Health Services

As a result of a long planning process to better meet the needs of children with significant behavioral health issues, the budget includes funding for six new Medicaid services for children: crisis intervention, community psychiatric supports and treatment, psychosocial rehabilitation services, family peer support services, youth peer training and support services, and services from other licensed practitioners. The State will be submitting a State Plan Amendment to the Centers for Medicare and Medicaid Services seeking approval for this change.

While the funding above is welcome, the children's behavioral health care system suffers from a history of underinvestment and a lack of integration with primary care. Children's behavioral health care providers are preparing for a transition to managed care and developing the infrastructure necessary for children's Health Homes. These endeavors require attention and pre-investment that is at least commensurate with the State's investment in the adult-serving system.

The Schuyler Center urges the Legislature to support the inclusion of additional behavioral health services for children in the Medicaid program (\$7.5 million) and to invest additional funds at least commensurate with investment in the adult-serving system to support transitions to managed care and children's Health Homes.

Health Facility Transformation Funding for Community Healthcare Providers

The Executive Budget proposal includes \$195 million for health facility transformation. It is essential that a significant portion of this funding go to community-based health care providers that serve underserved populations, such as community clinics/Federally Qualified Health Centers (FQHC); mental health care providers, substance use disorder providers; and home health care providers. As the State undertakes major health system transformation, aiming to reduce unnecessary hospitalizations in part through more and better primary care and community-based behavioral health care, investment in those historically under resourced providers is essential. While the Delivery System Reform Incentive Payment (DSRIP) program envisions integrated regional networks inclusive of community-based providers, the flow of funds to date in many communities has not reached community-based providers.

The Schuyler Center recommends that at least 25% of the \$195 million be allocated specifically to safety net community health care providers, including FQHCs, behavioral health, family planning and home health providers, to support their ongoing participation in transformation efforts.

Adult Home Residents

The Executive Budget continues funding for supportive housing services for adult home residents. For many years, the Schuyler Center has worked with other advocates for increased housing options for persons with psychiatric disabilities living in adult homes. Adult homes were originally intended for elderly individuals, but today nearly 40% of adult home residents have a psychiatric diagnosis.

People with mental illness may be referred to adult homes because other housing alternatives, especially those licensed and funded by the Office of Mental Health, are unavailable when they require housing or are not appropriate for their circumstances. Even when an adult home does not provide the right type of supportive environment, it is often difficult for an individual to find a more appropriate housing situation. Some residents have waited years for the opportunity to live in settings more appropriate to their needs.

The Executive Budget proposal provides an additional \$38 million for the development of supported housing for adult home residents. This is part of a settlement between New York State and the federal government, which requires that New York reduce the census of persons with psychiatric disabilities in adult homes. We are encouraged that the rate of residents moving to new housing options has accelerated in the past few months and the State has been responsive to the concerns of residents and advocates. We will continue to press for further streamlining of the process but are encouraged that progress has been made in the past year.

The Executive Budget also continue \$6.5 million in funding for the Enhancing the Quality of Adult Living (EQUAL) program. The EQUAL funding helps support the needs of residents living in adult homes and improves their quality of life. This funding has been utilized to pay for air conditioners in rooms for residents, resident clothing, non-Medicaid transportation, facility repairs, staff training and other expenses. The funding has also been utilized to help develop the life skills necessary for adult home residents when they do ultimately transition into community housing.

The Executive Budget includes funding for lay advocacy for adult home residents with psychiatric disabilities, with a particular focus on residents living in New York City and environs. SCAA has been a strong advocate for the needs of adult home residents with psychiatric disabilities. This population was ignored for years by public policy and the agencies charged with protecting them. Through the efforts of organizations like the New York State Coalition for Adult Home Reform (NYSCAHR) and the efforts of legal and lay advocates, the voices of adult home residents are being heard here in Albany. Lay advocates inform residents of their rights and empower them to use those rights; strengthen resident councils and brings residents together to learn from each other; mediate between adult home residents and adult home management; and work with adult home residents on individual concerns/complaints. We urge the State to invest in expanding lay advocacy for adult home residents statewide.

The Schuyler Center urges the Legislature to support the Executive Budget funding for supportive housing services for adult home residents and for the EQUAL program. We also urge the Legislature to support lay advocacy for adult home residents and increase the funding to support advocacy for residents of adult homes throughout the state.

Thank you. We appreciate the opportunity to testify and look forward to continuing to work with you to build a strong and healthy New York that cares for its most vulnerable residents.

Bridget Walsh
Senior Policy Analyst
Schuyler Center for Analysis and Advocacy
518-463-1896 / bwalsh@scaany.org

www.scaany.org

¹ Centers for Disease Control and Prevention, Fluoridation Basics. July 25, 2013. Accessed at <http://www.cdc.gov/fluoridation/basics/>

² New York State Department of Health, "New York State Prevention Agenda: Promoting Healthy Women, Infants and Children Action Plan", 2013, Accessed January 29, 2014 from https://health.ny.gov/prevention/prevention_agenda/2013-2017/docs/healthy_women_children_infants.pdf

³ Kumar J.V., Adekugbe O., Melnik T.A., "Geographic Variation in Medicaid Claims for Dental Procedures in New York State: Role of Fluoridation Under Contemporary Conditions," Public Health Reports, (September-October 2010) Vol. 125, No.5, 647-54.

⁴ The original figure (\$23.63) was corrected in a subsequent edition of this journal and clarified to be \$23.65. See: "Letters to the Editor," Public Health Reports (November-December 2010), Vol. 125, 788.

⁵ Presson S, Kumar J, Williams K. Public-Private Partnership to Plan ECC Interventions. Applications of Systems Dynamic Modeling for Prevention of Early Childhood Caries in New York State. Presented at the National Oral Health conference, Fort Worth, TX 2014.

