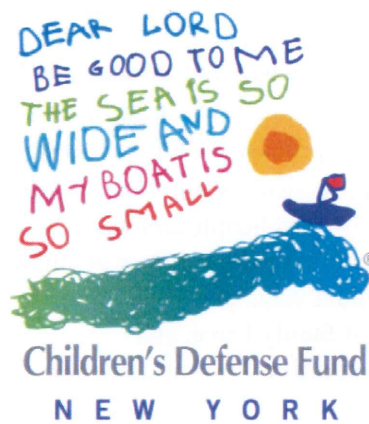


Joint Legislative Hearing on Health and Medicaid
2016-2017 Executive Budget Proposal

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Testimony of The Children's Defense Fund – New York

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The Children's Defense Fund's (CDF) Leave No Child Behind® mission is to ensure every child a healthy start, a head start, a fair start, a safe start and a moral start in life, and successful passage to adulthood with the help of caring families and communities. CDF provides a strong, effective and independent voice for all the children of America who cannot vote, lobby or speak for themselves. We pay particular attention to the needs of poor children, children of color and those with disabilities. CDF – New York's unique approach to improving conditions for children combines research, public education, policy development, community organizing and advocacy activities, making us an innovative leader for New York's children, particularly in the areas of health, education, early childhood and juvenile justice.

We would like to thank the Assembly and Senate committees for this opportunity to submit testimony on the Health and Medicaid related proposals in the Governor's Executive Budget for State Fiscal Year 2016-2017.

Overview

CDF-NY is committed to ensuring equitable, barrier-free access to health coverage for New York children and families. Governor Cuomo's Executive Budget proposal takes significant steps to advance children's access to health care. Specific proposals CDF-NY applauds include:

- \$2.5 M in funding for state-wide consumer enrollment assistance programs,
- Maintaining funding for school-based health centers,
- The inclusion of six new behavioral health services in children's Medicaid managed care,
- The increase in the state minimum wage to \$15 an hour,
- The proposal to implement paid family leave, and
- \$20 billion to create 20,000 supportive housing units over fifteen years.

We believe these initiatives will enable New York to better extend health care coverage to its most vulnerable populations. However, CDF-NY urges the Legislature to act to further safeguard children's access to care and more broadly promote greater connectivity to critically needed health care services. We request that the Legislature:

- Expand coverage to all immigrants in New York,
- Fully fund the Consumer Health Advocates program at \$5.5M, an additional \$3M more than the Executive Budget proposal,
- Provide \$2M for community-based organizations and small business serving groups to perform health insurance enrollment outreach to the remaining uninsured,
- Utilize savings from changes in the federal financing of the Children's Health Insurance Program to improve access to care,
- Include funding to improve the capacity of children's mental health providers,
- Ensure community providers have the resources to accommodate the increase in the minimum wage,
- Create a health insurance guaranty fund to protect consumers when a health insurer can no longer pay out its claim responsibilities,
- Ensure that consumers on the New York State of Health Marketplace have an option for out-of-network coverage, and
- Include the unique needs of children in discussion regarding payment and delivery system reform.

CDF-NY is a steering committee member of the Health Care for All New York (HCFANY) coalition, a statewide coalition of over 170 organizations dedicated to securing quality, affordable health coverage for

all New Yorkers. Our testimony today reflects several items on the HCFANY legislative agenda for the 2016-2017 New York State Budget.

Consumer Assistance

The Governor's FY2016 Executive Budget provides \$2.5M for state-wide consumer assistance through the Community Health Advocates program, which offers case management and complex system navigation assistance for health insurance consumers. CDF-NY strongly supports the budget allocation included in the Governor's Budget; however, fully funding the program at \$5.5M will create a broader network of support, particularly upstate, that has the capacity to meet the demand for post-enrollment dispute resolution. **CDF-NY asks the Legislature to fully finance the Community Health Advocates program at \$5.5M.**

School-Based Health Center Funding

CDF-NY thanks the Governor for maintaining \$21 million in funding for school-based health centers (SBHCs). SBHCs are critical health care access points for over 160,000 New York children. For many students, SBHCs are the only option for receiving comprehensive health care services, including primary care, chronic disease management, behavioral health care services and more. These health centers help to achieve the goals of the State's many payment and delivery systems – increasing access to primary and behavioral health care, and decreasing overutilization of emergency room services.

Children's Behavioral Health Funding

CDF-NY thanks the Governor for taking action to include a set of six new, critical mental health services into the children's Medicaid mental health benefit. The Executive Budget provides \$7.5 million in 2016-2017 and \$30 million in 2017-2018 for the new services, which are:

- Crisis intervention
- Community psychiatric supports and treatment
- Psychosocial rehabilitation services
- Family peer support services
- Youth peer training and support services
- Services from other licensed practitioners

CDF-NY supports the Governor's inclusion of funding for new critical services in the Executive Budget. However, we recognize that it falls short of adequately addressing the needs of children's behavioral health providers and consumers. CDF-NY believes that additional funding is needed to address critical infrastructure needs that will prepare children's behavioral health providers, by facilitating:

- **Provider readiness;**
- **Workforce development;**
- **A robust benefit package;**
- **Rapid access to acute stabilization services;**
- **Expanded early childhood mental health services; and**
- **Enhanced intermediate levels of care.**

In its current form, the children's behavioral health infrastructure does not have the capacity to meet the high prevalence of need among children. The movement of special populations of children, who

currently receive services through fee-for-service Medicaid and/or daily per diems such as children with serious emotional disturbance, developmental disabilities, and children in foster care into managed care, if not handled properly, could further weaken this infrastructure. Dedicated funding is critically needed to preserve and, eventually, enhance children's access to behavioral health services. By setting aside funding to support provider infrastructure, the State can help ensure that children's behavioral health needs are met.

Raising the Minimum Wage

CDF-NY applauds Governor Cuomo for his bold proposal to raise the state-wide minimum wage to fifteen dollars an hour by the 2021. By raising the minimum wage, Governor Cuomo is better positioning New York families to achieve economic stability.

While raising the minimum wage is an important step for alleviating poverty among New Yorkers, CDF-NY urges the Legislature to put forward funding to ensure that Medicaid providers and other community-based providers develop the capacity to pay their employees the higher wage. If state contracts do not adequately reflect the higher wage, the health care infrastructure for vulnerable populations may weaken and create unintended access to care issues.

Enacting Family Leave

CDF-NY thanks the Governor for his proposed Paid Family Leave legislation. The Governor's proposal would provide employees with twelve weeks of family leave at a set percentage of their weekly wage. Allowing employees to take time off from work so they can take care of a new child or sick family members is critical to the health of New York families. The Governor's proposal is an important step towards securing optimal health outcomes for New York children and families.

Supportive Housing

Health is inexorably linked to housing. Children who lack adequate housing have far fewer opportunities to be healthy than those who are stably housed. Sadly, the parents of homeless children are far likely to rate their children as being in fair or poor health than their housed peers.¹ The rate of homelessness among children in New York has reached crisis level. **Accordingly, CDF-NY strongly supports the Governor's \$20 billion investment to develop 20,000 units of supportive housing over the next fifteen years.** The extension of greater housing stability to more New York families will surely boost health outcomes among New York children.

Extending Coverage to All New Yorkers

CDF-NY strongly believes that all New Yorkers, regardless of their immigration status, deserve access to affordable, high-quality health insurance that provides them with the greatest opportunities for wellness. While New York has done a tremendous job ensuring that all children have access to health insurance, some immigrant groups remain without suitable coverage options.

Under *Aliessa v. Novello*, certain groups of immigrants, those defined as Permanent Residents Under Color of the Law (PRUCOL), are guaranteed access to state-funded Medicaid coverage even if they do

¹ Menke EM & Wagner JD. A Comparative Study of Homeless, Previously Homeless, and Never Homeless School-Aged Children's Health. *Issues in Comprehensive Pediatric Nursing* 20: 153-173 (1997).

not elicit federal matching funds. That ruling deemed these same immigrant populations, contingent upon income eligibility, eligible for New York's Family Health Plus program, an earlier correlate of the Essential Plan. With the existing Essential Plan eligibility requirements, the majority of this population is eligible for federal funding under the Essential, but certain subpopulations are ineligible for Marketplace federal assistance and are thus ineligible for participation in the Essential Plan. These currently ineligible immigrants are known as "residual PRUCOL," and many are in the United States legally under the Deferred Action for Childhood Arrivals (DACA) status created by an Executive Order of President Obama. CDF-NY believes each subpopulation of PRUCOL immigrants deserve access to coverage under the Essential Plan, as they would have under Family Health Plus.

CDF-NY urges the Legislature to act to ensure that immigrant populations currently ineligible for the Essential Plan are given access to coverage through an allocation of state dollars to develop a state-only Essential Plan. Undoubtedly, the Essential Plan has opened up affordable, comprehensive coverage for many New Yorkers earning below 200% FPL. We believe that extending eligibility to the residual PRUCOL population with a state-funded Essential Plan will help another 2,200 immigrants at a cost of approximately \$10 million. The Legislature can finance this coverage using the savings achieved when the Department of Health transitioned eligible PRUCOL immigrants out of the 100% state-financed Medicaid program and into the Essential Plan which is largely financed with federal dollars.

Outreach Funding

Since the New York State of Health Marketplace ("The Marketplace") opened for enrollment in October 2013, close to 3 million New Yorkers have enrolled in affordable health insurance.² While such record enrollment is a success that must be celebrated, certain subpopulations of New Yorkers have not enjoyed the same access to insurance. Just 8.7% of all New Yorkers lack insurance – a record low, but close to 20% of foreign-born New Yorkers remain uninsured.³ Targeted outreach, performed by groups familiar with the needs of their communities, will help ensure that all New Yorkers have access to the affordable health insurance options available on the Marketplace. **Since contract requirements prohibit Navigators from using their funding to perform outreach activities, CDF-NY requests that the Legislature allocate \$2 million to fund community-based organizations and small-business serving groups to perform local, targeted outreach among disproportionately unenrolled populations.**

Increased Federal Financing from the Children's Health Insurance Program

Because of policy changes enacted under the Affordable Care Act, New York started receiving an increased federal match rate for the Children's Health Insurance Program (CHIP) in October 2015. The federal government now pays 88% of the costs for CHIP, compared to just 65% in the past. The Governor's Budget predicts \$127 million in state savings from the increased federal financial participation. **CDF-NY asks the Legislature to use this savings to fund the state-only Essential Plan for the residual PRUCOL New Yorkers, such as DACA youth.**

² New York State Open Enrollment Report 2015. Retrieved from: <http://info.nystateofhealth.ny.gov/sites/default/files/2015%20NYSOH%20Open%20Enrollment%20Report.pdf>.

³ 2014 American Community Survey 1-Year Estimates. "Health Insurance Coverage Status." Retrieved from: http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_S2701&prodType=table

Health Insurance Guaranty Fund

CDF-NY urges New York State to create a health insurance guaranty fund. The collapse of Health Republic created serious care continuity issues for its former enrollees. The state should establish such a fund so as to protect consumers and to ensure that providers and other insurance carriers are not left with unpaid claims in the event of a future health plan collapse. CDF-NY believes that consumers should be actively engaged in the creation of such a guaranty fund. Additionally, CDF-NY believes that a carrier tax should not be the mechanism for funding a guaranty fund. A carrier tax would ultimately increase the premium costs of insurance in the individual Marketplace.

Out-of-Network Coverage

With insurance companies increasingly relying products with narrow provider networks to keep costs low, New Yorkers deserve the option of out-of-network coverage. **CDF-NY strongly urges the Legislature to pass legislation mandating that at least one silver-level and one platinum-level insurance product be available on the Marketplace in each county.** Currently, only eleven counties offer any out-of-network coverage options on the Marketplace. In those eleven counties, twenty-one percent of Qualified Health Plan enrollees selected a plan with out-of-network coverage.⁴ Such a high take-up rate suggests that consumers are willing to pay an additional price for out-of-network coverage. Accordingly, insurance companies could offer out-of-network coverage as an optional rider to existing in-network coverage options.

Payment and Delivery System Reform

Research has clearly documented that children are not simply little adults, and thus have unique health care needs. Accordingly, payment and delivery system reforms should incorporate child-specific clinical projects, value-based payment mechanisms and outcome metrics. The Governor's Budget includes funding for several payment and delivery system reform initiatives. CDF-NY believes that New York should convene a group of experts who are familiar with children's health care to develop a concrete roadmap for implementing child-specific elements of payment and delivery system reform. New York's proud history of connecting many children to health insurance coverage, and consequently health care services, has created a foundation upon which payment and delivery system reforms can work to ensure that every child receives high-quality care that addresses the full spectrum of physical and social determinants of health.

Thank you for carefully considering our testimony. If you have any questions or you would like further information, please contact me at aleonard@childrensdefense.org or (212) 687-0642.

⁴ New York State Open Enrollment Report 2015. Retrieved from: <http://info.nystateofhealth.ny.gov/sites/default/files/2015%20NYSOH%20Open%20Enrollment%20Report.pdf>.