

Submitted Testimony



Testimony of
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Presented to the
New York State Senate Finance Committee
And
New York State Assembly Committee on Ways and Means

Regarding the
New York State Executive Budget Proposals for
Health/Medicaid
State Fiscal Year 2017-2018

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Good afternoon. My name is Ariel Savransky and I am the Policy and Advocacy Associate for Child and Adolescent Health and Mental Health at Citizens' Committee for Children (CCC). CCC is a 73-year-old privately supported, independent, multi-issue child advocacy organization dedicated to ensuring every New York child is healthy, housed, educated and safe.

CCC does not accept or receive public resources, provide direct services, nor represent a sector or workforce. For 73 years, CCC has undertaken public policy research, community education and advocacy efforts to draw attention to children and their needs so that we can advance budget, legislative and policy priorities that produce good outcomes for our youngest New Yorkers.

I would like to thank Chairman Farrell and Chairwoman Young and all the members of the Assembly Ways and Means and Senate Finance Committees for holding today's hearing on the Health/Medicaid-related proposals in the Governor's Executive Budget for State Fiscal Year 2017-2018.

CCC appreciates the Governor's efforts to alleviate burdens on the middle class and invest in programs and services that benefit children and families. Notably, we appreciate the Governor's proposals to raise the age of criminal responsibility, expand after-school programs and pre-kindergarten, re-introduce the Dream Act, and develop a plan for tuition-free college for middle class students.

We applaud the Governor for once again including a comprehensive plan to raise the age of criminal responsibility in New York. As you know, New York remains one of only two states that prosecutes all 16 and 17- year olds as adults, despite the research proving that this is detrimental both to public safety and to the young people. We urge the Legislature to negotiate a budget with the Governor that includes Raise the Age this year.

On the other hand, the Executive Budget proposes numerous cuts to vulnerable New Yorkers, which concerns us greatly. For example, the Executive Budget proposes to cut funding for foster care, special education placement reimbursement, the Foster Youth Success initiative which supports foster youth in college, Title XX social service-funded programs, and school-based health services in New York City. Furthermore, the Executive Budget does not increase funding or create a new rental assistance program to help homeless families, does not increase funding for home visiting programs, and does not increase funding to ensure child care programs can implement new federal rules without decreasing access. Many of these cuts are specifically focused on cost-shifts to New York City.

In addition, CCC is especially concerned that the Executive Budget includes contingency language all throughout, which would authorize the Budget Director to reduce funding to localities if funding from the federal government is reduced- without approval from the legislature.

Given the need for New Yorkers to rely on their State and Local governments, more than ever, we urge the Legislature to negotiate a budget with the Governor that eliminates cost shifts and contingencies, and invests significantly more in the programs and services that will produce good outcomes for the children and families throughout New York.

Turning to the Executive Budget proposals related specifically to Health/Medicaid:

A. Health Insurance

Protect New Yorkers Insured Through Federal Health Insurance Programs

CCC is grateful for Governor Cuomo's commitment to advocating for the health of all New Yorkers, particularly in the face of threats of both repealing the federal Patient Protection and Affordable Care Act (ACA) and block granting Medicaid. If the ACA is repealed, it is estimated that about 2.7 million New Yorkers would lose coverage and New York State would stand to lose \$3.7 billion.¹

The ACA has resulted in lower health insurance costs and expanded eligibility, allowing previously uninsured New Yorkers to enroll in health insurance. New York's Medicaid and CHIP program provides insurance to approximately 6.4 million New Yorkers, including approximately 2.9 million children.² We appreciate the Governor's commitment to working to ensure that the federal government does not jeopardize the health of millions of children and families.

CCC urges the Legislature to also take steps to protect health insurance for New Yorkers.

Oppose Article VII legislation that would add a \$20 monthly premium for individuals with incomes between 138-200% of the federal poverty level who are enrolled in the Essential Plan (and then allow for the monthly premium to be increased by the annual growth percentage in the Medical Consumer Price).

CCC strongly opposes the Governor's Executive Budget proposal to institute a \$20 monthly premium for individuals with incomes between 138-200% of the federal poverty level who are enrolled in the Essential Plan. Enrollment in the Essential Plan began in November 2015 and currently covers over 665,000 New Yorkers. This plan provides critical coverage to many low-income parents, removing significant barriers to accessing healthcare and safeguarding the health of thousands of New Yorkers who struggle to afford their health insurance. By imposing a new monthly premium for struggling New Yorkers with incomes between 138-200% of the federal poverty level, many may no longer be able to afford coverage or other critical needs for their families (such as rent, child care and food). This proposal is concerning as research from the Urban Institute shows a clear link between parents' insurance coverage and their children's.³

¹ New York State. *Governor Cuomo Announces Impact of Potential Affordable Care Act Repeal in New York.* <https://www.governor.ny.gov/news/governor-cuomo-announces-impact-potential-affordable-care-act-repeal-new-york>

² Medicaid.gov. *Medicaid and CHIP in New York.* <https://www.medicaid.gov/medicaid/by-state/stateprofile.html?state=new-york>

³ Dubai, Lisa, and Genevieve Kenney. "Expanding Public Health Insurance to Parents: Effects on Children's Coverage Under Medicaid." *Health Services Research* 38.5 (2003): 1283-1302. PMC. Web. 28 Jan. 2015.

CCC urges the Legislature to reject the Executive Budget proposal requiring a monthly premium for these individuals.

B. Public Health

Oppose legislation that reduces the State's reimbursement to New York City for the General Public Health Work program from 36% to 29%, saving the state \$11 million in FY18 and \$22 million when annualized.

CCC strongly opposes the Governor's Executive Budget proposal to reduce the State's reimbursement to New York City for the General Public Health Work program from 36% to 29% to save the state money. This program funds important health initiatives including disease control and emergency preparedness, maternal and child health programs such as the Newborn Home Visiting programs, HIV prevention activities, school-based health services, naloxone education and distribution to address the opioid crisis, and public health campaigns such as anti-smoking and obesity prevention. Public health programs have a strong return on investment, helping children and families prevent and protect against more costly and intense interventions. This proposal could ultimately lead to increased spending down the line to address the growing health needs of those whose access to preventive and primary care was limited through this cost-saving measure. Finally, considering the widespread health system reform that is already underway, this change would place additional stress on the stability of providers.

CCC urges the Legislature to reject the Executive Budget proposal to reduce the State's reimbursement to New York City for the General Public Health Work program.

Add \$9.5 million for Maternal, Infant and Early Childhood Home Visiting Programs

The Executive Budget maintains flat funding levels for Healthy Families New York (still at \$23.3 million) and Nurse-Family Partnership (still at \$3 million), despite the fact that both programs are cost-effective and proven to produce good outcomes for families. CCC strongly supports these investments and urges the legislature and the Governor to adopt a budget that adds \$9.5 million for these evidence-based programs that have demonstrated both improved outcomes for children and government savings.

Home visiting programs have been shown to improve child health and school readiness and reduce infant emergency room visits⁴ and risk of child maltreatment.⁵ Family-based outcomes include long-term family improvements in health, education and economic self-sufficiency. Research has proven that for every public health dollar invested in the program, communities save more than five dollars in return.⁶

⁴ US Department of Health and Human Services. Home Visiting Evidence of Effectiveness: <http://homvee.acf.hhs.gov/document.aspx?sid=14&rid=1&mid=1>. Accessed 1/26/2014.

⁵ Case Family Programs. Addressing Common Forms of Child Maltreatment: Evidence-Informed Interventions and Gaps in Current Knowledge. Research Brief, January 14, 2012.

⁶ RAND Corporation "Early Childhood Interventions: Proven Results, Future Promise" 2005.

CCC urges the Legislature to adopt a budget that increases funding for home visiting programs by \$9.5 million.

Promote wellness in every community

In the 2017 State of the State, Governor Cuomo outlined a number of initiatives aimed at promoting wellness in every community. Specifically these include initiatives included:

- Increasing the number of students eating healthy school meals in high poverty school districts by adding \$500,000 to expand the Farm-to-School Grant program and adding \$300,000 to create the New York Agriculture in the Classroom program to teach young children about eating healthy, fresh food.
- Increasing access to healthy, fresh food in underserved communities by establishing the Food Desert Elimination Grant Program, expanding FreshConnect Checks to include healthy food options for patients when prescribed by a physicians and establishing a FreshConnect Mobile Markets Grant Program to fund project costs.
- Launching the Brooklyn Community Health and Wellness Transformation, which includes implementing programs to address social determinants of health (including access to affordable, healthy foods, creating opportunities for physical activity, building new affordable and supportive housing, and leveraging green energy programs to improve health), building new capacity for primary and ambulatory care and merging three independent not-for-profit hospitals to transform care in Central and Eastern Brooklyn.

Recent data show that a staggering number of New Yorkers continue to struggle with poverty, food insecurity and hunger. According to the most recent U.S. Census data, New York State's overall poverty rate is 15.7 percent.⁷ Even more sobering is the child poverty rate in New York State, which now stands at 22.2 percent.⁸ In addition, statewide, over 2.6 million people live in food insecure households.⁹ Poverty and hunger are a tragic combination as a poor diet can have lifelong health consequences, and can exacerbate health conditions with which an individual may currently be living.

New Yorkers continue to face significant hardship in accessing the nutritious and affordable food they need.

CCC urges the Legislature to support a budget that invests in these proposed programs to ensure that New York residents have access to the healthy food they need to thrive, including a \$500,000 investment in the expansion of the Farm-to-School Grant program and a \$300,000 investment in the New York Agriculture in the Classroom program.

Ensure there is No Lead in School Drinking Water

In September of 2016, the Governor signed legislation requiring all school districts to test potable water systems for lead contamination and to take responsive actions should the levels

⁷ American Community Survey. *Poverty Status in the Last 12 Months*.

<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁸ Id.

⁹ Food Bank for New York City. <http://www.foodbanknyc.org/newsroom/fast-facts/>

exceed those considered safe for children. If lead levels are detected to be over 15 parts per billion, the school must discontinue use of that outlet until a remediation plan is implemented to mitigate the lead level, and new test results indicate safe levels.

Lead in children's drinking water is a serious public health issue. In children, low levels of lead exposure have been linked to damage to the central and peripheral nervous system, learning disabilities, shorter stature, impaired hearing, and impaired formation and function of blood cells.¹⁰ This makes it imperative that schools receive support to test their water and take appropriate action should they find elevated levels.

New York City is currently redoing its lead testing after the initial testing process was questioned. New York State has reported that of the schools currently tested, 14 percent show a variety of lead levels above the safe limit.¹¹

CCC appreciates the Legislature's interest in ensuring school children are not drinking water with high levels of lead at school. The legislation you passed is an important first step, with regards to learning the extent of the problem.

CCC urges the Legislature to work with the Governor to adopt a budget that includes resources to help school districts remediate high levels of lead.

C. Behavioral Health

Support Executive Budget Proposal to Extend APG Rates through March 2020

CCC was pleased to see the Executive Budget proposal to extend government rates for licensed OMH and OASAS clinics, Child Health Plus behavioral health clinic visits and all OMH licensed providers through March 30, 2020, tied to benchmarks for the development of Value Based Payments. Years of underfunding for community-based behavioral health services have left many clinics, including Article 31 school based mental health clinics, and Article 28 school based health centers, on the verge of closure. This proposal will address some of the barriers to clinic solvency and increase access to critical support services for children.

CCC urges the Legislature to support the Executive Budget proposal to give the Department of Health authority to use Medicaid APG rates for behavioral health services delivered in Article 31 and Article 28 clinics to Child Health Plus patients.

Strengthen the Behavioral Health System for Children

The children's behavioral health system is currently facing significant fiscal and workforce-related challenges. We urge the legislature to take steps in this budget to strengthen this system so that children's needs can be better met and the state's system is in a stronger place for the upcoming transition to Medicaid Managed Care.

¹⁰ United States Environmental Protection Agency. *Basic Information About Lead in Drinking Water*. <https://www.epa.gov/ground-water-and-drinking-water/basic-information-about-lead-drinking-water>

¹¹ New York State. *Lead Testing in School Drinking Water Sampling and Results*. <https://health.data.ny.gov/Health/Lead-Testing-in-School-Drinking-Water-Sampling-and/rkyy-fsv9>

For example, inpatient providers are under pressure to reduce hospital lengths of stay and are discharging patients to severely limited intensive outpatient clinical services, which has created a revolving door of hospitalizations, emergency room visits and disruptions in school and foster care placements. In addition, workforce shortages contribute to long wait times for first and subsequent appointments, especially for families trying to access child psychiatrists or early childhood mental health specialists. As a result, emergency departments have emerged as the mental health safety net, despite lacking the appropriate staff and space to best meet the needs of children in psychiatric crisis.

In short, the children's behavioral health system is desperately short of resources to meet the great demand for services. For example, in 2012, CCC released an analysis of the gap between the need for services and the availability of services. Our analysis found that there were not enough treatment slots to meet children's treatment needs in New York City. Specifically, we found that an estimated 47,407 children ages 0-4 in New York City had a behavioral problem and 268,743 children ages 5-17 in New York City were estimated to have a mental health disorder. While we were unable to identify the citywide unmet need, due to the lack of data for Queens and Manhattan, our analysis of slot capacity for Brooklyn, Bronx and Staten Island suggested that there were only treatment slots for 1% of children ages 0-4 and 12% of children ages 5-17 who have treatment needs.¹²

Multiple ongoing Medicaid reforms have placed a heavy workforce and administrative burden on children's behavioral health and child welfare providers, many of which lack the resources and/or staff capacity to implement key requirements of the transition. Similarly, the emphasis on cross-system integration and information sharing will require providers to invest resources in health information technology.

Additionally, regulatory and financial challenges have driven most school-based health and mental health clinics to operate at a financial deficit, resulting in insufficient capacity to meet the mental health needs of school-aged children and underscores the ongoing operational instability and financial struggles. To address this, we urge you to take the following steps in the upcoming budget:

- **Restore \$17.5 million in children's behavioral health services to address the capacity crisis.** This includes restoring the \$7.5 million budgeted, but unspent in 2016-17 State Fiscal Year for new capacity and the \$10 million budget but unspent funds for readiness efforts. The children's behavioral health system is facing significant challenges that must be addressed now and cannot wait until children's behavioral health transitions into managed care. This money should be restored and spent immediately for capacity expansion of existing children's behavioral health services as an immediate practical effort to meet existing needs.

¹² Citizens' Committee for Children, *New York City's Children and Mental Health: Prevalence and Gap Analysis of Treatment Capacity*, January 2012. <http://www.cccnewyork.org/data-and-reports/publications/new-york-citys-children-and-mental-health-prevalence-and-gap-analysis-of-treatment-slot-capacity/> .

- **Support the creation of a \$500 million Statewide Health Facilities Transformation Fund, but increase the floor from \$30 million to \$125 million for a set-aside to community-based providers.**
- **Reject the proposal to allow the State Department of Health to reduce Medicaid administration payments to the City should a plan to try to improve New York City's federal Medicaid Claiming for School Supportive Health Services fail to generate required savings of \$50 million.**

Thank you for this opportunity to testify.