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Commissioner of Health

Joint Legislative Public Hearing
on the State Fiscal Year 2018-2019 Executive Budget Proposal

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Legislative Office Building
Hearing Room B

Good morning Chairpersons Young and Weinstein, Hannon and Gottfried, and members of the New York State Senate and Assembly.

I'm here to present Governor Cuomo's 2018-19 Executive Budget as it relates to health care. I am joined by Jason Helgerson, the State Medicaid Director.

One hundred years ago, the influenza pandemic of 1918 killed tens of millions of people worldwide. It was an unusual strain of the virus. It attacked young otherwise healthy adults most severely and at that time, we barely understood what caused the flu, much less how to prevent or treat it.

Today we know a great deal more about the flu and have many more tools to fight it. Still, we are rightly and understandably concerned about this year's flu season. The numbers of confirmed cases and hospitalizations are the highest since we started tracking in 2004. The flu response we are engaging in highlights not just the advances in science and public health we have achieved in the century since the influenza pandemic, but the expertise, planning, leadership and coordination that the Department utilizes each time there is a threat to the health and safety of New York – whether it is the flu, Zika, cancer or unregulated contaminants in the water.

We are living through an extraordinary time in health care. More New Yorkers than ever before have access to high-quality, affordable health insurance. Four point three (4.3) million of our friends and neighbors have enrolled through the NY State of Health. New York's Medicaid program serves over 6 million members through 80,000 health care providers. Per-recipient spending in Medicaid has declined by 5% since 2011, without impacting eligibility or quality of care. New York now ranks among the top 10 states in the nation for health, up from its ranking as the 40th healthiest state in 1990. New York's gain in rank in the past 5 years marks the largest gain of all 50 states in the 2017 America's Health Rankings. New York has been designated the first age-friendly state in the nation by the AARP and the World Health Organization. This designation is one of the achievements of Governor Cuomo's 2017 State of the State directive to include health and healthy aging in state agency policy-making. "Health Across All Policies" is

an effort that will result in more livable communities for people of all ages and enable more New Yorkers to age comfortably in their homes.

Yet, despite all this success, we face an unprecedented assault from Washington. This includes attempts to repeal the Affordable Care Act, putting health care for millions of New Yorkers and billions of dollars in Federal funding at risk. Cost Sharing Reduction payments have been withheld, and after a 114-day funding lapse, federal lawmakers finally reauthorized the Children's Health Insurance Program (CHIP) as part of the spending bill to reopen the government...the first time. And in the wee hours of the morning Friday, to re-open the government the second time, funding for Community Health Centers, which had been on life support, was approved. When did the health and well-being of vulnerable New Yorkers become negotiable?

The governor embraces the diversity of New York and promotes health equity. It is visible in his directives to expand access to affordable quality health care and protect entitlements, marriage equality, transgender rights, and Medicaid coverage for DACA recipients. This year we will continue to expand access across the State, while taking on the major health challenges facing our communities. Protecting the public's health has evolved over the years and the Governor's actions today, across the Executive Budget, support and expand on that progress. Governor Cuomo faces today's health challenges straight on. To that end, in this year's Executive Budget, we see a mixture of innovative spending, savings, and revenue-generating proposals.

The Executive Budget includes $600 million in additional funding ($750 million total) for the construction of a new life sciences laboratory in the Capital District. This positions New York to attract private investment and jobs to the Capital District with a modern, consolidated Wadsworth Center as the focal point, forming the basis for a revitalized and enhanced life science cluster.

The Wadsworth Center is regarded as the finest state public health laboratory in the United States. The core functions of Wadsworth include: screening all 250,000 newborns in New York State for 47 treatable conditions; performing sophisticated testing to detect infectious disease

agents and environmental toxins; and responding to emerging threats, such as anthrax, SARS, MERS, Ebola, Legionella, Zika, PFOA, PFOS, synthetic cannabinoids, and pandemic influenza. The Department of Health's Wadsworth Center is a reference laboratory, not a conventional clinical or environmental laboratory. We perform the complex analyses that hospital and commercial laboratories cannot or will not do. "Unknown" samples are sent to Wadsworth when they cannot be identified by standard methods and we are often the laboratory of "last resort".

Research at the Wadsworth Center has resulted in over 100 patents in the past 25 years. Between 2006 and 2017, Wadsworth scientists entered into and participated in more than 50 public-private partnerships with a range of companies. We frequently work with private companies and academic research institutions in developing testing methods that are then transferred to the commercial sector. Building on this history, Wadsworth is now developing a new and innovative model for public health laboratories. Working with the Empire State Development Corporation, Wadsworth is forging partnerships with private entities to develop products and services that benefit the health of New York residents. Through these collaborations and history of innovation, Wadsworth is well positioned to be the lab that develops the much-needed universal flu vaccine, better rapid flu test, or next flu treatment.

The exceptionally dedicated staff at Wadsworth Center rise tirelessly to each new challenge, again and again, all day, all night, all hours. In the past year, they have worked around the clock to test public water supplies affected by harmful algal blooms and to develop highly sophisticated methods for testing water and serum samples for PFOA and PFOS in New York. In recent years, Wadsworth Center staff: established multi-faceted zika testing capabilities and strategy; launched multiple collaborations with companies wishing to have independent verification of their new test methods; developed the first molecular assay for *Candida auris*; screened samples for synthetic cannabinoids (K2, Spice, etc.) allowing me to issue orders to close stores selling these deadly substances; tested all New York medical marijuana products for cannabinoid potency and for chemical and microbial contaminants to ensure the safety of patients; conducted rabies testing for New Jersey because they currently lack testing personnel; and stood ready to help Puerto Rico with newborn screening after Hurricane Maria devastated the island.

Wadsworth staff have adopted new technology and pushed their research ahead of the curve. The bacteriology lab was the first State lab to implement whole genome sequencing for tuberculosis testing. This provides comprehensive identification and, importantly, antibiotic resistance information in days rather than weeks compared to other methods. And, the Newborn Screening Program has implemented next generation sequencing to decrease cystic fibroses referrals by almost 90 percent, meaning far fewer families will need to experience the possibility their baby is at risk for cystic fibrosis. Finally, as I participate here today and as a shining example of the extraordinary work done at the Department of Health's Wadsworth Center, we are making plans to welcome Dr. Joachim Frank to celebrate his achievement. Dr. Frank is the recipient of the 2017 Nobel Prize in Chemistry, in recognition of work performed during his over 30 years as a Research Scientist at the Wadsworth Center.

The workforce of the New York State Department of Health is one of our most precious assets. Staff have been protecting, improving, and promoting the health, well-being, and productivity of New Yorkers since 1901. From implementing the prevention agenda and addressing health disparities, to the inspection and surveillance of health facilities, to operating veterans' nursing homes and a renowned rehabilitation hospital – Department of Health staff are committed to protecting the health of New Yorkers. From utilizing new developments in science as critical tools in the prevention and treatment of infectious diseases, to administering the Medicaid program, to transforming how we pay for health care, to operating the New York State of Health, – the Department's staff are committed to improving and promoting the health of New Yorkers. In the face of today's health challenges and evolving health care system the Department's dedication to all New Yorkers is unwavering.

Just one example, in our current flu response activities which, in cooperation with the Governor's Office, involve staff from the Department's Office of Public Health, Office of Primary Care and Health Systems Management, Office of Health Insurance Programs, our Wadsworth Center Laboratory, our Public Affairs Group, data management groups across the agency, as well as collaborations with the State Department of Financial Services, the State Education Department, local health departments, health care facility associations, health care

provider associations, and health care providers. Staff are conducting extensive flu surveillance activities, performing sophisticated analyses of flu lab specimens, working closely with local health departments on managing flu in their communities, ensuring adequate supply of flu vaccine and antiviral medications, working with health care facilities to ensure they have adequate capacity to care for patients, ensuring health insurance coverage for flu testing and antivirals, increasing accessibility to vaccine in communities, coordinating closely with the Federal CDC, and educating the public about important measures to take to protect themselves against the flu.

The Executive Budget includes an increase in the Department of Health's workforce by 381 FTEs in fiscal year 2019 – from 5,082 to 5,463. The increase is related to the needs associated with the phased State takeover of Medicaid administration from local governments (200 FTE) and operational support for surveillance and certification activities, including nursing homes, adult care facilities, assisted living programs, clinics and other public health initiatives (178 FTE).

Among the most vulnerable New Yorkers are children in their first years of life. The First 1,000 Days of Life initiative supported in the Executive Budget, is the result of Governor Cuomo's August 2017 direction to the Department to create a dedicated working group. The charge was to identify and recommend ways to improve outcomes and opportunities for young children and their families through access to childhood health services and expansion of other health and early childhood system coordination and family supports. The working group developed a set of ten recommendations that are evidence-based and measurable, to drive positive outcomes for young children and their families through improving childhood health services, expanding programs that work, and investing in family supports to focus on enhancing access to care. These recommendations range from the importance of completing immunizations on schedule, including annual flu shots, to exposure to early literacy opportunities. As a pediatrician who has worked in regions of the world that have experienced conflict and natural disasters, I'm keenly aware of the impact that adverse experiences can have on a young child's life course. We will begin implementation of the comprehensive First 1,000 Days Plan and improve the opportunities and outcomes for New York's children.

The Executive budget also includes a number of proposals intended to streamline the provision of Early Intervention services, and to improve insurance reimbursement for services provided under the program. The Early Intervention Program provides essential therapeutic and support services to infants and toddlers (ages birth to three years) with disabilities and their families. Approximately 68,000 children are served annually in the program.

Another science-based intervention to protect children and improve their opportunities and outcomes is our primary prevention approach to lead poisoning. Lead poisoning in children is caused by swallowing lead or lead dust and can harm a young child's growth, behavior, and ability to learn. There are several sources; it can be found in dust, air, water, soil, and in and around our homes. Children under six years old are more likely to get lead poisoning than any other age group. And lead exposure during pregnancy can impact the developing fetus. Although lead poisoning is preventable, it continues to be a major cause of poisoning among children.

The Governor's Executive Budget includes a proposal to require the identification of lead hazards as part of residential housing inspections for a certificate of occupancy, a renewal of certificate of occupancy, or in response to complaints. This proposal is based on a program in Rochester that was implemented in 2006, and has been shown effective as a primary prevention tool in reducing the exposure of children to the risk of lead paint, drastically reducing the number of children with elevated blood lead levels. The proposal gives me, as the Commissioner of Health, the authority to monitor each municipality's compliance. As you know, the role for health departments at the local and state level is to follow up when children are identified with elevated blood lead levels through blood testing. Our public health goal is to prevent lead poisoning, so addressing any lead hazards in residential housing, remains a state priority.

Ensuring that our communities are healthy places to live and securing access to health care services are part of the State's efforts to transform the health care delivery system, as is the need to address the social determinants of health and issues of health equity, both of which are infused throughout the work of the Department's various offices.

There are several proposals in the Governor's Executive Budget that seek to improve access to care closer to where people live, thereby decreasing the need for travel to a hospital when it may not be necessary, or moving to a nursing home far from loved ones. The Budget supports investments in emergency ambulance reimbursement rates for Medicaid providers, helping to provide access to critical services for New York's Medicaid enrollees. The Governor has also announced initiatives to support rural emergency medical services. In the coming weeks, we will be releasing public service announcements to encourage more people to become EMTs. We are also proposing to expand the opportunities for EMS workers through the Budget's community paramedicine proposal, a proposal which emerged from the work of the Regulatory Modernization Initiative (RMI) that has occurred over the past several months. The RMI was a stakeholder-engaged effort to streamline and modernize the Department's regulations to better align them with the goals of New York's health system transformation. The community paramedicine proposal creates a collaborative program among health care providers to allow EMS personnel to provide non-emergency services, within their existing scope of practice, giving patients greater access to care in areas where there is a shortage of health care workers.

Also emerging from the RMI, and another effort to bring care closer to home, is the telemedicine proposal included in the Executive Budget. This proposal will expand Medicaid covered telemedicine services to anywhere the patient is located, including their home, and also expand the types of telehealth services covered, to allow for greater access to remote patient monitoring and alternative health care delivery models.

A $425 million capital investment for health care providers is included in this year's Executive Budget. Sixty million of the $425 million will be directed towards community based providers, for example, clinics, home care, assisted living programs, known as ALPs, and primary care providers. Some of the funds will be reserved for the expansion of ALP beds to further the goals of providing care in the least restrictive setting and avoiding unnecessary nursing home placemen. This dovetails with another proposal to allow the re□deployment of authorized, but un□used ALP slots in regions of the state that have either high occupancy of ALP beds or have no ALP beds at all. A portion of the $425 million will also be targeted towards information technology and telehealth projects, both of which facilitate providing health care closer to home.

The Executive Budget includes savings proposals that are accomplished through consolidations, efficiencies, the modernization of program administration, and the reduction of duplication. As we have said for months now, this budget year is an exceptionally challenging one.

In October 1918, "epidemic influenza" became a reportable disease in New York and "unguarded coughing and sneezing" was made a misdemeanor. As we recognize the centenary of the Influenza Pandemic of 1918 that had such a devastating impact world-wide and as we consider the evolution of science, medicine, and health care delivery in those intervening years, I am immensely proud of the work that the New York State Department of Health has accomplished, continues to undertake, and plans for in the future. Finally, as the state's doctor, I am hoping that you have all got your flu shot. If not, please do. It's important.

Thank you and I'm happy to take your questions.