

Testimony to the Joint Legislative Public Hearing on 2018-2019 Executive Budget Proposal
Bishop Edward B. Scharfenberger, Diocese of Albany

Good morning Chairpersons and other distinguished legislators.

I appreciate the opportunity to be here today to speak. As Bishop of the Diocese of Albany, I am humbled every day with the honor and privilege to serve as a spiritual leader and advisor to New Yorkers of every social-economic level, background, birthplace, and walk of life. I am energized by the stories I hear from them and so many others, of how they've overcome challenges, the selfless acts they do for others and the positive outlook they maintain in the midst of some of life's most heartbreaking tragedies. In your roles as elected officials, I'm sure you too are inspired by the life stories of your constituents, who overcome seemingly insurmountable odds to improve their lives and those around them.

I am here today as a governing member of Fidelis Care, the New York State Catholic Health Plan, in connection with the sale of the assets of Fidelis Care. This transaction has created an historic opportunity for a new foundation to help transform the lives of New York's poor, neediest and most vulnerable populations. It is an opportunity to provide billions of dollars to improve the health and welfare of individuals and families across New York State – from each urban neighborhood to the most remote rural corners of the State. Billions of dollars that will help New Yorkers' remove the shackles of poverty and enable them to achieve the opportunities we in this room enjoy. The funds will expand access to health care, provide homecare to our rural elderly, improve immigrant health, feed the hungry, raise childhood literacy levels, facilitate supportive housing, quell the opioid epidemic, and further countless other goals shared by the Catholic Church and the State of New York.

Yet, New York State may miss this opportunity. The state's financial plan as presented in the Executive Budget relies on the State seizing virtually all of these funds that are otherwise intended for New York's

poor. We have been advised that such a taking is illegal and unconstitutional. That this unprecedented confiscation is directed at a faith-based institution, and seeks to disrupt our mission of caring for the poor of every race, creed, color, or disability, is even more alarming.

The State's announced action would of course make it impossible for us to move forward with this transaction, which would create a tragic loss of an unexpected resource for New York. Common sense and logic show that a charitable foundation that will permanently assist New York's poor will provide a greater public benefit than catering to special-interests with a one-shot budget solution. My sincere prayer is that wisdom and common sense will ultimately prevail and will prevent this from happening.

So, with that fervent hope, please let me discuss further the transaction and its importance to the State.

As you may know, Fidelis Care began operating in 1993 as the Catholic Health Services Plan of Brooklyn and Queens. In 1997, the eight bishops of the Catholic dioceses of New York, led by John Cardinal O'Connor, expanded Fidelis Care across the state to improve the health and wellness of underserved New Yorkers. It has become a model for managed care in the United States.

It is no surprise to those of you in this room that the healthcare financing and delivery system is rapidly changing due to a variety of factors, including federal and state regulation and funding, as well as technological innovations.

Recently, it became clear to my fellow Bishops and me that we can best serve those most in need by exiting the health insurance business. We decided that in order to elevate Fidelis Care to the next level of service it was in the best interest of Fidelis Care's insureds to find a better capitalized, and more technologically advanced national organization to carry on Fidelis Care's commitment in New York State. We identified and secured the best partner for this undertaking in Centene Corporation, a national health plan which has the financial, technical and medical expertise to successfully operate and manage

Fidelis Care in New York. We believe that Fidelis Care members and employees will benefit from enhanced access to the capital markets, ensuring greater resources to provide new, state of the art technology, and a transfusion of industry best practices.

Centene has promised us and the State of New York that New Yorkers in all 62 counties will continue to have the same wide access to quality health insurance, compassionate customer support and the information and resources they need to make informed health decisions. Centene, recognizing the strength and value of Fidelis Care's New York State workforce, will retain all current employees to ensure a seamless transition. The company already operates in over 25 states and brings deep industry knowledge to Fidelis Care that very few other firms can offer.

As we pass the baton to a sophisticated national organization with resources which can effectively assist our state's Medicaid population, Fidelis Care will take those proceeds and transform itself into a major healthcare foundation to provide aid to the most vulnerable New Yorkers to cover the things they need, which Medicaid may not currently provide. As a grant making foundation, Fidelis can more effectively focus its resources and efforts on addressing greater access to quality health care for all New Yorkers, addressing social determinants of health, such as housing, employment, nutrition, mental health and social support. There has never been such an undertaking in New York State.

The foundation though born of our Faith's need and obligation to provide charity will help all needy New Yorkers of every color and every creed consistent with our Catholic values. The foundation will be the largest foundation focused totally on New Yorkers and will advance and accelerate Fidelis Care's founding mission to provide for the health and well-being of underserved New Yorkers of every religion and walk of life.

The foundation will be meticulously managed and adhere to the strictest governance structure under the law as an effective and transparent philanthropic organization.

The proceeds from this transaction will allow Fidelis to make up to \$200M in grants every year specifically to charitable programs serving the needs of vulnerable populations. These funds will help ensure that New York's poor, disadvantaged and infirm are getting the services, opportunities and support they need to live healthy, dignified lives so that living the dream becomes a reality for so many whose days seem like nightmares.

This foundation will exist in perpetuity, hopefully helping generations of New Yorkers of all faiths and all backgrounds, and from all parts of the State for many generations after we leave this Earth.

Here in Albany, I know firsthand that there are dramatic needs that the traditional insurance won't address. The opioid crisis ravaging our nation has hit our community especially hard, stripping our young people of opportunity and hope. The holes in the hearts of parents who lose a child to a drug overdose are impossible to fill. Every time I have sat and prayed with a family in grief, I've learned there are few right words to ease the suffering of an inconsolable parent. As community leaders, we must do more to prevent needless early deaths and to help our most vulnerable young adults get the help they so desperately need.

While improving health outcomes and social disparities is complex, few things will guarantee a chance at health as food security. When someone is hungry, especially a child, everything else loses importance. Beyond the obvious impacts of malnutrition, constant hunger makes learning, socializing and living a productive life impossible. In Latham, the Regional Food Bank of Northeastern New York provides more than 30 million pounds of food a year to those in need across the state. Making sure no child goes to bed hungry is the first of many solvable challenges we face in New York that are currently not being met. With more funding that this Foundation will provide, food networks can be expanded and optimized so that healthy, fresh food gets to the families, children and seniors who are starving without it today.

Providing for others, lending a hand and supporting those brothers and sisters who have the least is a foundational responsibility in the Catholic faith. The act of giving is not a kind of welfare activity left to others, but is a part of our being.

We have a tremendous opportunity and obligation now to do more to help those with less, than we could have ever imagined. When Fidelis Care was founded it was because there was an unmet need that the Bishops knew we could address. Today, there are equally pressing needs that require our undivided attention, support and resources that we know we can fulfill. Through the continued work of Fidelis, with the formation of this new foundation, I look forward to working collaboratively with this body, other government entities and private sector partners in support of our shared mission to reduce social and health disparities in our great State and to help those in the Family of New York who have not yet been invited to the family table.

In closing, I respectfully request that we work together to ensure that our foundation can begin to help the poorest and neediest among us as soon as possible. Let us make sure together that this unprecedented opportunity is not wasted. Our foundation will be a strong and willing partner to the State of New York in addressing so many pressing needs for generations to come. Let us make sure together that this unprecedented and likely not to be repeated opportunity to help the poorest and neediest of New York State is not wasted. Our foundation will be a strong and willing partner to the State of New York in addressing so many pressing needs for many generations to come.

Now, I'd like to introduce Jenn Hyde, Executive Director of Tri-County Services, an agency that coordinates an array of essential basic needs and youth services in Albany, Rensselaer and Schenectady Counties to discuss the transformative effect additional funds from a foundation like ours would have for her organization and many others like it across the state.