

**NYS FY24 Joint Legislative Budget Hearing on Human Services
Housing Works Testimony • February 13, 2023**

Thank you for the opportunity to submit written testimony to the Joint Budget Hearing on Human Services on behalf of Housing Works, a healing community of people living with and affected by HIV/AIDS. Founded in 1990, Housing Works now provides a range of integrated services for over 15,000 low-income New Yorkers annually, with a focus on the most vulnerable and underserved—those facing the challenges of homelessness, HIV/AIDS, mental health issues, substance use disorder, other chronic conditions, and incarceration. In 2019, Housing Works and Bailey House merged, creating one of the largest HIV service organizations in the country. Our comprehensive prevention and care services range from over 700 units of housing, to medical and behavioral health care delivered through our four Federally Qualified Health Centers, to job training. Our mission is to end the dual crises of homelessness and AIDS through relentless advocacy, the provision of life saving services, and entrepreneurial businesses that sustain our efforts.

Housing Works is part of the End AIDS NY Community Coalition, a group of over 90 health care centers, hospitals, and community-based organizations across the State. Housing Works and the Community Coalition are fully committed to realizing the goals of our historic State *Blueprint for Ending the Epidemic (EtE)* for all New Yorkers. We address certain key EtE priorities in this testimony and have attached the full set of EtE Community Coalition *FY24 NYS Budget and Policy Priorities*. We are also a member of Save New York's Safety Net, a statewide coalition of community health clinics, community-based organizations and specialized HIV health plans committed to serving vulnerable New Yorkers across the state, ending the NYS HIV epidemic, and saving the 340B drug discount program, which is in dire jeopardy.

We have made significant progress implementing the 2015 [*Ending the Epidemic \(EtE\) Blueprint*](#) recommendations developed collaboratively by HIV community members, providers, advocates, and New York State and local public health authorities. Our EtE efforts enabled us to “bend the curve” of the epidemic by the end of 2019, decreasing HIV prevalence in NYS for the first time, and recently released 2021 surveillance data show this trend continues and that the number of persons newly diagnosed with HIV in NYS decreased 46% from 2011 to 2021. However, the 2021 data also show that stark and unacceptable disparities persist in HIV's impact on Black, Indigenous and people of color (BIPOC) communities, transgender New Yorkers, and young men who have sex with men, with the rates of new HIV diagnoses among non-Hispanic Black and Hispanic New Yorkers 7.4 and 4.1 times higher, respectively, than the rate for non-Hispanic Whites. Additional financial investments and policy changes are necessary to fully implement *EtE Blueprint* recommendations to end AIDS as an epidemic in every region of the State and for all New Yorkers—including protection and improvement of HIV service delivery systems that serve the most vulnerable low-income New Yorkers and meaningful new investments to address the social and structural determinants that we know drive HIV health inequities.

We established Housing Works early in the AIDS crisis, years before effective antiretroviral therapies became available, to meet the needs of homeless New Yorkers with HIV whose lack of safe housing put them at great risk for tuberculosis and other life-threatening infections unavoidable in crowded congregate shelters or while living on the streets. In 2020, we found ourselves in the midst of another deadly pandemic for which there was no prevention or cure, and that like HIV, poses a particular threat to persons experiencing homelessness, who have no safe place to shelter from exposure to the virus, or to recover from COVID-19 disease. Finding it unacceptable to leave New Yorkers experiencing homelessness at heightened risk of COVID-19 infection and poor health outcomes in congregate shelters or on the streets, Housing Works is grateful to have had the opportunity to operate New York City Department of Homeless Services (NYC DHS) isolation shelters that provided over 2,500 New Yorkers experiencing homelessness a safe, private room in which to recover from COVID-19, 24-hour medical staff, three meals a day, and behavioral health care as needed. Drawing on that experience, we have been working for over two years to establish low-threshold, harm reduction stabilization centers for people experiencing homelessness on the streets, in the subways, or other places not meant for sleeping, and hope to open our first stabilization hotel this Spring.

This testimony addresses the urgent need for housing assistance among New Yorkers with HIV in all parts of the State, the broader but equally urgent need to transform New York's response to homelessness, the immediate and very real threat to the health care safety net that serves the most vulnerable New Yorkers, and the imperative to address years of severe underinvestment in the human services workforce and the infrastructure needs of nonprofit organizations.

Provide Equitable Access to Housing Assistance as Healthcare for All New Yorkers with HIV

We call upon the Senate and Assembly to include in your one-house budgets the adjustments to relevant Aid to Localities language necessary to provide equal access to meaningful HIV housing supports for people with HIV experiencing homelessness or unstable housing in all parts of NYS.

Safe, stable housing is essential to support effective antiretroviral treatment that sustains optimal health for people with HIV (PWH) and makes it impossible to transmit HIV to others.¹ Indeed, NYS data show that unstable housing is the single strongest predictor of poor HIV outcomes and health disparities.² For that reason, NYS's 2015 *ETE Blueprint* recommends concrete action to ensure access to adequate, stable housing as an evidence-based HIV health intervention.³

The *Blueprint's* housing recommendations have been fully implemented in New York City since 2016, where the local department of social services employs the longstanding NYS HIV Emergency Shelter Allowance program to offer every income-eligible person with HIV experiencing homelessness or housing instability access to a rental subsidy sufficient to afford housing stability, as well as a 30% rent cap affordable housing protection for PWH who rely on disability benefits or other income too low to support housing costs.

Upstate and on Long Island, however, as many as 2,500 households living with HIV remain homeless or unstably housed because the 1980's NYS regulations governing the HIV Emergency Shelter Allowance (HIV ESA) set maximum rent for an individual at just \$480 per month – far too low to secure decent housing anywhere in the State, and local districts are not required to provide the 30% rent cap affordable housing protection. Only the NYC local department of social services works with NYS to approve “exceptions to policy” to provide meaningful HIV ESA rental subsidies in line with fair market rents and other low-income rental assistance programs.⁴

Access to “Rest of State” HIV housing assistance was a top priority of Housing Works and members of the EtE Community Coalition for years even before the EtE Blueprint and our historic plan to end the New York AIDS epidemic were adopted in 2015. The ongoing failure for many years to meet the housing needs of New Yorkers with HIV who live outside of NYC undermines the individual health of New Yorkers with HIV, HIV prevention efforts, and our statewide EtE goals. Every low-income New Yorker with HIV experiencing homelessness or housing instability should have equal access to critical NYS public assistance benefits that support housing access and stability repeatedly shown to be critical in order to benefit from HIV treatments, to reduce ongoing HIV transmissions, and to address the stark and persistent HIV health inequities that prevent us from ending our NYS HIV epidemic in every community and population. The HIV Emergency Shelter Allowance program was established by NYS regulation in the 1980's. Action to make the program work for New Yorkers living with HIV in communities outside NYC is long overdue.

¹ Aidala, et al (2016). Housing Status, Medical Care, and Health Outcomes Among People Living With HIV/AIDS: A Systematic Review. *American Journal of Public Health*, 106(1), e1–e23.

² Feller & Agins (2017). Understanding Determinants of Racial and Ethnic Disparities in Viral Load Suppression: A Data Mining Approach. *Journal of the International Association of Providers of AIDS Care*, 16(1): 23

³ NYS Department of Health AIDS Institute, 2015. New York State's Blueprint for Ending the Epidemic. Accessed January 9, 2022 at https://www.health.ny.gov/diseases/aids/ending_the_epidemic/docs/blueprint.pdf

⁴ The NYC Human Resources Administration's current payment standard for HIV Emergency Shelter Allowance rental assistance is 108% of HUD FMR, in line with Section 8 Housing Choice Vouchers and other low-income housing assistance, to ensure that PWH are not disadvantaged in the housing market.

Indeed, language included in the last four enacted NYS budgets *purports* to extend access to the same meaningful HIV housing supports across the State, but as written has failed to assist even a single low-income household living with HIV outside NYC, despite evidence that the estimated additional costs to NYS of the public assistance benefit (less than \$2.5M in FY24) will be more than offset by savings realized from reduced Medicaid spending on avoidable acute and emergency care and averted HIV infections.⁵ This failed language, unfortunately carried over again in the recently released Executive Budget, allows but does not require local departments of social services to provide meaningful HIV housing assistance, and provides no NYS funding to support the additional costs to local districts outside NYC.⁶

To finally provide equitable Statewide access to HIV housing supports, we urge the Legislature and Governor to correct the relevant Aid to Localities language on public assistance benefits and enact Article VII legislation necessary to: i) ensure that every local department of social services provides low-income PWH experiencing homelessness or housing instability access to the NYS HIV Emergency Shelter Allowance program to support rent reasonably approximate to up to 110% of HUD Fair Market Rates (FMR) for the locality and household size (the standard for Section 8 Housing Choice vouchers and other low-income rental assistance programs); ii) make the NYC-only HIV affordable housing protection available Statewide to cap the share of rent for extremely low-income PWH at 30% of disability or other income; and iii) notwithstanding other cost-sharing provisions, recognize the fiscal reality of communities outside NYC by providing NYS funding to support 100% of their costs for providing HIV Shelter Allowances in excess of those promulgated by OTDA, and of additional rental costs determined based on limiting rent contributions to 30% of income.

If this is not accomplished in the FY24 NYS budget, we call upon the Legislature to pass legislation introduced in the Senate (S183/Hoylman-Sigal) and Assembly (A2418/Bronson) to finally implement *EtE Blueprint* housing recommendations in the rest of the State outside NYC. The EtE Community Coalition stands ready to work closely with sponsors and allies to educate members of the Legislature on the critical need for and importance of this legislation.

At Housing Works, we have seen firsthand the healing power of safe, secure housing—especially for persons who face the most significant barriers to effective HIV treatment. Currently, over 90% of the residents of our HIV housing programs are virally suppressed, including housing serving vulnerable groups such as HIV-positive LGBTQ+ youth, transgender women, and women recently released from incarceration. We believe that every homeless or unstably housed New Yorker with HIV deserves the same equal access to life-saving housing supports, regardless of which part of New York State they call home.

Protect the Healthcare Safety Net

We call on the Senate and Assembly to take action in your one-house budgets to either permanently repeal the Medicaid pharmacy benefit carve-out or include the alternative advanced by Health Committee Chairs Rivera and Paulin that achieves all of the State’s goals for the carve-out while keeping the pharmacy benefit in whole person managed care and preserving the 340B mechanism that generates savings that are essential to sustain the State’s safety net providers and protect the vulnerable low-income New Yorkers they serve.

⁵ Ample evidence shows that dollars spent on HIV rental assistance generate Medicaid savings from avoided emergency and inpatient care that offset the cost of housing supports. See, e.g., Basu, et al. (2012). Comparative Cost Analysis of Housing and Case Management Program for Chronically Ill Homeless Adults Compared to Usual Care. *Health Services Research*, 47(1 Pt 2): 523-543.

⁶ Likewise, a rest-of-state HIV housing pilot project included in past NYS budgets was designed to fail. The pilot would have leveraged NYS investments with dollar-for-dollar matching funds from regional MCOs or other health payors who would partner with local districts with to cover additional costs of meaningful HIV housing assistance, but the budget language included “poison pill” provisions that disincentivized partnership, so no pilots were proposed and not a single PWH was housed.

Transitioning the pharmacy benefit to fee-for-service will eliminate the mechanism that enables safety net providers to access savings from the federal drug discount program known as 340B. HIV service providers and community health clinics rely on 340B savings to support otherwise unfunded or underfunded services that are essential for effective health care for the most vulnerable low-income New Yorkers, including HIV treatment supports that are a core component of New York’s HIV response. The federal 340B program enables safety-net providers to care for uninsured and underinsured persons and provide critical services such as low-cost medications, food/nutrition programs, transportation, school-based health centers, mobile dental clinics, and STI prevention programs to New York’s most underserved residents—critical wrap-around services that address the social determinants that drive poor health outcomes. 340B resources are critical to achieving Ending the Epidemic and other public health goals and are key to addressing health inequities based on race, poverty, and marginalization.

The carve-out was delayed for two years so stakeholders could find a solution to support Safety Net providers and Medicaid HIV Special Needs Plans (SNPs). We are now weeks away from the April 1 deadline and no further along. Meanwhile, the Executive Budget has proposed moving forward with the carve-out which will decimate safety net providers. Housing Works’ four federally qualified health centers (FQHCs) will lose at \$10million in 340B savings annually that is reinvested to support otherwise unfunded services, and it is estimated that the State’s FQHCs would lose at least \$260million each year. Despite references in the budget briefing book to “backfilling the loss of 340B revenues” and “making the [safety net providers] whole” there is no detail on how the state would implement the “reinvestment” in the safety net providers, even if the dollar amount included in the Medicaid scorecard was sufficient, which it is not.

The alternative legislation being carried by Senator Rivera and Assembly member Paulin will satisfy each of the State’s stated goals for the carve-out without devastating the health care safety net and disrupting patient care. It will:

- Improve patient and provider experience;
- Enhance State bargaining power with drug manufacturers;
- Create drug supply chain transparency;
- Curb restrictive and anti-competitive pharmacy benefit manager (PBM) business practices; and
- Address any DOH concerns regarding fees paid to third-party middlemen.

We urgently ask that you support the health chairs who will be introducing the draft bill language and include the alternative in the legislature’s one-house budget bills.

Address Severe Under-Investment in the Human Services Workforce & Nonprofit Infrastructure

Housing Works urges the Governor and Legislature to take action in this year’s State budget to address urgent issues that threaten to undermine the stability and effectiveness of the State’s essential human services organizations—by broadening the applicability of the COLA for State contracted human services workers, establishing a \$21/hour minimum wage for State funded health and human services workers; and increasing the indirect rate on NYS contracts to a nonprofit’s established federally-approved indirect rate.

Nonprofit service organizations that have been on the front lines of both the HIV and COVID responses face ongoing and new challenges as the result of years of severe under-investment in their workforce and essential infrastructure needs – leaving them struggling to attract and retain staff while also dealing with inadequate or outdated systems for information technology, electronic data, financial management, human resources, and other key functions. Inadequate State contract reimbursement rates have resulted in poverty-level wages for human services workers, who are predominantly women and people of color, and limit the ability to invest in critical systems. Essential human services workers are among the lowest paid employees in New York’s economy, resulting in high turnover and serious disadvantage in an increasingly competitive

labor market. Building infrastructure capacity is not only essential to effective and efficient service delivery but will be required in order for community-based nonprofit providers to prepare for, negotiate, and participate in coming value-based payment arrangements for service delivery.

The New York State FY23 budget included an essential 5.4% cost-of-living adjustment for State contracted human services workers by funding the Cost-of-Living Adjustment (COLA) statute. This statute was first authorized in the FY07 budget but was deferred for the last ten years before being funded by Governor Hochul in FY23. However, programs created after the statute was enacted are not included in the FY23 COLA budget language, and so many workers under contract with the State may be left out. For example, the Health Home Care Coordination program was flat funded in the FY23 budget. It is vital to broaden the applicability of the COLA. No worker should be left out due to technicalities, and all human services workers deserve the most basic COLA to keep up with inflation.

Nor do COLA adjustments for human services providers, although critical, address the fundamental issue of inadequate compensation. We call for a \$21/hour minimum wage for all New York State funded health and human service workers and a comprehensive wage and benefit schedule comparable to compensation for State employees in the same field. We also urge the Governor and Legislature to invest in the infrastructure needs of nonprofits providing critical services for the most vulnerable New Yorkers—at a minimum by acting in this year’s budget to increase the indirect rate on NYS contracts from the current 10% to a nonprofit’s established federally-approved indirect rate.

Transform New York’s Response to Homelessness

We urge the Governor and Legislature to facilitate and promote innovative, harm reduction, approaches to address our homeless crisis and to streamline the process for converting underutilized hotels and commercial properties into affordable housing, including supportive housing units.

From our beginning, Housing Works has been committed to a low-threshold, harm reduction approach to housing assistance, where admission and retention in housing is based on behaviors, rather than status as a drug user, person with mental health issues, or other condition. Residents are held accountable, as we all are, for the behaviors and conditions necessary to live safely with neighbors, are entitled to privacy within their own home, and are encouraged to feel safe to share behavioral health needs or crises without concern about jeopardizing housing security or being required to engage in a particular course of treatment. We have employed a “Housing First” approach for over 30 years and are pleased that it is now widely acknowledged as an evidence-based model that is endorsed as best practice by HUD and HRSA.

Housing Works has evolved in response to client needs from an initial 40-unit city-funded housing program in 1990, into a large multi-service organization that offers integrated medical, behavioral health and supportive services, and over 750 units of housing, including Housing Works-developed community residences that serve people with HIV who face specific barriers to both the housing market and retention in effective HIV care.

Then came 2020, with New Yorkers experiencing homelessness at particular risk of COVID-19 disease and poor COVID outcomes. When the COVID crisis began in March of 2020, approximately 70,000 people were sleeping in City shelters each night, including over 19,000 single adults in congregate settings where numerous people sleep in a single room and share bathrooms and other common areas. Thousands more New Yorkers were struggling to survive on the streets or other places not intended for sleeping, while contending with a

drastic reduction in access to food, bathrooms, showers, and other resources typically provided by drop-in centers and other settings that were rapidly closing to them.

To address the crisis, Housing Works opened a Department of Homeless Services Isolation Hotel in March 2020, with 170 rooms to provide a safe, private, and supported space for people experiencing homelessness to recover from COVID-19 illness. This program served over 2,500 guests before the isolation hotels were closed in June 2021, applying lessons learned from years of providing harm reduction housing for people with HIV.

We learned a great deal from our COVID experience, including the critical importance of a true harm-reduction approach – even down to providing unhealthy snacks and cigarettes for smokers, so that they don’t need to go down the street to the bodega – and that private rooms are both humane and necessary – especially for people with mental health issues who cannot manage a shared space with a stranger. Onsite medical and behavioral health services were also key, as most of our isolation residents show up with multiple chronic conditions that have been untreated or undertreated and present health issues as serious or more serious than COVID-19 infection. Finally, we learned that good case management, even during a short (14+ day) stay, can be life-altering if we take the opportunity to identify needs and explore options. Sometimes this meant refusing to transfer a resident until an appropriate discharge plan was in place.

Most significantly, we have come to deeply appreciate how awful and dehumanizing the City shelter system is and have come to believe that we must transform the way homeless people are treated in New York City. What is needed to transform our homeless response? Resources of course, but what is perhaps more vital are new approaches, a new vision for what is acceptable, and of course, collaboration to build and sustain the political will for systemic change.

Of course, we cannot end homelessness in New York unless we address the gross lack of housing that is affordable and accessible to low-income households, and we welcome renewed commitment at the State level to affordable housing development and expanded access to voucher programs that employ meaningful and uniform payment standards across low-income housing assistance programs to ensure that no population is left behind in the increasingly challenging rental market. Especially critical is the creation of permanent housing units with deep affordability, including supportive housing units.

Meanwhile, homelessness has risen to record levels in NYC, with some 70,000 people sleeping in NYC shelters each night, and thousands more New Yorkers struggling to survive on the streets or other places not intended for sleeping. Bailey House and Housing Works have been working for two years to secure an underutilized hotel to house an exciting new pilot “street to home” program with support from the NYC Department of Homeless Services – our Comprehensive Stabilization Services Pilot Program. In response to the COVID crisis, DHS has funded stabilization hotels for homeless single adults, both to de-densify congregate shelters, and for those who sleep on the street because they refuse placements in city shelters. However, existing stabilization hotels do not receive funding to provide medical or behavioral health care, despite residents’ needs for services to address multiple co-morbidities.

Housing Works hopes to open an integrated Stabilization Center this year under contract with DHS that combines stabilization hotel beds and a drop-in center with onsite health and supportive services. Our harm reduction stabilization hotel will operate 24/7/365 and offer residents private rooms, intensive case management services, access to onsite medical and behavioral health services, and peer supports at the co-located drop-in center. The Stabilization Center will offer primary care and behavioral healthcare services, case management support, housing placement assistance, and navigation and referral services. The

overarching goal of the Stabilization Center – like all Housing Works services – is to improve the health and well-being of clients experiencing street homelessness by providing low-threshold “Housing First” emergency housing and services delivered in a respectful manner using a harm reduction approach. We plan to evaluate the pilot rigorously, to continue to build our own competence to offer effective services, and to provide the evidence necessary to support advocacy for system-wide change.

Housing Works believes that this is the kind of innovation that is essential to a more humane and effective homeless response, and we are hopeful and actively working to secure and repurpose an underutilized hotel in Queens to begin operations this Spring. But we have already lost potential sites due to avoidable hurdles, setbacks, and politics, contributing to an unacceptable delay of almost two years in opening this critically needed intervention. It is imperative that the State and City take meaningful action to facilitate and streamline the process for converting underutilized hotels and commercial spaces to create affordable housing, including supportive housing programs. And equally important to support and fund innovative strategies designed to meet real need while rejecting approaches that instead criminalize and harass people experiencing homelessness.

We cannot end homelessness in New York unless we address its drivers. Those include the gross lack of affordable housing, mass incarceration that removes people from the workforce and deprives them of access to low-income housing, and the insistence on treating mental illness and substance use disorder among low-income New Yorkers of color as criminal justice rather than public health issues. We do nothing to help homeless people by warehousing them in mass congregate shelters designed to strip them of their autonomy and even of their dignity. We must insist on policies, investments and innovation that treat people who find themselves homeless as people worthy of dignity, autonomy, respect, and care. We look forward to working with all of you towards this vision of a transformed New York State and City homeless response.

Conclusion

Housing Works, along with organizations, individuals, and communities across the State, asks for the Legislature’s support to address health inequities by at last fully implementing the *ETE Blueprint* to provide access to essential housing assistance for people living with HIV in the rest of the State outside NYC, and by protecting the health care safety net from the disastrous consequences of the imminent Medicaid pharmacy carve-out. We ask for immediate action in this year’s budget to require State contracts that are sufficient to support the right of human services workers to a living wage and enable human services nonprofits to begin to meet critical infrastructure needs. Finally, also ask that the Legislature work with us to transform our current State and local responses to the experience of homelessness to meet real need in a manner that supports every person’s basic human rights.

Sincerely,

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Attachment: End AIDS NY Community Coalition *FY24 NYS Budget and Policy Priorities*