



Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, M.D., M.P.H.
Acting Commissioner

MEGAN E. BALDWIN
Acting Executive Deputy Commissioner

Written Testimony of Dr. James V. McDonald Acting Commissioner New York State Department of Health February 28, 2023

Good morning, Chairpersons Krueger, Weinstein, Rivera, and Paulin, and members of the New York State Senate and Assembly Health and Finance committees.

My name is Dr. James McDonald, and I am grateful to be here today to introduce myself to you as Acting Commissioner of Health. Thank you for the opportunity to testify on Governor Hochul's Executive Budget for Fiscal Year 2024 as it relates to the health and wellbeing of New Yorkers.

Joining me are Acting Executive Deputy Commissioner Megan Baldwin and our Medicaid Director Amir Bassiri.

Today marks my 9th week on the job as Acting Health Commissioner. Before joining the Department in July as the Medical Director of the Office of Public Health and Interim Director for the Center for Community Health, I served for ten years at the Rhode Island Department of Health, culminating in Interim Director of Health, the position analogous to Commissioner here in New York.

It is an honor to follow in the footsteps of Dr. Mary Bassett, whose leadership laid the groundwork for rebuilding the Department of Health (DOH) and placing health equity at the center of all we do.

The FY24 Executive Budget is a blueprint for better health in New York. Not only does it continue to build on the current fiscal year's historic healthcare investments, but its emphasis on public health infrastructure aligns with the Department's focus on health equity. This budget allows us to envision a stronger health system for all New Yorkers that can meet the challenges of the future while continuing to address persistent health disparities.

Office of Health Equity and Human Rights

To that end, I'm proud that last year the Department created the Office of Health Equity and Human Rights. This office defines the overarching vision, framework, and strategy to achieve a diverse, equitable, and inclusive Department with the goal of reducing - and ultimately eliminating - disparities and advancing health equity to improve the health and wellness of all New Yorkers. The Office is staffed by over 600 individuals across multidisciplinary teams and is essential to advancing New York State's Health Equity Impact Assessment, the Transgender Wellness Equity Fund, and Ending Preventable Epidemics - including HIV, Hepatitis C and Congenital Syphilis.

Improving Access to Primary Care

To envision a healthier future for all, we must make it easier for everyone to access primary care. This includes closing the gap on the uninsured, addressing medical debt, and forging pathways to connect New Yorkers with primary care providers.

New York enacted several important coverage expansions in the FY23 Budget, including expanding Medicaid eligibility for all adults, eliminating Child Health Plus premiums, covering mental health benefits, expanding postpartum coverage from 60 days to 12 months, and increasing income eligibility to help more than 100,000 vulnerable seniors and individuals with disabilities access Medicare. Together, these coverage expansions account for \$100 million in new State-only Medicaid investments and help hundreds of thousands of New Yorkers.

The Department of Health is also seeking federal waiver approval to expand Essential Plan coverage to additional low-income individuals, increasing eligibility to 250% of the federal poverty level. This is an important step toward reaching those who remain uninsured and is estimated to provide significantly more affordable coverage to 70,000 low-income individuals and expand coverage to an additional 20,000 people.

Complementing our push to increase insurance coverage is Governor Hochul's plan to address medical debt. This Department of Financial Services (DFS)-led effort will include amending the Consumer Credit Fairness Act, launching an industry and consumer education campaign that addresses medical debt and affordability. The Department of Health will be reforming hospital financial assistance applications by requiring hospitals to use a uniform application form. This work builds on multiple pieces of legislation that prevent hospitals from taking property liens or wage garnishments from patients facing medical debt, as well as creating transparency in facility fees.

Expanding insurance coverage dovetails with our emphasis on connecting more New Yorkers to primary care. In this regard, Governor Hochul has proposed investments in interventions that will ease the way for the underserved to access care. This includes increasing Medicaid reimbursement rates for primary care through an annual benchmarking of Medicaid's physician fee schedule to 80% of Medicare's rate, an increase to the Nurse Practitioner fee schedule, and reimbursement for primary care providers for administering Adverse Childhood Experiences (ACEs) screening.

In addition, the Medicaid program will increase rates for school-based health centers by ten percent and ensure coverage for primary and urgent care within the shelter system. Through these investments, providers will be incentivized to expand their Medicaid patient panels, making primary and preventive care more readily available while addressing health disparities.

Emergency Medical Services (EMS)

The FY24 Executive Budget includes various investments to enhance Emergency Medical Services statewide. It provides \$7.6 million in increased funding for EMS resources, developing an EMS recruitment and retention program, contracting with EMS agencies for disaster response readiness and expanded educational and mental health programs. The \$7.6 million is anticipated to increase to \$20.1 million in FY 2025 before reaching the full annual value of the investment of \$26.3 million in FY 2026. Capital equipment resources will also be provided to enhance statewide availability of ambulances in areas that need EMS support. The budget also provides innovative delivery models to help reduce pressures of the healthcare system, provide patients with more options to receive care and bring more medical care into the community. Lastly, the budget invests over \$18 million to increase ambulance provider Medicaid rates for more complex trips to further expand access to EMS services across the state.

Supportive Housing

Supportive Housing has been serving vulnerable homeless Medicaid members and those transitioning from an institutional setting since 2015. The evaluation of the program not only demonstrated improved health outcomes, but also Medicaid cost savings.

Increased funding for the Supportive Housing Initiative proposed in the FY24 Executive Budget will build new capacity for the 1115 Health Equity waiver and infuse funding into two programs: Health Home Supportive Housing and the Olmstead Housing Subsidy.

Supportive Housing programs create partnerships between housing providers, federally funded Continuum of Care providers, Managed Care Organizations, hospitals, Health Homes, and the Money Follows the Person program. Building the capacity of these programs will increase funding and would allow a state-funded rental subsidy to be connected to the 1115 waiver transitional housing initiative. Under new procurements, housing providers will be part of the Social Determinant of Health Networks.

Office of Aging and Long-Term Care

I am excited to report that since creating the Office of Aging and Long-Term Care six months ago, the team has undertaken a great deal of work to support a mission of fostering policy, programs, and services that meet the needs of aging and disabled New Yorkers. This includes the creation of Governor Hochul's Master Plan for Aging, which is in the process of being implemented in partnership with other agencies; the Master Plan will lay the foundation for building healthy, safe, and livable communities for aging New Yorkers.

The Executive Budget further supports our drive to create a sustainable aging and long-term care system that supports and rewards quality, increases Long-Term Care provider transparency, creates a pathway for caregiver opportunity and flexibility, and, most importantly, ensures access to aging services and quality long-term care while reducing health disparities.

Maternal Health

Racial disparities in maternal health remain a significant and deeply troubling problem, with Black women about four times more likely than white women to die from pregnancy-related complications.

According to the statewide 2017-19 maternal mortality rate, Black women insured by Medicaid were five times more likely to die than white women, and Black women with private insurance were more likely to die than white women on Medicaid. To address this gap and ensure that pregnancy and childbirth is safe for all New Yorkers, Medicaid coverage for doula services will be expanded for all pregnant, birthing, and postpartum Medicaid-enrolled individuals through 12-months postpartum, up from 60 days. Doulas will be enrolled as billing providers statewide and will be reimbursed under Medicaid fee-for-service and Medicaid managed care.

Traveling Nurse Agency Staffing Practices and Licensure Flexibility

Burnout and shortages among health care workers are a national problem and we have certainly seen this in New York.

Last year's health care worker bonus was an unprecedented investment in our workforce. To date, more than 660,000 people have received bonuses totaling \$1.5 billion. Still, we are committing to doing more. The Governor's Executive Budget will allow us to create a Workforce Innovation Center to support long-term health care workforce needs. The Center will develop an information- and data-gathering strategy to inform policy recommendations that will include: 1) meeting with key stakeholders to collect data and information; 2) conducting research on policy as well as innovative approaches to educate, train, recruit and retain the New York State health care workforce; and 3) administering grants to support the training capacity of health care institutions and financial relief for students in health care programs.

Building off of lessons learned during the COVID-19 public health emergency, Governor Hochul is also introducing a plan to allow health care providers to do more under their licenses and to allow the State to join the Interstate Licensure Compact and the Nurse Licensure Compact, making it easier for physicians and nurses licensed in other states to practice in New York. Other examples of the Governor's proposed expansion of scope of practice include: 1) allowing pharmacists and registered nurses to order diabetes and asthma self-management education and support services; and 2) authorizing pharmacists to prescribe and order FDA-approved medications to treat nicotine dependence.

Lead Poisoning

Each year, nearly 7,000 children in New York are diagnosed with dangerously elevated blood lead levels. To protect our children from the harms of lead exposure, Governor Hochul is proposing a program to drastically reduce the risk of lead exposure in rental properties. Under her direction, the State will apply an inspection requirement in the 24 highest-risk zip codes

outside of New York City, which utilizes its own program for lead abatement. Rental units that fail inspections will be required to remediate the lead hazards in order to keep their certificate of occupancy.

Menthol Ban

Governor Hochul's proposal to ban the sale of all flavored tobacco products - including menthol - would be a huge step forward for public health. Flavors make it easier for people to start smoking and harder to quit, and tobacco companies have hooked millions of Blacks and Hispanic New Yorkers on their deadly products. The Governor's proposal - which focuses enforcement entirely on retailers, not individuals - will protect our kids, save lives, and address a long-standing racial inequity.

Health Care Capital Funding and Technology Capital Program

The Executive Budget includes \$1 billion to boost our investment in capital funding - both to expand existing transformative capital funding and to establish a new capital grant fund to enable technological upgrades in line with the State's health care transformation goals. These funds will spur investment in modernization of health care facilities as well as utilization of advanced clinical technologies, cybersecurity tools, and other technological upgrades to improve quality of care, patient experience, accessibility, and efficiency.

Rebuilding Wadsworth

As we enter a transitional phase in our COVID-19 response, it is appropriate to highlight the critical role that our internationally renowned Wadsworth Center has played. Most recently, it has been on the frontlines of wastewater surveillance, which help public health officials get ahead of disease outbreaks to better manage a response.

Recognizing the national significance of Wadsworth, Governor Hochul included a total of \$1.7 billion in her 2023-24 Executive Budget to build a new state of the art public health research laboratory in Albany. The additional \$967 million - building on top of the \$750 million previously earmarked for Wadsworth - will allow the five separate sites of the Wadsworth Center to be consolidated into one location at the eastern edge of the Harriman Office Campus, making it easier to coordinate the work of these great labs.

In closing, I want to thank the chairs for inviting me to testify. I look forward to working with you to improve the health and well-being of all New Yorkers. Your partnership is important to me, and it is absolutely essential to ensuring that your constituents are well served. Thank you.