1 BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES
2 --

3 JOINT LEGISLATIVE HEARING

4 In the Matter of the
2024-2025 EXECUTIVE BUDGET
5 ON HEALTH

6 --

7
Hearing Room B
8 Legislative Office Building
Albany, New York
9
January 23, 2024
10 9:38 a.m.

11
PRESIDING:
12
Senator Liz Krueger
13 Chair, Senate Finance Committee

14 Assemblywoman Amy Paulin
Chair, Assembly Health Committee
15
PRESENT:
16
Senator Thomas F. O'Mara
17 Senate Finance Committee (RM)

18 Assemblyman Edward P. Ra
Assembly Ways & Means Committee (RM)
19
Senator Gustavo Rivera
20 Chair, Senate Committee on Health

21 Senator Neil D. Breslin
Chair, Senate Committee on Insurance
22
Assemblyman David I. Weprin
23 Chair, Assembly Committee on Insurance

24

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3 PRESENT: (Continued)

4 Senator Patrick M. Gallivan

5 Senator John C. Liu

6 Assemblyman Khaleel M. Anderson

7 Assemblyman Harry B. Bronson

8 Senator Brad Hoylman-Sigal

9 Assemblyman Edward C. Braunstein

10 Senator Rachel May

11 Assemblyman Phil Steck

12 Senator Pamela Helming

13 Assemblyman John T. McDonald III

14 Assemblywoman Jessica González-Rojas

15 Senator Daniel G. Stec

16 Assemblyman Jake Ashby

17 Assemblywoman Michaelle C. Solages

18 Senator Leroy Comrie

19 Assemblyman Jarett Gandolfo

20 Assemblyman Josh Jensen

21 Assemblymember Alex Bores

22 Assemblywoman Jen Lunsford

23 Senator Lea Webb

24 Assemblyman Jake Blumencranz

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3 PRESENT: (Continued)

4 Senator George M. Borrello

5 Assemblywoman Nikki Lucas

6 Assemblywoman Dr. Anna R. Kelles

7 Senator Samra G. Brouk

8 Assemblyman Nader J. Sayegh

9 Assemblywoman Jo Anne Simon

10 Senator Zellnor Myrie

11 Senator Steven D. Rhoads

12 Assemblyman Scott Gray

13 Senator Michelle Hinchey

14 Assemblywoman Pamela J. Hunter

15 Assemblyman Scott Bendett

16 Assemblywoman Latrice M. Walker

17 Assemblyman Jonathan G. Jacobson

18 Senator Andrew Gounardes

19 Assemblywoman Karines Reyes

20 Assemblywoman Rebecca A. Seawright

21 Assemblyman Erik M. Dilan

22 Senator John W. Mannion

23 Assemblywoman Mary Beth Walsh

24 Assemblywoman Jenifer Rajkumar

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3 PRESENT: (Continued)

4 Assemblyman John K. Mikulin

5 Assemblywoman Amanda Septimo

6 Assemblyman Ken Blankenbush

7 Assemblywoman Phara Souffrant Forrest

8 Senator Jeremy A. Cooney

9 Assemblywoman Rodneyse Bichotte Hermelyn

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11 Beatrice Grause President 12 Healthcare Association of NYS (HANYS) 13 -and- Kenneth E. Raske 14 President Greater New York Hospital 15 Association -and- 16 George Gresham President 17 1199 SEIU Healthcare Workers East	266	275
18 David Sandman 19 President & CEO New York Health Foundation 20 -and- Jordan Goldberg 21 Director of Policy Primary Care Development 22 Corporation -and- 23 Rose Duhan President & CEO 24 Community Health Care Association of NYS	329	339

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5 Dr. Irina Gelman
Commissioner
6 Nassau County DOH
President
7 New York State Association
of County Health Officials
8 -and-
Stephen B. Hanse
9 President & CEO
NYS Health Facilities Association/
10 NYS Center for Assisted Living
(NYSHFA|NYSCAL)
11 -and-
Michael Duteau
12 President
Community Pharmacy Association
13 of New York State
-and-
14 Megan C. Ryan
Interim CEO
15 Nassau Health Care Corporation 429 442

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5 Dr. Jerome Cohen
President Elect
6 Medical Society of the
State of New York
7 -and-
Leon Bell
8 Director of Public Policy
NYS Nurses Association
9 -and-
Edward Mathes
10 President
New York State Society of
11 Physician Assistants
-and-
12 Jonathan Teyan
President & CEO
13 Associated Medical Schools
of New York
14 -and-
Rebecca Miller
15 NYS Legislative and
Political Director
16 CWA District 1 498 514

17 Georgana Hanson
VP of Public Policy &
18 Regulatory Affairs
Planned Parenthood
19 Empire State Acts
-and-
20 Jeanne M. Chirico
President & CEO
21 Hospice and Palliative Care
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Al Cardillo President & CEO Home Care Association of New York State -and- Bryan O'Malley Executive Director Consumer Directed Action of New York -and- Chris Vitale Legislative Coordinator Empire State Association of Assisted Living -and- Kathy Febraio President & CEO NYS Association of Health Care Providers -and- Connor Shaw Political Director Home Healthcare Workers of America-IUJAT	572	588

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1 CHAIRWOMAN KRUEGER: Good morning,
2 everyone. Hi. I'm State Senator Liz
3 Krueger, chair of Finance, joined by -- we
4 don't have the chair of Ways and Means with
5 us for at least the first couple of hearings.
6 But every day the senior Assemblymember for
7 the leading committee will be representing as
8 if they were the chair of Ways and Means.
9 Today it's my colleague Amy Paulin.
10 Some of you may have already noticed
11 there have been some improvements in this
12 conference room, which hopefully will make
13 everybody's life a little happier.
14 I want to remind or just point out to
15 all legislators, the microphones are new.
16 They should be better. But note, when you
17 have -- when you push the push button to be
18 heard as a speaker, you have to push it
19 pretty hard, and the light goes from red to
20 green. And so it's just reminding everyone,
21 make sure the light is green when you're
22 talking.
23 And also reminding my colleagues,
24 because we all are guilty of this sometimes,

1 make sure it's off when you're chatting when
2 you're not supposed to be on record, because
3 sometimes some interesting things pop up on
4 the recording.
5 The upgrades include increased WiFi
6 strength, so people should actually be able
7 to get the WiFi to work in here. And there's
8 both the member WiFi and the guest WiFi.
9 So we're really hoping all of this
10 works; this is sort of our beginning test
11 since you're the first budget hearing.
12 You'll also see there are new screens
13 as well as, for people who have hearing
14 impairment, there is -- bless you --
15 automatic text that will continue with
16 whoever is asking questions or responding to
17 questions. It's a really terrific
18 technology. I use them all the time when I
19 do webinars for my constituents. It really
20 helps to have the text along.
21 So I'm excited about our first day.
22 I'm now going to -- before I make the opening
23 statement, I'll just go over a couple of
24 other things. So for witnesses to present

1 their testimony, each government invitee --
2 and we have three with us at the table now --
3 each gets 10 minutes to present. The
4 nongovernment invitees, when we get to their
5 panels later, only have three minutes to
6 present.
7 The chairs of the relevant committees
8 get 10 minutes to ask questions, and they get
9 a second round of three minutes if necessary.
10 The rankers get five minutes. All other
11 members get three minutes and no second round
12 for those storylines.
13 So now to do an official opening
14 statement. Good morning. Again, Liz
15 Krueger, chair of the Senate Finance
16 Committee. The cochair of today's budget
17 hearing is my colleague Amy Paulin.
18 Today is the first of 13 hearings
19 conducted by the joint fiscal committees of
20 the Legislature regarding the Governor's
21 proposed budget for state fiscal year
22 '24-'25. These hearings are conducted
23 pursuant to the New York State Constitution
24 and Legislative Law.

1 Today the Senate Finance Committee and
2 the Assembly Ways and Means Committee will
3 hear testimony concerning the Governor's
4 proposed budget for the Department of Health
5 and the Department of Financial Services.
6 Following each testimony, there will be time
7 for questions from the chairs of the relevant
8 committees.
9 I will now introduce members of the
10 Senate, and Assemblymember -- oh, it says
11 Helene Weinstein, but it's not -- Amy Paulin
12 will introduce members of the Assembly. In
13 addition, my colleague, the ranker on
14 Finance, Senator Tom O'Mara, will introduce
15 members from his conference.
16 But just to note, for people who might
17 still be confused if they're in the right
18 room, today we have, representing the
19 agencies, I'm welcoming Dr. James McDonald,
20 commissioner of the New York State Department
21 of Health; Amir Bassiri, Medicaid director
22 for the New York State Department of Health;
23 and Adrienne Harris, the superintendent of
24 the New York State Department of Financial

1 Services.

2 Sorry, oh -- and just reading off the

3 members from the Senate so far -- some people

4 come, they go, there are committee meetings.

5 Thank you. We have Senator Rachel May;

6 Senator Neil Breslin, who is the chair of

7 Insurance; Senator Gustavo Rivera, chair of

8 Health; Senator Zellnor Myrie; Senator

9 John Liu; Senator Brad Hoylman-Sigal;

10 Senator Webb. I think that's so far the

11 Democratic Senators.

12 And I'm going to turn it over to

13 Tom O'Mara to introduce the Republican

14 members.

15 SENATOR O'MARA: Thank you,

16 Senator Krueger. Good morning, all.

17 On our side here we have, down in

18 front, Senator Jake Ashby, Senator Dan Stec.

19 Up here to my right is Senator Pam Helming,

20 our ranking member on Insurance, and

21 Senator Patrick Gallivan, our ranking member

22 on Health.

23 Thank you.

24 CHAIRWOMAN KRUEGER: Thank you.

1 Amy Paulin, who's technically the
2 chair of Health, but also leading for the
3 Assembly today.
4 ASSEMBLYWOMAN PAULIN: Hi, I'm Amy
5 Paulin, chair of the Assembly Health
6 Committee.
7 Today, in addition to my role as
8 Health chair, I'm also filling in for
9 Assemblymember Helene Weinstein, who is the
10 chair of Ways and Means, who originally -- or
11 would ordinarily be chairing the hearing with
12 Senator Krueger. Assemblywoman Weinstein is
13 presently recovering from knee surgery and is
14 expecting to be back in a few weeks.
15 So I -- everything's been said except
16 the introduction of the Assemblymembers,
17 right? Got it.
18 So on the Assembly side we have, to my
19 left, David Weprin, chair of Insurance;
20 Assemblymember Phil Steck; Assemblymember
21 John McDonald. Down below, Assemblymembers
22 Ed Braunstein, Harry Bronson, Michaelle
23 Solages, Nader Sayegh, Alex Bores, Jen
24 Lunsford, and somewhere is Khaleel Anderson,

1 I don't know where. But he is here. Got it.
2 And then I'm going to turn this over
3 to my colleague Ed Ra, who will introduce the
4 Republican members of the Assembly.
5 ASSEMBLYMAN RA: Thank you.
6 Good morning. On the Republican side
7 we have Assemblymember Josh Jensen, who is
8 our ranker on Health; Assemblymember Ken
9 Blankenbush, our Insurance ranker; and we
10 also have Members Gandolfo, Bendett and Gray.
11 ASSEMBLYWOMAN PAULIN: (Mic off) --
12 anybody who wants to ask a question, so raise
13 your hands. Okay. Thank you.
14 CHAIRWOMAN KRUEGER: And just a little
15 more housekeeping, because this topic comes
16 up every year, and this is really for my
17 legislative colleagues.
18 If you have 10 minutes, five minutes
19 or three minutes, that is for both asking the
20 question and getting the answer. Some people
21 like to use all of their minutes asking a
22 question, or perhaps sometimes it's not a
23 question. So the deal is you still only get
24 that much time. So if you use it all up on

1 your side, there's not going to be time for
2 anyone to answer.
3 When that happens -- and trust me, it
4 will, we're doing this many years -- we will
5 ask the testifiers if they can please respond
6 in writing to myself and Ways and Means, and
7 we'll make sure all members get the written
8 responses.
9 And sometimes testifiers sincerely
10 don't actually know the answer, which I think
11 is fine. Then say: I don't know that
12 answer, I will find out for you and get back
13 to you. And that's a perfectly appropriate
14 response.
15 So, you know, everyone who's
16 testifying today, don't make it up. If you
17 don't know, then just say we'll have to get
18 back to you, you stumped me. Everybody gets
19 stumped sometimes. So I just wanted to make
20 sure that I raised that storyline because,
21 trust me, it will happen.
22 And as Amy just said, for members of
23 the Senate or the Assembly, if you want to
24 ask questions, then if you're a Republican,

1 let Tom O'Mara or Assemblymember Ra know,
2 because they'll keep a list. And then if
3 you're a Democrat, let me know or let Amy
4 know, because we're alternating and taking
5 turns asking the questions. And you can,
6 like, signal a staff member there, you can
7 wave to me, try to get my attention. We all
8 figure it out. But just because we do have
9 some members who maybe haven't gone through
10 as many budget hearings as some of us have,
11 you just need to make sure you let us know.
12 We will always ask the chairs and the
13 rankers to go before we ask other people to
14 go. Not that you have to have questions, but
15 usually you do.
16 So with that, I would like to turn it
17 over to Dr. James McDonald -- he has many
18 letters after his name, but he's our
19 Commissioner of Health, to testify for
20 10 minutes. Oh, I'm sorry, one more thing.
21 If you are a legislator here, we have
22 printout copies of the government
23 representatives' testimony. Everyone else's
24 testimony is up online on the Senate Finance

1 and/or the Assembly Ways and Means sites. So
2 we've decided a couple of years ago to stop
3 killing so many trees and just make the
4 testimony available online.
5 So with that, thank you, Commissioner.
6 COMMISSIONER McDONALD: Yeah, thank
7 you. Wow, that's loud. All right, well, let
8 me start with wishing a speedy recovery to
9 Chairperson Weinstein. I'm sorry she can't
10 be here. But I do want to say good morning
11 to you, Chairpersons Krueger, Rivera and
12 Paulin, and all the members of the Senate and
13 Assembly Finance Committee. It's great to be
14 back, it's great to be with you today.
15 And I'm really glad to be the first
16 person to talk about Governor Hochul's fiscal
17 year '25 budget as it relates to the health
18 and well-being of all New Yorkers. You know,
19 it occurred to me, though, that when you look
20 at the entire budget, the whole budget is
21 about protecting the health and safety of all
22 New Yorkers.
23 I'm going to limit my comments and
24 really focus on the Department of Health

1 budget today. I do want to just acknowledge
2 my colleague and friend Amir Bassiri here
3 from Medicaid -- great to have him -- and my
4 Acting Executive Deputy Commissioner Johanne
5 Morne, who's with me today as well. Thrilled
6 to have them.
7 You know, if I could describe this
8 budget in one word, it's really about
9 stewardship. And, you know, it's no secret
10 this is a challenging budget year and there
11 are some difficult choices that are being
12 made. But this is about stewardship for 2025
13 and beyond.
14 You know, last year I traveled very
15 widely throughout the state. I had 59 trips,
16 all in total, met hundreds of organizations
17 and tens of thousands of people. You know,
18 really traveled, you know, from the Far
19 Rockaways to the Akwesasne. And of note, I
20 had the chance to visit the Tuscarora Nation,
21 the Tonawanda Seneca Nation, and the
22 St. Regis Mohawk Nation.
23 I was also particularly pleased to
24 welcome the Rochester delegation to our

1 regional office in Rochester.
2 You know, at every meeting I pretty
3 much go with the same two things: I'm here
4 to listen, and I want to hear how I can
5 partner with folks to eliminate health
6 disparities.
7 I want to turn my attention now to
8 talk a little bit about distressed hospitals.
9 You know, the funding for distressed
10 hospitals has tripled between fiscal years
11 '21 and '24. In fiscal year '25, we're
12 providing an additional $984 million to
13 distressed hospitals, so just a little under
14 a billion.
15 Under the 1115 Medicaid waiver we'll
16 provide up to an additional $2.2 billion in
17 multiyear funding to support our safety net
18 hospitals while encouraging them to transform
19 in ways that will improve care and financial
20 sustainability. All told, the 1115 waiver
21 includes $7.5 billion, of which $6 billion is
22 new federal funding to address health
23 inequities.
24 In my visits across the state, the

1 issue that came up repeatedly everywhere was
2 workforce. And we need your help to solve
3 this problem. And I'm hoping we can work
4 together to look at changing maybe some
5 outdated laws that prevent healthcare
6 professionals from working in New York. And
7 these limitations contribute significantly to
8 our shortages and rising costs.
9 You know, we're one of only 11 states
10 that hasn't joined the Physician Licensure
11 Compact; one of only nine states that hasn't
12 joined the Nurse Licensure Compact. You
13 know, we're also -- we have to look at
14 legislation about like can we let healthcare
15 workers do things they're already trained to
16 do, like medication aides. You know,
17 allowing them to give basic medications in
18 long-term care.
19 I think we need to look at how we look
20 at physician assistants too. You know,
21 physician assistants should be allowed to
22 practice independently in primary care and
23 hospitals after sufficient training. I think
24 we need to look at medical assistants too.

1 You know, we're the only state in the country
2 that doesn't allow a medical assistant to
3 administer a vaccine.
4 You know, while we're supporting
5 healthcare workers, I want to shift our
6 conversation a little bit to how we can make
7 health insurance easier to obtain. Our 1332
8 innovation waiver, which I expect to be
9 approved by the federal government this week,
10 is going to raise eligibility from 200 to
11 250 percent of the federal poverty line. So
12 someone earning a little more than $38,000
13 could obtain affordable coverage with no
14 premium. It's going to help an additional
15 100,000 New Yorkers get affordable insurance.
16 You know, we're also proposing this
17 year to allow subsidies for folks who make up
18 to 350 percent of the federal poverty line
19 for qualified health plans. And we're going
20 to eliminate cost sharing in both the
21 Essential Plan and qualified health plans for
22 office visits, lab work, pharmaceutical and
23 other things, for things like chronic
24 conditions such as Type 2 diabetes.

1 I want to talk a little bit about
2 maternal health. You know, the budget also
3 increases our commitment to maternal health
4 in several ways: $700,000 to the Perinatal
5 Quality Collaborative, which helps
6 participating hospitals develop a
7 multidisciplinary approach to eliminating
8 racial disparities in birth outcomes. We're
9 also adding doula coverage for New Yorkers
10 enrolled in the Essential Plan. We're also
11 asking for allowing me, the commissioner, to
12 write a standing order so anybody who's
13 giving birth can access a doula.
14 You know, we're also going to
15 eliminate out-of-pocket medical costs for
16 pregnancy-related benefits via the Essential
17 Plan and other qualified health plans, and
18 use financial incentives to get hospitals to
19 reduce unnecessary C-section births.
20 Talking a little bit about children's
21 health, I'm pleased with some of the
22 investments we're making here. We're going
23 to seek approval to provide continuous
24 Medicaid coverage and Children's Health

1 Insurance Program coverage for any eligible
2 little one up to the age of six. This will
3 eliminate an administrative burden for an
4 estimated 650,000 kids enrolled in Medicaid
5 and Child Health Plus. We're also making
6 some investments in school-based health
7 centers.
8 And something else we're doing this
9 year which I'm excited about is increasing
10 the reimbursement rate for in-person visits
11 for Early Intervention. It's a 5 percent
12 increase across the board, and 9 percent for
13 rural areas of the state.
14 I want to shift my conversation now to
15 talk a little bit about emergency medical
16 services. Now, I think most people think of
17 this as an essential service, yet it's not
18 considered an essential service in our state,
19 so we'd like to mandate that. Because it's
20 not mandated, we see a wide variety of
21 response times, particularly in rural areas.
22 We're hoping to change that by making this an
23 essential service and creating five EMS zones
24 intended to augment local EMS agencies where

1 the workforce isn't quite what it could be.
2 We're also talking about establishing
3 a first-in-the-nation paramedic telemedicine
4 urgent care program that will increase access
5 to care and hopefully reduce unnecessary
6 emergency department visits.
7 There is some energy here in
8 strengthening primary care as well. In
9 addition to the investments made in the 1115
10 Medicaid waiver, which are substantial, we'll
11 increase Medicaid rates for providers
12 participating in patient-centered medical
13 homes, an additional $2 per member per month
14 for adults and $4 per member per month for
15 kids.
16 I'm pleased that this budget includes
17 some increased reimbursement rates for those
18 providers who take care of people who are
19 intellectually and developmentally disabled.
20 It's 50 percent above the base rate.
21 And I want to shift our conversation
22 now and just talk a little bit about the
23 opioid epidemic. You know, combating the
24 opioid epidemic is definitely a priority of

1 all of us in this room. In the last year
2 we've worked really well with the Office of
3 Addiction Services and Supports to get the
4 settlement money out. The disbursed money,
5 we're actually leading the nation in
6 disbursing money from the settlement. We're
7 better than any other state with this.
8 But it's not just fentanyl that's a
9 problem. We also have to consider the impact
10 of xylazine. So one of the things in our
11 proposal is to make xylazine a controlled
12 substance, which I think makes a lot of
13 sense.
14 I'm going to talk really briefly about
15 oral health. It's critical to our overall
16 health and well-being. You know, one of the
17 things we have to talk about, though, is the
18 challenge in people who are lower-income
19 accessing a dentist. You know, only
20 30 percent of Medicaid enrollees have seen a
21 dentist in the last year.
22 In addition, we're talking about
23 adding dental services to school-based health
24 centers, an additional million and a half for

1 that. And we'll support the dentistry
2 workforce by launching a new loan repayment
3 program supported by the 1115 waiver, up to
4 $100,000 for dentists who make a four-year
5 commitment to serve the Medicaid population
6 in New York.
7 There's also a proposal to increase
8 the scope of practice of dental hygienists
9 that will also allow collaborative practice
10 in certain senses, which will improve access
11 to care.
12 You know, it's interesting, when I
13 visited the Tuscarora Nation, I was struck by
14 how beautiful their new dental clinic was.
15 It was really state-of-the-art, had all
16 wonderful equipment there. But they didn't
17 have a dentist -- no dental staff at all --
18 so their folks had to travel an hour and a
19 half to Rochester to get dental care.
20 You know, it's been very wonderful to
21 work with Deputy Secretary Ruhl (ph), you
22 know, to find an additional $4.5 million to
23 address the critical oral health needs and
24 disparities experienced by Tribal Nations.

1 You know, and the last topic I'm going
2 to address is veterans. I'm very thankful
3 for our veterans, and I'm very grateful that
4 our budget includes an additional
5 $22.5 million to ensure that our veterans
6 receive the best possible care. We have four
7 Veterans Homes; I had a chance to visit the
8 folks at St. Albans and at Batavia this year.
9 I look forward to meeting the folks at Oxford
10 and Montrose next year. But it's nice to see
11 that investment continues.
12 In closing, I do want to thank
13 Governor Hochul for her commitment to
14 supporting healthcare and public health. You
15 know, when you get back to the one word in
16 our budget, it really is about stewardship,
17 and this budget reflects some difficult
18 choices. I know finding $200 million in
19 savings in long-term care and Medicaid is
20 going to be hard. You know, I look forward
21 to working collaboratively with you and your
22 team to identify the best way to achieve
23 these savings.
24 Thank you.

1 CHAIRWOMAN KRUEGER: (Mic off.) Thank
2 you very much. Oh, sorry -- yes, it's on.
3 Someone turned it on for me. Thank you up
4 there.
5 So we're going to not have, my
6 understanding is, the Medicaid director
7 testify separately, but we will be asking
8 questions that are specific to Medicaid and
9 they will be directed to her. So -- excuse
10 me, to him. Excuse me, I'm so sorry.
11 And now I'm going to turn it over to
12 Adrienne Harris, who's the supervisor --
13 superintendent. I'm always concerned because
14 she's not a commissioner like everyone, and I
15 get lost -- to testify on insurance issues.
16 Adrienne.
17 DFS SUPERINTENDENT HARRIS: Good
18 morning, Chairs Krueger, Breslin, Weprin,
19 Rivera, and Paulin, Ranking Members O'Mara,
20 Ra, Helming, Gallivan and Jensen, and all
21 distinguished members of the New York State
22 Senate and Assembly.
23 And I also wish a speedy recovery to
24 Chair Weinstein.

1 My name is Adrienne Harris, and I'm
2 the superintendent of the Department of
3 Financial Services. Thank you for inviting
4 me to discuss the Executive Budget and all
5 that DFS has accomplished in the past year
6 thanks to the support of the Governor and
7 Legislature.
8 Created in the wake of the 2008
9 banking crisis, DFS regulates the activities
10 of over 3,000 financial institutions,
11 including globally systemic institutions,
12 with nearly $10 trillion in assets. When I
13 arrived at DFS just over two years ago, the
14 department was known as a lone wolf
15 prosecutor, famous for little process,
16 transparency, or stakeholder engagement,
17 including with our partners in government.
18 The department was underfunded and without
19 adequate investment in human capital,
20 technology, or process management. This left
21 DFS incapable of meeting the standards
22 New Yorkers have a right to expect from their
23 government.
24 So I got to work on transforming the

1 department. I spent the first several months
2 identifying issues and risks and created a
3 strategic plan mapped to those findings. In
4 its simplest form, it's what I call the three
5 P's -- policy, process, and people.
6 On policy I instituted a rule that
7 going forward all policy would be data-driven
8 rather than based on ideology. The
9 policy-making process would include robust
10 collaboration and engagement with
11 stakeholders to achieve our mission of
12 building an equitable, transparent and
13 resilient financial system.
14 I deepened the department's focus on
15 kitchen table issues, things that are
16 meaningful to the everyday New Yorker and
17 that would help them trust that their
18 government is working for them.
19 For process, I committed to DFS
20 becoming a transparent, process-driven
21 organization. We began to set KPIs, measure
22 progress, and build knowledge management.
23 And then I emphasized that neither our
24 policy nor our process goals could be

1 achieved without the third P: People. We
2 had to attract and retain expert talent,
3 fostering a culture of inclusion and
4 performance. To unify employees across
5 divisions, we rewrote our mission statement
6 and established four core values: Equitable,
7 innovative, transparent, and collaborative.
8 I'm immensely proud of the progress we
9 have made in my time since joining the
10 department. From a policy perspective, we
11 have implemented 100 amendments to the
12 insurance, banking, and financial services
13 laws, issued more than 60 pieces of
14 regulatory guidance, promulgated 31
15 data-driven regulations, and secured more
16 than 344.4 million in restitution.
17 In the past year we amended our
18 nation-leading cybersecurity regulation,
19 modernized the pay structure for check
20 cashing, and adopted guidance to protect
21 banking institutions from climate risk.
22 On process, we are clearing
23 significant backlogs and are engaged in a
24 department-wide technology transformation,

1 rolling out a new CRM platform, data
2 warehouse, and productivity tools. These
3 upgrades give DFS the modern resources to
4 identify and respond to risk and better
5 protect financial markets and consumers.
6 But to do all this, the department
7 relies on the third P, people. I spent much
8 of my first months engaged in a risk-based
9 analysis of our human capital needs and
10 created a five-year strategic plan. We have
11 been able to get the agency fully funded for
12 the first time in its history, thanks to the
13 support from the Legislature and the
14 Governor. As a result of that backing, we
15 have hired 336 new team members and promoted
16 309 existing team members since January 2022.
17 Beyond the people within the
18 department, we have expanded our network to
19 collaborate with partners at the state,
20 federal and international levels. For
21 example, for the first time, New York is
22 represented on the U.S. Department of
23 Treasury's Financial Stability Oversight
24 Council, a role in which I am honored to

1 serve.

2 All the actions we have taken have
3 been with one core objective in mind: To
4 transform DFS into a preeminent regulator,
5 fitting of the financial capital of the
6 world.

7 As we move forward, we will focus on
8 three key areas: Equity, innovation, and
9 consumer protection. We consider policy
10 decisions through the lens of building a more
11 equitable financial system that protects and
12 empowers all New Yorkers, including those in
13 historically underserved and marginalized
14 communities.

15 In the past year, the department has
16 taken definitive action to help New York's
17 financial and healthcare systems become more
18 accessible and equitable. We enacted
19 policies to cut check-cashing fees,
20 implemented expanded abortion protections to
21 reduce reproductive health inequities, and
22 have prioritized increasing access to
23 affordable banking services to underserved
24 communities.

1 DFS also remains laser-focused on
2 innovation, a key area that shapes my vision
3 for the department and our future. In
4 revising the department's mission statement,
5 it was important to me that we articulated
6 DFS's commitment to driving economic growth
7 through responsible innovation.
8 One clear example is our world-leading
9 virtual currency framework, which has served
10 well to protect consumers, keep entities safe
11 and sound, and hold bad actors to account.
12 To carry out this work, I have built the
13 largest virtual currency regulatory team in
14 the nation, growing the unit from a handful
15 of employees to more than 60 seasoned
16 experts.
17 The same principles of responsible
18 innovation also apply to AI, where
19 significant benefits and risks coexist. Just
20 last week we proposed guidance on regulating
21 the use of AI in insurance to help mitigate
22 harm to consumers.
23 Finally, I want to discuss DFS's
24 progress on consumer protection. Last year,

1 in partnership with all of you, we created
2 the Health Guaranty Fund, a critical safety
3 net for New Yorkers. Now New York is no
4 longer the only state without this essential
5 protection for policyholders. The department
6 has published new guidance prohibiting
7 deceptive overdraft practices, introduced new
8 financing disclosures for small businesses,
9 and mitigated a national banking crisis,
10 safeguarding the finances of consumers and
11 businesses.
12 One of my proudest accomplishments is
13 our continuous work to put money back in
14 New Yorkers' pockets. Last year DFS returned
15 a record $163 million to consumers and
16 healthcare providers, bringing the total in
17 restitution during my tenure to more than
18 $344.4 million.
19 Before I close, I want to take a
20 moment to reflect on the events of the past
21 year. In March last year, just one week
22 after I testified, community and regional
23 banks across the country suddenly began to
24 fail. The self-liquidation of Silvergate

1 Bank and the $42 million run on deposits at
2 Silicon Valley Bank quickly led to three of
3 the four largest bank failures in the history
4 of the country, including one here in
5 New York.
6 The unprecedented speed of events put
7 DFS at the center of preventing a global
8 financial meltdown. Along with regulators in
9 other states, in Washington, D.C., and in
10 Europe, my team and I worked around the clock
11 to mitigate further panic and contagion
12 across the broader banking system and ensure
13 that individuals and small businesses could
14 safely access their money, all while we
15 continued the day-to-day operations of the
16 agency.
17 It is a set of events that is marked
18 in the history of this country. And as we
19 approach the one-year anniversary, I want to
20 again express my deep gratitude to my team
21 for all they did to protect New Yorkers and
22 the global financial system. I'm also
23 grateful for your partnership. Your support
24 and collaboration were critical as we

1 weathered the storm.
2 I look forward to continuing to work
3 together to advance an affirmative policy
4 agenda to benefit New Yorkers. Thank you for
5 the opportunity to address you today to
6 discuss how the department is working to
7 build a more equitable and innovative
8 financial system that benefits New Yorkers,
9 supports businesses, and drives economic
10 growth, cementing New York's place as the
11 financial capital of the world.
12 I look forward to answering your
13 questions.
14 CHAIRWOMAN KRUEGER: Thank you. Thank
15 you very much.
16 Our first questions will come from
17 Senator Neil Breslin, the chair of Insurance.
18 Oh, Neil, before you start, I'm so
19 sorry. We've also been joined by Senator
20 Brouk, Senator Hinchey, Senator Borrello,
21 Senator Comrie and Senator Rhoads.
22 SENATOR BRESLIN: Thank you,
23 Madam Chairman. And I will be brief.
24 But I think I should first talk about

1 the appointment of the superintendent. And
2 I've been around for many years, and I've
3 found the relationship between the department
4 and the Legislature to be at the best
5 possible stage imaginable. There's
6 participation, there's discussions.
7 As in past years, it seemed as though
8 either one side or the other were the enemy.
9 Whether it was the agency or the Legislature,
10 there was a continuing battle. And when we
11 both work on the same team and we're both
12 discussing the same issues and how to
13 confront them, it makes the job of everyone
14 that much easier. So thank you,
15 Superintendent.
16 There's so many issues that confront
17 insurance today, with the economy the way it
18 is and the expense of insurance. And so many
19 people know if they collect all the checks
20 that they write to various forms of
21 insurance, it's a lot of money. And our job
22 is to make that a little more pleasurable.
23 The first I'd like you to talk about,
24 there's been some discussions recently about

1 low-income housing insurance. And obviously
2 if that's an impediment to housing,
3 particularly for low-income people, it's a
4 real problem that must be solved. But I'd
5 appreciate your comments on it.
6 DFS SUPERINTENDENT HARRIS: Thank you
7 so much, Senator Breslin. It's an incredibly
8 important issue and one that we've been
9 deeply engaged in.
10 And of course as you know, the
11 Governor has proposed prohibiting insurers
12 from asking the question about the presence
13 of affordable or subsidized housing units in
14 the underwriting of those multifamily housing
15 buildings. It's something we've been engaged
16 on for quite some time but also, as you
17 alluded to, the cost of insurance across many
18 lines is continuing to go up due to a number
19 of factors, including inflation, supply chain
20 issues, reinsurance, and climate change.
21 But I think the Governor's proposal is
22 a strong one, so that we can eliminate a
23 factor that many feel is discriminatory in
24 the underwriting of multifamily housing.

1 SENATOR BRESLIN: Thank you.
2 In the area of PBMs we've had
3 discussions for many years. We've finally
4 taken measures to regulate a group of people
5 that -- referred to as PBMs, who many of us
6 did not know anything about until there was
7 initial legislation and now additional
8 legislation. I'd like you to tell us of the
9 progress on the regulation of PBMs and our
10 ability to control them so that there's
11 access to the marketplace by not only the
12 three major pharmacies but the independent
13 pharmacies as well.
14 DFS SUPERINTENDENT HARRIS: Thank you.
15 And again, I'm so grateful to the Legislature
16 for giving the authority to regulate PBMs to
17 DFS. They are a middleman that often seeks
18 rents and contributes to increasing the cost
19 of prescription drugs, and therefore
20 increases the cost of the provision of
21 healthcare overall. So having the ability to
22 regulate them and add transparency to the
23 space is incredibly important.
24 As it was a new authority, we had to

1 build a new bureau from scratch, so we've
2 added about 25 experts to our team to build
3 that bureau from scratch. We've also now
4 successfully licensed every PBM that does
5 business in the state, as was the requirement
6 in the statute, by January 1 of this year.
7 We're also already examining the PBMs.
8 So our examiners go in and they're currently
9 on site with some of the largest PBMs in the
10 country, making sure that their financials
11 are as they should be and examining for
12 market conduct.
13 As you know, we also proposed some
14 market conduct rules at the end of last year.
15 As we were engaged in the SAPA, there were
16 lots of very helpful comments that came in in
17 connection with that process. And those
18 comments led us to take another look at the
19 proposal that we had made. I felt, given
20 those comments, the best course of action was
21 to withdraw that proposal and start again,
22 because that engagement with stakeholders is
23 so important and we need to be taking that
24 into account.

1 So we've been working diligently so
2 that we don't lose too much time, but to meet
3 with those stakeholders, engage with those
4 stakeholders. And we've been doing that
5 since last year, and we are weeks away from
6 reproposing some very strong market conduct
7 and consumer protection rules.
8 SENATOR BRESLIN: Thank you.
9 Another area that's of great concern
10 to most consumers is the long-term care. The
11 problems predate your coming to the
12 department. That doesn't mean the problems
13 have been solved. Could you discuss with us
14 some of the steps that we've taken to make it
15 a better market and a more inexpensive and a
16 long-term-providing-care market?
17 DFS SUPERINTENDENT HARRIS: Yes, thank
18 you, Senator. As you noted, this is really a
19 longstanding and nationwide problem.
20 As you know, I write a report to the
21 Legislature every two years, as I'm required
22 to do under statute, but last year the
23 department took the extra step of writing an
24 additional report that laid out the history

1 of long-term care nationwide and how we
2 landed in the crisis that we have today.
3 So it really goes back to when the
4 product was invented, there was not a history
5 of claims to inform the underwriting
6 experience. And those products, when they
7 came online 30, 40 years ago, were mispriced,
8 essentially. And then rates were kept
9 artificially low for ideological and
10 political reasons, again, around the country
11 for decades.
12 Now those chickens are coming home to
13 roost, and we see large rate increases that
14 we're forced to sometimes grant so that we
15 can make sure the insurers don't go under and
16 that seniors don't lose decades of
17 investment.
18 We are trying to think very creatively
19 at the department. One of the things we do
20 is we work with those long-term-care insurers
21 to phase in rate increases over time. We
22 also allow for them -- for consumers to
23 choose whether they'd like a rate increase or
24 a reduction in benefits. Which is not a

1 pleasant choice, but at least it gives
2 consumers some optionality.
3 And then in rare instances where we're
4 able to do so, we require capital infusions
5 from other parts of the corporate family,
6 although that is not something we're able to
7 do often.
8 But we continue to work very hard to
9 mitigate this nationwide issue. We're
10 implementing Senator Mayer's transparency
11 laws now. And we look forward to continuing
12 to collaborate with you and your colleagues
13 and other stakeholders on this issue.
14 SENATOR BRESLIN: One last question.
15 It's really dealing with the mandates that
16 face the Legislature each and every year.
17 All legislators have -- or not all, but most
18 have ideas of who should be covered as a
19 mandate under health insurance. And many of
20 us, including the chairman of the Insurance
21 Committee many years ago, did not think about
22 the consequences of mandates and the expense
23 to the ultimate health-insured person.
24 Can you give us an idea of how that

1 discussion takes place in making
2 recommendations to us when we put in proposed
3 legislation mandates?
4 DFS SUPERINTENDENT HARRIS: Thank you,
5 Senator. As you allude to, there's no such
6 thing as a free lunch, so to speak. So every
7 time we seek to add a coverage or cover a new
8 population, there is some cost to that.
9 At the department we do our best to
10 provide technical assistance to help
11 policymakers understand what the potential
12 costs of additional mandates might be, but of
13 course helping to weigh the policy decisions
14 of providing these important protections to
15 consumers. And then as we are reviewing
16 rates, we are tasked with balancing increased
17 costs to consumers with the safety and
18 soundness of the health insurer. Because
19 really the best protection that we can
20 provide to insureds is to make sure that
21 there's a solvent insurance company at the
22 end of the line that is there to pay claims
23 when they come due. But it is always a
24 balancing act.

1 SENATOR BRESLIN: Thank you very much,
2 Superintendent.
3 I would be remiss, too, if I didn't
4 mention that we're joined by Senator Helming,
5 the ranker on the committee; Senator O'Mara,
6 who's down there and is always here; and our
7 newest member, Senator Jake Ashby.
8 Thank you very much.
9 DFS SUPERINTENDENT HARRIS: Thank you,
10 Senator.
11 CHAIRWOMAN KRUEGER: Thank you.
12 Assembly.
13 ASSEMBLYWOMAN PAULIN: (Mic issues.)
14 There we go. Thank you.
15 First, before I call on our first
16 person to question, we've been joined by
17 Assemblymembers Latrice Walker, Rebecca
18 Seawright, Anna Kelles, and Jessica
19 González-Rojas.
20 So the first person for the Assembly
21 will be the chair of our Insurance Committee,
22 David Weprin, who will get 10 minutes.
23 ASSEMBLYMAN WEPRIN: Thank you,
24 Chair Paulin.

1 Thank you, Superintendent Harris. I
2 must say at the outset it's been a pleasure
3 working with you and your office and your
4 team this past year. It has been a very
5 productive year, including, as you mentioned,
6 the first Healthcare Guaranty Fund, joining
7 49 other states in doing that. And I know
8 that was a priority of both of us during the
9 session. And that, in my opinion, was a
10 major accomplishment.
11 And I hope the results are good, and
12 I'd like to hear about any particular
13 companies that may take advantage of it. But
14 I'll get into that in a little while.
15 First I'd like to talk about the
16 Physician's Excess Medical Malpractice
17 Program. How would the proposed changes to
18 the Physician's Excess Medical Malpractice
19 Program under HMH Part K impact the medical
20 malpractice insurance market in general?
21 DFS SUPERINTENDENT HARRIS: Thank you
22 so much, Chair Weprin. And it's been a
23 pleasure to work with you over this last year
24 as well.

1 We also saw that proposal in the
2 budget. My understanding is it is --
3 although it's med-mal, it is a DOH proposal,
4 and so I may defer to my colleagues from DOH
5 on discussing that proposal further.
6 ASSEMBLYMAN WEPRIN: Okay.
7 Commissioner McDonald, would you like to
8 address that, or someone on your team?
9 COMMISSIONER McDONALD: Yeah, no, I'll
10 address that. It's really moving from
11 two-year budgeting to one-year budgeting, is
12 my understanding, and just decreasing
13 eventually, over time, the reimbursement on
14 that. It's one of those things where it's
15 about trying to find savings in a challenging
16 budget year.
17 ASSEMBLYMAN WEPRIN: And you think
18 there will be significant savings?
19 COMMISSIONER McDONALD: Over time.
20 There will be, over time.
21 ASSEMBLYMAN WEPRIN: Okay.
22 Superintendent Harris, on -- in the
23 affordable housing discrimination area. As
24 you may know, I carry a bill, along with

1 Senator Kavanagh in the Senate, which would
2 prohibit discrimination against affordable
3 subsidized or Section 8 housing in any
4 underwriting or insurance policy decisions.
5 How would the proposed changes under
6 TED Part FF affect the premium rates of
7 affordable housing developments?
8 DFS SUPERINTENDENT HARRIS: Thank you,
9 Mr. Assemblymember. This proposal is really
10 about what we were hearing from affordable
11 housing owners and the discrimination that
12 they felt they were encountering in the
13 underwriting of insurance.
14 And so the Governor has taken the step
15 I think of following your lead in proposing
16 that we prohibit insurers from asking about
17 the existence of affordable or subsidized
18 housing in the underwriting or renewal of
19 these insurance policies.
20 So I think it's an important policy
21 decision to make sure we're rooting out any
22 unfair discrimination. We know that some
23 insurers were asking this question in their
24 underwriting, and many were not. We -- so we

1 will have to see the impact of this policy
2 decision on premiums as it rolls out, if
3 enacted.
4 ASSEMBLYMAN WEPRIN: Well, do you
5 think this proposal would inhibit any
6 underwriting of affordable housing
7 developments?
8 DFS SUPERINTENDENT HARRIS: Well, as
9 you know, sir, we cannot dictate what
10 insurers choose to underwrite and what they
11 don't underwrite. We can only require that
12 they don't engage in unfair discrimination.
13 So it may be that there are insurers
14 that decide if they cannot inquire about the
15 presence of affordable housing, that they
16 decide against underwriting some of these
17 buildings or providing insurance to some of
18 these buildings.
19 But in our collection of data from the
20 insurers, most of them were not asking this
21 question or inquiring about the presence of
22 affordable or subsidized housing.
23 But -- I can't say for sure what the
24 impact will be, but this is always a risk

1 that insurers will decide not to underwrite
2 these projects.
3 ASSEMBLYMAN WEPRIN: Okay. Getting
4 back to the Life Insurance Guaranty Fund tax
5 credit reform, how was the assessment offset
6 plan under TED Part LL developed? And which
7 entities were consulted in the process?
8 DFS SUPERINTENDENT HARRIS: So thank
9 you, Assemblymember. We consulted with all
10 stakeholders -- not just in the Executive,
11 including the Department of Tax, but with the
12 plans themselves and many others, including
13 legislators.
14 As you know, we were directed as part
15 of the creation of the Health Guaranty Fund
16 to figure out how to put not-for-profit
17 insurers on the same footing as for-profit
18 insurers, who already had a tax credit
19 available to them under the preexisting Life
20 Guaranty Fund.
21 To do so, we worked closely with the
22 Tax Department and others and have put
23 forward a proposal to the Legislature in time
24 for the January 15th due date that proposes

1 to reduce assessments for the Health Guaranty
2 Fund on not-for-profit insurers by 80
3 percent. And that would effectively put them
4 on par with for-profit insurers who receive
5 an existing tax credit for participation in
6 the fund.
7 ASSEMBLYMAN WEPRIN: Again, how does
8 the proposal differ from the current model of
9 how tax credits are issued to members of the
10 Life and Health Insurance Company Guaranty
11 Corporations?
12 DFS SUPERINTENDENT HARRIS: So it
13 actually just extends the credits to
14 not-for-profit insurers. Under the Life
15 Guaranty Fund, for-profit insurance companies
16 were entitled to a tax credit that existed
17 prior to our enactment of the Health Guaranty
18 Fund.
19 So with the Health Guaranty Fund in
20 the proposal that the Legislature required us
21 to put forward, that tax credit is extended
22 to insurers that are now part of the guaranty
23 fund that weren't before. And again, we took
24 this step as directed by the Legislature to

1 reduce assessments on not-for-profit insurers
2 80 percent, to put them on par with
3 for-profit insurers.
4 ASSEMBLYMAN WEPRIN: And how do you
5 think the proposal will impact overall the
6 state tax revenue receipts.
7 DFS SUPERINTENDENT HARRIS: Sir, I
8 think that question is probably best answered
9 by the Tax Department and DOB.
10 ASSEMBLYMAN WEPRIN: Okay. One of the
11 Governor's major proposals -- and I know
12 you're a supporter of it -- is the insulin
13 cost-sharing elimination or elimination of
14 copayments.
15 What is the anticipated effect of
16 eliminating cost sharing for insulin
17 prescriptions on health insurance premiums?
18 DFS SUPERINTENDENT HARRIS: Thank you,
19 sir. I think this is an incredibly important
20 proposal, especially as we talk about health
21 equity. As we know, communities of color are
22 disproportionately impacted by diabetes.
23 We expect the premium impact to be
24 minimal; .03 to .04 percent is our best

1 estimate. But we've seen from studies in
2 other states where this has been implemented
3 that taking the cost of insulin to zero cost
4 sharing increases medical compliance, reduces
5 the rate of complications from diabetes, and
6 can result in up to 18 percent in cost
7 savings overall.
8 ASSEMBLYMAN WEPRIN: How many other
9 states have proposed or enacted a
10 zero-cost-sharing proposal similar to the one
11 the Governor's proposing?
12 DFS SUPERINTENDENT HARRIS: So I can
13 come back to you with a precise number of the
14 other states. We looked at a couple of
15 states, and I think the most studied state in
16 this space is Louisiana.
17 ASSEMBLYMAN WEPRIN: So it's still a
18 small number of states?
19 DFS SUPERINTENDENT HARRIS: I'd have
20 to come back to you with a precise number of
21 how many states have done this, yes.
22 ASSEMBLYMAN WEPRIN: APG rate floor
23 for Office of Mental Health and OASAS
24 facilities. And again, this might be a

1 question for Commissioner McDonald. How does
2 the average commercial reimbursement rate for
3 OMH and OASAS facilities compare to the APG
4 rate?
5 DFS SUPERINTENDENT HARRIS: So, sir,
6 as you know, I like to be data-driven. And
7 so when we looked at the data around this
8 question and proposal, we found that in some
9 cases commercial insurers paid more than the
10 Medicaid reimbursement rate, and in some
11 cases they paid less.
12 But we thought it was important, the
13 Governor thought it was important to make
14 sure that everybody was paying at least the
15 Medicaid reimbursement rate. And so as I
16 said, in some cases it's more and in some
17 cases it's less, but putting this floor in
18 place assures that those who are paying less
19 can no longer do so.
20 ASSEMBLYMAN WEPRIN: And how many
21 facilities would be eligible for this rate
22 floor under the proposal?
23 DFS SUPERINTENDENT HARRIS: That's a
24 question best answered I think by OMH. I

1 know it's the state-authorized OMH and OASAS
2 facilities.
3 ASSEMBLYMAN WEPRIN: Okay. And now
4 time is going, but what -- on supplemental
5 spousal liability reform, how will insurers
6 implement that proposal? And will the
7 proposal apply to renewed policies as well?
8 DFS SUPERINTENDENT HARRIS: Yes, and I
9 will be mindful of time, so we can follow up
10 in writing. This is a proposal with which I
11 have some personal experience, having had to
12 decline supplemental spousal insurance as a
13 single woman.
14 But we will work with insurers very
15 closely to make sure that they are
16 implementing the new proposal within the
17 180 days of enactment, if it's enacted. And
18 happy to follow up separately in writing and
19 otherwise to fully answer your question, sir.
20 ASSEMBLYMAN WEPRIN: Okay. And
21 finally, will single insurers enrolled in
22 this coverage have to submit a -- I'll get
23 back to it on my three-minute rebuttal.
24 (Laughter.)

1 CHAIRWOMAN KRUEGER: Yes, we're very
2 serious about time limits here, so --
3 ASSEMBLYMAN WEPRIN: I see. I see.
4 CHAIRWOMAN KRUEGER: I'm sorry. I
5 just wanted to let people know that for those
6 of you who have seats sort of in front of the
7 top panel, when we call your name and you
8 need a microphone, just ask someone who's
9 near a microphone to give up their seat and
10 then give it back to them afterward. And
11 they will be very happy to be helpful with
12 that, because we've just already outgrown the
13 room.
14 So our next questioner is Pat
15 Gallivan, the ranker on Health.
16 SENATOR GALLIVAN: Thank you,
17 Madam Chair. Good morning to everybody on
18 the panel, and thanks for being here.
19 My first question is to Director
20 Bassiri. The Governor's budget proposes
21 $400 million in unallocated cuts in Medicaid.
22 I'm curious about a number of things. How
23 did the 400 -- where did the number
24 400 million come from when these cuts aren't

1 identified at all? And what ideas do you
2 have for cuts? I mean, are you able --
3 surely, if you came up with the number
4 400 million, you've got ideas of where cuts
5 should be made.
6 MEDICAID DIRECTOR BASSIRI: Thank you
7 for the question, Senator.
8 The number 400 is really specific to
9 being balanced in the Medicaid Global Cap.
10 We do have a statutory growth rate of
11 around -- this year it's 6.7 percent. We are
12 growing at almost 11 percent. And so many of
13 the reductions are to get us in line with
14 that statutory growth rate, the 400 being
15 included.
16 Two hundred of the 400 is specific to
17 long-term care. The other 200 is general.
18 We don't have any predetermined savings
19 proposals. I think that's something that we
20 would work collaboratively with the
21 Legislature to identify. But we do take our
22 stewardship in the program very seriously and
23 want to live within the resources we've been
24 allotted, which we are currently not doing.

1 So we don't have any specifics to
2 share at this time, but we certainly look
3 forward to working with the Legislature
4 through the budget process.
5 SENATOR GALLIVAN: And you anticipate
6 all of that to be identified before the
7 April 1st budget's adopted.
8 MEDICAID DIRECTOR BASSIRI: I do.
9 SENATOR GALLIVAN: Thank you.
10 Dr. McDonald, you testified briefly
11 about the opioid epidemic. And it is an
12 epidemic. Each year we talk about it, and we
13 come back the following year and there's more
14 people that have died as a result.
15 Do you happen to know, as far as the
16 deaths that are taking place across the
17 state, are these overdoses caused by legally
18 possessed drugs or have they come into the
19 hands of these people illegally? And what I
20 mean, legally, like a prescription.
21 COMMISSIONER McDONALD: Yeah, I really
22 appreciate your interest in this.
23 You know, it's really shifted, hasn't
24 it? You know, I've been dealing with the

1 overdose epidemic for well over a decade
2 here. You know, it's interesting how it used
3 to be prescription drugs were really the way
4 that just killed people. But it's
5 interesting, in 2013 when you saw fentanyl
6 really take over, and fentanyl analogs come
7 in, you really saw this shift. And really
8 it's fentanyl, but it's the illicitly
9 obtained fentanyl.
10 You know, it's interesting, you do see
11 fentanyl as a legal drug. Certainly if you
12 have a colonoscopy or something like that,
13 you get fentanyl from your doctor. But it's
14 the illegally imported fentanyl that's really
15 driving the deaths in New York and every
16 other state across the country. And so
17 really it's the illicit drugs that are
18 causing the majority of the deaths.
19 SENATOR GALLIVAN: So what do we do
20 about it?
21 COMMISSIONER McDONALD: You know, so
22 there's a lot that we can do. You know, I
23 think of it as a supply problem and a demand
24 problem.

1 As far as a supply problem, there's
2 not a whole lot the Department of Health can
3 do. It's coming into the country, there's
4 other places and people who can help mitigate
5 the supply into the country.
6 From a demand problem, we do intend to
7 reduce the risk. If some are getting a
8 prescription opioid, we want responsible
9 prescribing. We're doing a lot in this
10 budget to increase access to buprenorphine.
11 You know, it's interesting, the federal
12 government moved in a direction to allow
13 people to get a three-day supply of
14 buprenorphine. We're having an amendment in
15 our budget so we can do that in New York as
16 well.
17 You know, so if you go to the
18 emergency department and you're interested in
19 getting treatment, you'd get buprenorphine.
20 I think it's a nice, tangible change.
21 We're doing other things to make
22 buprenorphine more widely available as well.
23 We do that through telemedicine. I love the
24 MATTERS program. We're doing some other

1 things as far as make sure there's more peer
2 recovery coaches out there, doing things like
3 that. And of course with more naloxone.
4 It really gets, though, to one of the
5 other issues that I've talked about in my
6 testimony, though. It's not just fentanyl.
7 Xylazine is real, it's a real big issue. And
8 I think getting that on the controlled
9 substance list would help a lot, so at least
10 we can educate people about preventing that
11 from being more of a problem than it is.
12 Thank you.
13 SENATOR GALLIVAN: Thank you.
14 Doctor -- or director, I don't know
15 who'd be the most appropriate to answer the
16 question very quickly, because of the time.
17 The proposed budget calls for the
18 elimination of the Quality Incentive Program
19 and its funding. It seems to me that's been
20 a successful program. Why would we get rid
21 of it?
22 MEDICAID DIRECTOR BASSIRI: It
23 certainly -- you know, the department
24 certainly prioritizes quality. This is not a

1 cut that we're necessarily proud of. But in
2 a tough budget year, we wanted to preserve
3 services and avoid cuts that would impact
4 members directly. So we are exploring other
5 ways to mitigate that through the 1115
6 waiver. But yeah, it's a tough cut.
7 SENATOR GALLIVAN: Thank you.
8 CHAIRWOMAN KRUEGER: Thank you.
9 Before I hand it back to the Assembly,
10 we've also been joined by Senator Gounardes
11 and Senator Mannion. Thank you.
12 ASSEMBLYWOMAN PAULIN: And on the
13 Assembly side, we've been joined by
14 Assemblymember Jenifer Rajkumar.
15 Next on the Assembly list of
16 questioners, Assemblymember Ed Ra, for
17 five minutes.
18 ASSEMBLYMAN RA: Thank you.
19 Good morning. Thank you all for your
20 testimony.
21 So, Commissioner McDonald, just to
22 start, you know, we obviously have a managed
23 care procurement provision in this budget. I
24 know that this report was just released

1 yesterday afternoon, which is, you know,
2 disappointing because we have a proposal in
3 this budget, it -- the report's dated
4 October 2023, so a few months ago. Why was
5 this dropped at the 11th hour the day before
6 the budget hearing? That is something that I
7 expected from prior administrations within
8 your department. But it's disappointing to
9 see that happen so that the Legislature
10 didn't have a chance to review prior to
11 today's hearing.
12 COMMISSIONER McDONALD: I'm sorry
13 about that. I'll just own it. How's that?
14 I mean, I'd just say we are trying the best
15 we can to get reports out as quickly as
16 possible and to get them on time. I want
17 things to come to you on time. It's
18 something that I think it's just harder than
19 I imagined it would be. But we'll do what we
20 can to get them. You know, there's a couple
21 of dozen reports we had to get out this year.
22 I'm sorry about the ones that were late.
23 ASSEMBLYMAN RA: So there's an
24 estimated $300 million total Medicaid savings

1 related to managed care from this procurement
2 proposal. Can you elaborate on how you
3 believe that this proposal would achieve
4 those savings?
5 COMMISSIONER McDONALD: Let me have
6 Director Bassiri address that, please.
7 MEDICAID DIRECTOR BASSIRI: Yes.
8 thank you for the question, Assemblymember.
9 We are currently assuming a percentage
10 of administrative efficiency that would be
11 able to be achieved through the managed care
12 procurement, which is on -- across all lines
13 of business with the exception of HIV SNPs
14 plans. So it's an assumption on
15 administrative efficiency that we would
16 garner from going through the competitive
17 process and identifying plans that had
18 brought broader networks and we would be able
19 to spread some of their fixed infrastructure
20 across the state.
21 ASSEMBLYMAN RA: And does the
22 procurement proposal and the elimination of
23 Quality Incentive funding run counter to the
24 work DOH expects the plans to do as part of

1 the recently approved 1115 waiver to improve
2 health equity, to eliminate disparities and
3 address social determinants of health?
4 MEDICAID DIRECTOR BASSIRI: I would
5 say that it shifts some of the quality
6 incentives and priorities that we currently
7 have towards the goals of the 1115 waiver,
8 which are centered around health-related
9 social needs and connecting members to the
10 social care supports that they need.
11 So it's really a shift because the
12 current Quality Incentive programs are
13 focused on medical and clinical outcomes. So
14 we're sort of reprioritizing our quality
15 incentives.
16 ASSEMBLYMAN RA: I have --
17 Commissioner McDonald, I have a totally
18 separate issue. But I don't know if you
19 happened to see this, but there was an op-ed
20 yesterday in Newsday about I guess illegal
21 vaping products coming from China, in
22 particular ones that are geared towards
23 children. I know this has been an area of
24 focus, you know, both for the administration

1 and the department over the last few years.
2 I was wondering if you can tell us
3 anything that's going on within the
4 department to address that issue and crack
5 down on these illegal products.
6 COMMISSIONER McDONALD: Yeah. You
7 know, I'm concerned about children, just
8 period. And I'm very concerned when children
9 participate in vaping. We don't need
10 children addicted to any substance.
11 You know, you can expect the
12 department to be deploying some funds from
13 last year, some from the JUUL settlement,
14 some from you, a little over $7.5 million
15 towards the campaign we're doing to address
16 this.
17 You know, I think really one of the
18 big issues we have to face is that this stuff
19 is far too accessible. You know? And really
20 just one of those things we have to look at
21 is how do we make this less accessible to
22 children. You know, the age here is 21, but
23 there's too many kids who are getting access
24 to this.

1 ASSEMBLYMAN RA: Thank you. I think
2 that's all I have. Thank you very much,
3 Madam Chair.
4 ASSEMBLYWOMAN PAULIN: Okay, you're
5 next.
6 CHAIRWOMAN KRUEGER: All right. You
7 don't get those extra seconds, I'm sorry.
8 Our next is the ranker on Insurance,
9 Senator Helming.
10 SENATOR HELMING: Thank you,
11 Senator Krueger.
12 Thank you, Commissioner, for your
13 testimony. Superintendent, it's always great
14 to hear from you.
15 As you all know -- I'm not saying
16 anything that you don't know, probably even
17 better than I do -- but our hospitals, our
18 nursing homes, our FQHCs, they're in crisis.
19 They're struggling. We talked about the
20 workforce issue, we talked about funding
21 issues. And I just want to make it very
22 abundantly clear that they need our support
23 right now. They don't need more cuts,
24 especially to funding.

1 I wanted to talk real quick about
2 FQHCs. In my district what's happening,
3 because the funding reimbursement rates
4 aren't keeping up, is I'm seeing closures,
5 cuts to service, cuts to hours. I don't
6 know, Commissioner, if you saw the Urban
7 Institute's recent study that they did
8 that -- it showed that costs for FQHCs are
9 44 percent higher than the maximum allowable
10 Medicaid rate.
11 This is unsustainable. And again,
12 it's driving those changes to operations,
13 which in my rural communities is a real
14 detriment. There aren't primary care
15 individual single providers who are
16 available. We count on these centers.
17 So we need to invest in our providers.
18 And one of the things that we can do -- I did
19 notice in the budget that the Governor
20 proposes expanding billable providers to
21 certain entities. Those providers being --
22 whether it's substance use counselors,
23 doulas, we've talked a lot about, et cetera.
24 But it doesn't expand that billing option to

1 our FQHCs. Why not?
2 COMMISSIONER McDONALD: Yeah, I like
3 FQHCs a lot. You know, there's a lot in the
4 budget to improve funding through the 1115 to
5 patients that are medical home. So that will
6 help those that participate, which is
7 probably most.
8 I really do think the workforce issues
9 are real. I've talked to a lot of federally
10 qualified health centers. They'd love to
11 have medical assistants to give vaccines.
12 They'd love to be able to hire more doctors.
13 I think the licensure compacts are more
14 important than ever, because they can't find
15 staff.
16 And the dental work -- oh, my gosh.
17 They can't get dentists.
18 SENATOR HELMING: Can you just address
19 the issue about why -- my question, why not
20 expand the FQHCs' ability to bill for doulas,
21 substance abuse providers, and similar so
22 that they can continue to provide those
23 services?
24 COMMISSIONER McDONALD: So I don't

1 know specifically that they're prohibited.
2 I'll have to take that back and get -- more
3 likely the coverage is for the patient,
4 through the Essential Plan. Like, I mean,
5 one of the things we have in the budget this
6 year is a standing order so everybody can
7 have access to a doula who's having a baby.
8 That would apply to anybody.
9 And I don't know that there's actually
10 a prohibition --
11 SENATOR HELMING: If you would just
12 look into that, the billable ability and get
13 back to me, I'd appreciate that.
14 COMMISSIONER McDONALD: Sure.
15 SENATOR HELMING: I also wanted to get
16 back -- Commissioner, I believe it was you
17 who said that, on the question the
18 Assemblyman asked about excess medical
19 malpractice, that we're really -- the state
20 is looking at finding savings.
21 You know what? From my perspective,
22 we need to balance that out, right?
23 Physicians are already paying more in this
24 state than -- I think I read 68 percent --

1 New York has the highest cumulative medical
2 liability payments of any other state,
3 68 percent more than the second-highest state
4 of Pennsylvania.
5 So again, when we talk about the state
6 is looking at trying to find savings, and
7 that's why the proposal in Part K of the
8 Governor's budget is what it is, can you just
9 tell me is that going to incentivize
10 physicians to come here to work here? We
11 already have the highest taxes in the nation,
12 it's one of the highest-taxed states. Now
13 we're going to continue to drive up the cost
14 of medical malpractice liability.
15 How does that encourage or incentivize
16 physicians to come here and want to work and
17 live here, especially in my rural communities
18 where we desperately need them?
19 COMMISSIONER McDONALD: Yeah, we do
20 need physicians, and I think there's a lot of
21 incentives to come to New York, not --
22 obviously this isn't one of them. I think
23 one of the things, to just put it in mind for
24 everybody, is this is a challenging budget

1 year. There's been a lot of difficult
2 choices that have been made. I will be
3 really transparent with folks. Like there
4 were a lot of difficult choices that had to
5 be looked at. And quite frankly, it's about
6 how do we have a sustainable path forward.
7 We need stewardship for this year and next
8 and the subsequent years. So decisions --
9 SENATOR HELMING: Making it more
10 difficult for physicians to practice in
11 New York State is not the answer.
12 COMMISSIONER McDONALD: Thank you.
13 SENATOR HELMING: I am on the yellow
14 warning light already. I wanted to touch
15 on -- there are a lot of great things in the
16 budget, the expansion of scope of practice,
17 et cetera.
18 I did want to touch on emergency
19 services, especially in rural areas. A
20 couple of years ago we formed the Rural
21 Ambulance Task Force. The report was due
22 back to the Legislature in December. My
23 question to you is, was that report ever done
24 and completed and submitted to the

1 Legislature?
2 And, two, the recommendations in the
3 budget, are they based on the recommendations
4 of the task force?
5 COMMISSIONER McDONALD: So it's --
6 I'll check on the report.
7 We don't have a lot of time, but
8 there's a lot of nice things in there for
9 emergency medical services. They definitely
10 came out of stakeholder input. And I think
11 we have a nice path forward with emergency
12 medical services.
13 SENATOR HELMING: Did the task force
14 meet and provide recommendations?
15 COMMISSIONER McDONALD: I'll have to
16 get back to you. As far as I know, they did.
17 But I'll get back to you.
18 SENATOR HELMING: I asked that same
19 question last year, too, how many meetings
20 and --
21 COMMISSIONER McDONALD: As far as I
22 know, they did. You know, it -- this was
23 built on task force recommendations as far as
24 I know. But I'll get back to you to be

1 certain.

2 CHAIRWOMAN KRUEGER: {Mic off} --

3 Assemblymembers and the Senators who are

4 walking in.

5 And Assembly.

6 ASSEMBLYWOMAN PAULIN: First, we've

7 been joined by Assemblymembers Jacobson,

8 Reyes, and Dilan.

9 And the next Assembly questioner is

10 the ranker on Health, Josh Jensen.

11 ASSEMBLYMAN JENSEN: Thank you very

12 much, Chairwoman.

13 Commissioner, in the 2023 enacted

14 budget there was $187 million allocated to

15 support nursing homes to comply with the

16 mandated staffing ratios. That funding was

17 never released. Simultaneously, DOH is now

18 starting to penalize nursing homes for their

19 failure to comply with these same mandates.

20 Is there a plan from DOH to allocate

21 that funding at some point? And what is DOH

22 going to do to assist the long-term-care

23 facilities to comply with the mandates,

24 especially in areas of the state where there

1 is a labor shortage?
2 COMMISSIONER McDONALD: Yes. So we
3 are enforcing the state staffing law. There
4 are regulations; we are enforcing that.
5 Some of those cases are walking
6 through the regulatory process right now, and
7 of course I can't get into that.
8 Having said that, as far as the money
9 goes, it -- as far as I know, it's been
10 allocated and some of it's actually been
11 spent, but not all of it's been spent. So
12 there is a path forward for that.
13 ASSEMBLYMAN JENSEN: Okay. So some of
14 that 187 million is starting to go out the
15 door, or --
16 COMMISSIONER McDONALD: Yes.
17 ASSEMBLYMAN JENSEN: Okay.
18 COMMISSIONER McDONALD: And as far as
19 the staffing shortage goes, well aware of
20 that. You know, I couldn't agree more,
21 there's a real problem with staffing,
22 particularly in the western and northern --
23 you know, your part of the state, quite
24 frankly. It's very acute up there.

1 ASSEMBLYMAN JENSEN: Hence -- hence my
2 question for it.
3 This transition to assisted living,
4 the Governor's budget proposal eliminates the
5 EQUAL Program. It's only a $6 million
6 program, and the money's directed for
7 resident councils for facility improvements.
8 Can you explain the thought process for why
9 we're eliminating the small amount of funding
10 for assisted living that's already suffering
11 from some underfunding.
12 COMMISSIONER McDONALD: The thought
13 process is we had a lot of difficult choices
14 this year and a lot of difficult decisions.
15 We had to find a lot of savings.
16 Medicaid's growing really rapidly. A
17 lot of things are growing really rapidly.
18 It's crowding out other things. So we had a
19 lot of difficult decisions to make.
20 Regrettably, this was one of them.
21 ASSEMBLYMAN JENSEN: Transitioning
22 to -- and I know Senator Helming brought this
23 up, but in relation to dental care. Why are
24 we seeing reimbursement rates for dental care

1 not match the same reimbursement -- and I
2 guess this is for Director Bassiri. Why are
3 we not seeing the Medicaid reimbursement
4 rates for dental care match the same level of
5 increases or commitment that we're seeing
6 across other healthcare areas?
7 MEDICAID DIRECTOR BASSIRI: Well, we
8 are increasing dental rates. Governor Hochul
9 put in and instituted an across-the-board
10 increase, the 1 percent which compounds year
11 after year. And that does apply to dental
12 rates as well as every other rate.
13 I do think we have a supply challenge
14 on the dental side, and we have spoken to
15 other state Medicaid programs who similarly
16 struggle with this issue. And we've been
17 told resoundingly that increasing rates will
18 not single-handedly solve this problem.
19 And so what you'll see in this budget
20 that Commissioner McDonald and others will
21 speak to is around a multipronged strategy
22 that includes scope of practice changes as
23 well as investments in the 1115 waiver
24 specifically to get more dentists into the

1 Medicaid program.
2 ASSEMBLYMAN JENSEN: In the financial
3 plan, the Medicaid budget -- I guess for you
4 again, Dr. Bassiri -- the Medicaid budget is
5 expected to exceed the Medicaid Global Cap
6 starting in fiscal year '26.
7 If the Medicaid budget continues to
8 threaten the global cap, is there a plan to
9 address the financial health of the Medicaid
10 program to ensure that we stay under the goal
11 of the cap moving forward?
12 MEDICAID DIRECTOR BASSIRI:
13 Absolutely. Each year we go through that
14 process, including right now, which is why,
15 you know, there are some difficult choices,
16 as Commissioner McDonald said. And specific
17 to the Medicaid program, there are some
18 concerning trends that suggest we will
19 continue to spend over the statutory growth
20 rates absent any change. And that is why we
21 have some hard choices that we'll have to
22 work through over the next couple of months.
23 ASSEMBLYMAN JENSEN: In the Executive
24 Budget there's a mention of a high enrollment

1 and lower-than-expected disenrollment, based
2 on the public health emergency unwind as it
3 contributes to Medicaid funding.
4 What are the reasons for the
5 discrepancy between the disenrollment
6 projections and the actual disenrollment
7 numbers?
8 MEDICAID DIRECTOR BASSIRI: So there's
9 a few reasons. The good news is that we've
10 done a really good job of retaining coverage
11 through the unwind process, the 14-month
12 unwind process. And part of that is due to
13 the federal flexibility we've received around
14 ex parte and multiple modalities and giving
15 people multiple opportunities to come back
16 for their renewal process.
17 When we did our initial projections,
18 some of those flexibilities were not in
19 place, and so our projections were slightly
20 off. But month over month that compounds,
21 which is why we see more people staying on
22 the books than anticipated.
23 ASSEMBLYMAN JENSEN: Thank you both.
24 CHAIRWOMAN KRUEGER: Thank you.

1 Senator Hinchey.
2 SENATOR HINCHEY: Thank you very much.
3 And thank you all for being here.
4 My questions are for the commissioner.
5 In the Executive's Briefing Book this
6 year it states that currently 75 of 261 of
7 New York's hospitals are financially
8 distressed, with that number increasing.
9 The Executive Budget also acknowledges
10 that there's an unmet need between $1 billion
11 and $1.5 billion for financially distressed
12 hospitals. And most of these 75 facilities
13 are not eligible to participate in the
14 1115 waiver funding for financially
15 distressed hospitals, which is limited to a
16 small subset of hospitals currently.
17 Under the financial picture presented
18 in the Budget Briefing Book, will there be
19 any resources available for hospitals that
20 are on the verge of becoming financially
21 distressed that are -- that need funding to
22 be able to operate for fiscal year '25?
23 COMMISSIONER McDONALD: Yeah, let me
24 address that first and Amir can add if we

1 want to.

2 You know, we do have $984 million. We

3 obviously want our hospitals to survive and

4 do well. We're concerned about our

5 hospitals. I'm very familiar with the data

6 you're quoting, of course. And so it's one

7 of those things where we have a process,

8 there's multiple tools we have, and, you

9 know, we can -- there's $984 million. That

10 will go quite a ways.

11 SENATOR HINCHEY: Right. But we know

12 that there's more -- all of that funding

13 right now is allocated effectively for the

14 six hospitals that receive it, and there are

15 significantly more hospitals that are either

16 -- that are on the brink that do not qualify

17 right now today, but will qualify or would

18 qualify in the future, let alone '25.

19 What's the plan?

20 MEDICAID DIRECTOR BASSIRI: So if you

21 don't mind, I can go back to the first

22 question. You said there -- the 1115 waiver

23 does not include hospitals in the 75. It

24 actually does.

1 One of the criteria is that they have
2 to have been in receipt of one of our state
3 subsidy programs, the Vital Access Provider
4 Assurance Program, VAPAP, we call it for
5 short. And we generally monitor case-by-case
6 issues with all hospitals on an ongoing
7 basis. To the extent they are coming into
8 financial distress, we will know that in
9 advance.
10 Our payment programs, some of them are
11 specific to eligibility, whether they meet a
12 level of need or Medicaid and uninsured payer
13 mix. We do have the VAPAP program to address
14 one-time and emerging needs, and we continue
15 to do that.
16 SENATOR HINCHEY: Which needs more
17 funding. I mean, we're in this situation
18 right now with a hospital in my district and
19 the VAPAP funding is not there for it and
20 they don't technically qualify for distressed
21 hospitals today, but they will. And we're
22 seeing that the amount of funding that is
23 allocated today does not cover the need
24 that's there.

1 So we can follow up with you
2 separately; I have 25 seconds left. But I
3 think there's an acknowledgment that they're
4 going to need more support.
5 On December 6, the Governor announced
6 $3.5 million for mental health services, and
7 we actually are fighting to get our mental
8 health beds back. And notably, within the
9 13 new clinics across the state, the
10 Mid-Hudson Valley was not included in that
11 list.
12 So on the same day that we're having
13 discussions with the Executive's office on
14 bringing back mental health beds with an
15 acknowledgment -- I'm just -- I'll get this
16 in writing, of course. But when we are
17 fighting for mental health beds and an
18 announcement comes out for funding, ours not
19 included --
20 CHAIRWOMAN KRUEGER: I'm sorry,
21 Michelle, you're out of time.
22 SENATOR HINCHEY: -- what's that
23 reason? I'll look for it in writing.
24 CHAIRWOMAN KRUEGER: You can follow up

1 with them afterwards.
2 And I'm sure we'd all love to know the
3 answers, so if you wouldn't mind, put them in
4 writing in some long list of questions you
5 will have to respond to after the hearing.
6 Thank you.
7 SENATOR HINCHEY: Thank you.
8 ASSEMBLYWOMAN PAULIN: Assemblymember
9 Michaelle Solages.
10 ASSEMBLYWOMAN SOLAGES: Thank you for
11 being here.
12 You know, I see a series of funding
13 cuts to public health programs such as cancer
14 services, Warren Disease Institute,
15 Nurse-Family Partnerships, the Medicaid
16 managed care pools, quality pools, which is
17 an evidence-based program. I'm just really
18 worried. What is the thought process behind
19 this? And how are these impacts going to
20 affect health equity here in New York State?
21 COMMISSIONER McDONALD: Yes, so I
22 really want to preserve health equity. And
23 what I'm really trying to do is provide the
24 best resources to everybody with the best

1 outcomes.
2 The thought process is we had to find
3 savings. We tried to find savings that
4 weren't going to have as much impact as
5 others would. When you look at where our
6 money is going, it's going to hospitals, it's
7 going to Medicaid. That's where the vast
8 majority of our money is going. We're trying
9 our best to help patients that are medical
10 home. We're doing a lot.
11 We don't want to cut any public health
12 programs, but we had to make some smaller
13 cuts in some of these programs. It's
14 painful, but that's where we had to go.
15 ASSEMBLYWOMAN SOLAGES: Some of these
16 programs, like Nurse-Family Partnerships,
17 really goes at the root of the problem,
18 making sure that mothers have access to
19 high-quality needs programs. So I think we
20 should really think about how we should
21 invest into these programs versus cuts.
22 COMMISSIONER McDONALD: Love to work
23 with you as we go through the budget process.
24 ASSEMBLYWOMAN SOLAGES: So next I want

1 to go back to the conversation about
2 electronic cigarettes and cigarette devices
3 and vaping.
4 So we see these devices getting in the
5 hands of our young people. And I want to
6 know, what is the response? What are we
7 doing in respect with law enforcement, you
8 know, using our governmental powers to ensure
9 that these products are not getting into the
10 hands of youth and others?
11 COMMISSIONER McDONALD: Local health
12 departments are doing what they can to work
13 on enforcement of this. We're going to be
14 doing advertising and messaging with this.
15 It's really an issue much larger than us,
16 though, right? Like why do kids have access
17 to this? Why are people selling this to
18 people when they shouldn't be? Because kids
19 are kids, you know. But why are people
20 selling this? Shouldn't they understand that
21 they have a consciousness not to do this? So
22 we have a lot of work to do in this space.
23 ASSEMBLYWOMAN SOLAGES: Can we -- can
24 we go back -- go after the bad actors? We

1 see a lot of these convenience stores selling
2 these products to young people. Isn't there
3 anything that DFS can do to go after these
4 actors?
5 DFS SUPERINTENDENT HARRIS: Happy
6 to work with you on any proposals you might
7 have to put forward.
8 In terms of the convenience stores or
9 others, that would certainly be outside of
10 DFS's purview.
11 ASSEMBLYWOMAN SOLAGES: Okay. Is
12 there any ideas? I mean, like you have an
13 educational campaign, but what does that
14 entail?
15 COMMISSIONER McDONALD: So, you know,
16 a lot of it is speaking to people at their --
17 you know, we do focus groups, understand what
18 people want to hear, find messaging that
19 works. We've had a lot of success with
20 tobacco in the past. So it's finding the
21 right message and getting it in the right
22 medium. So a lot of it is that, is
23 persuading people.
24 But a lot of it is to get to the hands

1 of enforcement, enforcing what we can do.
2 You know, and a lot of this is left to local
3 law enforcement and local health departments,
4 and they're doing the very best they can.
5 ASSEMBLYWOMAN SOLAGES: Are we
6 collaborating with those local law
7 enforcements?
8 COMMISSIONER McDONALD: Local health
9 departments are collaborating with local law
10 enforcement to the extent they're able.
11 ASSEMBLYWOMAN SOLAGES: Okay. Thank
12 you.
13 COMMISSIONER McDONALD: Sure.
14 CHAIRWOMAN KRUEGER: Thank you.
15 Next is Senator May. (Pause.) She
16 did say she would have to run quick. We'll
17 put her back on the list for later.
18 Senator Ashby.
19 SENATOR ASHBY: Thank you,
20 Madam Chair.
21 Thank you for being here.
22 Commissioner McDonald, given the
23 Governor's focus and your focus on maternal
24 and infant health, I have some questions. I

1 want to talk about the Burdett Birth Center.
2 Trinity Health has submitted a closure
3 plan to your office for the Burdett Birthing
4 Center, due to the fact that Trinity began
5 acting on the closure plan prior to approval,
6 requiring your office to offer a
7 cease-and-desist warning, and considering the
8 Save Burdett Birth Center Coalition uncovered
9 falsehoods contained within the closure plan.
10 Do you believe that your office should
11 commence a full review rather than a partial
12 review?
13 COMMISSIONER McDONALD: Yeah, I really
14 appreciate what you're asking. And I'm
15 obviously very aware of what's going on in
16 this area.
17 By the way, I get emails every single
18 day about Burdett.
19 SENATOR ASHBY: Me too.
20 COMMISSIONER McDONALD: Just so people
21 know, I read their emails. Every single day
22 I get many, and just be aware, I read every
23 one of them.
24 I can't talk about this as much as I'd

1 want to, because this really is firmly in the
2 regulatory process right now.
3 I think one thing I would say, though,
4 just to every hospital out there, is it's
5 very important not to get ahead of the
6 department. It's very important for
7 hospitals, if they have an idea they want to
8 close something, to go ahead through the
9 process but not get ahead of the department.
10 And you shouldn't assume what the
11 department's going to do. What you should do
12 is go through the closure process, do the
13 health equity impact assessment. But very
14 important just to not get ahead of the
15 department.
16 SENATOR ASHBY: Given the fact that
17 they have, wouldn't that warrant a full
18 review now?
19 COMMISSIONER McDONALD: I really don't
20 want to get too much into Burdett. I really
21 hear what you're saying. I appreciate what
22 you're saying. I think it's very important
23 for me to preserve the regulatory process.
24 So I hear what you're saying, understand what

1 you're saying, but I think we have to just
2 leave Burdett to the side for a minute.
3 SENATOR ASHBY: Do you believe that
4 the closure would negatively impact the
5 health of mothers and newborns?
6 COMMISSIONER McDONALD: Yeah, I don't
7 want to answer it about Burdett. But I am
8 concerned about maternity deserts in
9 New York.
10 And I'll just throw this for
11 consideration. We do have two maternity
12 deserts in New York. One's in Hamilton
13 County and another one's in Seneca County. I
14 don't want to see more maternity deserts. Or
15 just from a large-scale issue, I think it's
16 important we understand that hospitals have
17 certain direct patient care functions.
18 I think maternal care is really
19 important. People should be able to go to a
20 hospital and have a baby. But I can't speak
21 specifically to an active regulatory issue
22 right now.
23 SENATOR ASHBY: I appreciate that.
24 This is a question for yourself or

1 Director Bassiri. Given the cuts that we're
2 looking at in Medicaid towards long-term
3 care, has DOH estimated how many nursing
4 homes may close because of this, or limit
5 their beds? I mean, we're talking about
6 hundreds of millions of dollars in cuts.
7 MEDICAID DIRECTOR BASSIRI: So I
8 think -- thank you for that question,
9 Senator. I think you're referring to the two
10 nursing home actions, one being on the
11 capital reduction. We don't anticipate any
12 nursing homes closing as a result of that
13 action. It's building on something we'd done
14 a couple of years ago -- certainly not ideal,
15 but don't anticipate closures as a result of
16 that.
17 The other is actually unallocated
18 funding. I wouldn't frame it as a cut per
19 se. It's funding we have not allocated over
20 the past two years for financially distressed
21 nursing homes.
22 SENATOR ASHBY: Thank you.
23 CHAIRWOMAN KRUEGER: Thank you.
24 Just to remind members who might have

1 come in before -- or later than when I gave
2 my lecture in the beginning, that clock is
3 for your questions plus the answers. So some
4 people go on longer. So I'm just letting
5 everyone know, again, look at that clock and
6 that's for you and also for the responder.
7 And if they don't have enough time to
8 answer, we're asking them to put the answer
9 in writing and get them to the chairs, and we
10 will make sure all members get the answers.
11 Thank you.
12 Next, Assembly.
13 ASSEMBLYWOMAN PAULIN: Yes, thank you.
14 First, we've been joined by
15 Assemblymembers Forrest and -- and Hunter.
16 Thank you.
17 Our next Assembly speaker is Ken
18 Blankenbush, ranker of Insurance.
19 ASSEMBLYMAN BLANKENBUSH: Thank you.
20 Welcome, Superintendent. It's good
21 seeing you again. And I again, with
22 David Weprin, appreciated you showing up at
23 our Insurance Committee meeting. Hope we can
24 do that again this year.

1 I have a follow-up on the ownership of
2 affordable housing and insurance. In
3 November of 2022, DFS released a report on
4 affordable housing and insurance. Since that
5 report has come out, have you received any
6 types of complaints or any feedback to your
7 agency related to the affordable housing and
8 insurance?
9 DFS SUPERINTENDENT HARRIS: Yes, sir,
10 we engaged quite a bit with housing advocates
11 on the issue.
12 ASSEMBLYMAN BLANKENBUSH: And has the
13 department identified any patterns or
14 practices that reflect misconduct by
15 insurers?
16 DFS SUPERINTENDENT HARRIS: Sir, we
17 did an initial data call to insurers and got
18 quite a robust response.
19 Many of the insurers indicated that
20 they don't ask about the presence of
21 affordable or subsidized housing as part of
22 their underwriting. Some indicated that they
23 do ask that question but that it doesn't
24 necessarily impact their underwriting.

1 So that was just an initial data call
2 that we did after the report was issued.
3 ASSEMBLYMAN BLANKENBUSH: So the
4 response by some insurance companies, even
5 though they ask the question, it doesn't
6 reflect their underwriting decisions?
7 DFS SUPERINTENDENT HARRIS: It doesn't
8 reflect their underwriting, yes, sir.
9 ASSEMBLYMAN BLANKENBUSH: But some do?
10 DFS SUPERINTENDENT HARRIS: But --
11 some ask the question, but it doesn't
12 necessarily result in them not issuing
13 insurance to the -- it does not -- I should
14 say it does not result in them not issuing
15 insurance to the property.
16 ASSEMBLYMAN BLANKENBUSH: What kind of
17 enforcement -- what kind of enforcement
18 mechanism or oversight is going to be put in
19 place to oversee this?
20 DFS SUPERINTENDENT HARRIS: So if this
21 proposal is enacted, of course, we will
22 examine accordingly to make sure insurers are
23 not using this factor in underwriting.
24 And every time we go in to examine a

1 company or our experts go in and look at the
2 books, interview executives, if we find that
3 they are improperly using this, we won't
4 hesitate to bring supervisory or enforcement
5 action.
6 ASSEMBLYMAN BLANKENBUSH: Penalties?
7 DFS SUPERINTENDENT HARRIS:
8 Potentially, yes, sir.
9 ASSEMBLYMAN BLANKENBUSH: And who sets
10 those penalties? DFS or --
11 DFS SUPERINTENDENT HARRIS: Sometimes
12 they are set by the Legislature and in
13 statute; sometimes they are administratively
14 set.
15 ASSEMBLYMAN BLANKENBUSH: Because I've
16 been in the insurance business most of my
17 adult life -- retired now, but -- so no
18 outside income -- so I -- my question, over
19 the years I've had discussions with
20 underwriters, I guess you could call them
21 discussions. I thought -- I thought
22 particular -- particular businesses or
23 property was a good fit for the company, and
24 the company underwriter sometimes has

1 disagreed with me, and so forth.
2 But -- and over the years that I've
3 worked on this, I've had companies that would
4 pull out of certain markets because it was a
5 loss ratio for them.
6 And sitting here looking at this, I
7 can't imagine them not having an effect on
8 the availability and the affordability of
9 insurance. I think that your answer just a
10 little while ago is that you don't think
11 that's going to be the case? Or --
12 DFS SUPERINTENDENT HARRIS: Sir, it's
13 just -- it's hard for us to know. Of course
14 We can't tell insurers, to your point, who to
15 underwrite and who not. We can only tell
16 them what factors may be unfairly
17 discriminatory and that they're not permitted
18 to engage in discriminatory conduct. But of
19 course a business will make its own
20 determination, as you noted, as to who to
21 underwrite and who not.
22 So whenever we prohibit a factor in
23 underwriting it, it is a risk.
24 ASSEMBLYMAN BLANKENBUSH: I want to

1 also follow up on the supplemental insurance
2 question.
3 The reason, the major reason I voted
4 no on this bill was the opt-out rather than
5 the opt-in. So my understanding now is if I
6 was still in business and I was writing a
7 piece of property or life insurance, or
8 automobile insurance, if I asked the question
9 are you married, you're automatically in.
10 Now, so how do you get out? Could you
11 do it at that same time when you're writing
12 the -- when you're writing the application,
13 could the insurance agent submit a piece of
14 paper or something opting out at the same
15 time that he submits for new business?
16 DFS SUPERINTENDENT HARRIS: So I'm
17 cognizant of time on the clock, so we can
18 follow up in writing. But there will be the
19 same declination form for people to opt out
20 if they are defaulted in.
21 ASSEMBLYMAN BLANKENBUSH: Thank you.
22 CHAIRWOMAN KRUEGER: Thank you.
23 Next is -- wait -- Senator -- so
24 sorry. Senator Zellnor Myrie. Thank you.

1 SENATOR MYRIE: Thank you,
2 Madam Chair.
3 My questions will be directed to
4 Commissioner McDonald. But I'd be remiss if
5 I didn't join Chair Breslin in commending the
6 superintendent for her work at DFS and
7 particularly last year during the Signature
8 Bank crisis. I think we should be investing
9 as many resources as possible to allow the
10 department to continue that work.
11 Commissioner McDonald, two years ago
12 this Legislature passed a statute that
13 required the department to issue a study on
14 health inequities in Central Brooklyn and to
15 also consider constructing new health
16 facilities for women and children. We
17 inquired about the status of that report in
18 October of last year. You responded on
19 October 17, 2023, saying that it would be
20 complete by October. It was not. We checked
21 back this January. And you responded last
22 year, March 7, 2023, to say that it would be
23 completed by this month, January 2024.
24 There are eight days left in this

1 month. So my question is simple. Where is
2 the report?
3 COMMISSIONER McDONALD: I know exactly
4 where it is. And it's coming soon. I'm
5 sorry -- I'm sorry you don't have it.
6 I -- I -- I'm sorry you don't have it.
7 You should have it. I'm just sorry you don't
8 have it. But I know where it is, and it's
9 coming soon.
10 SENATOR MYRIE: Okay. So we don't
11 have the report on health inequities in
12 Central Brooklyn. We do not have the report
13 on potentially new facilities for women and
14 children. We do not have the report on
15 capital investments for regional perinatal
16 centers like SUNY Downstate. But in this
17 budget, the Governor and SUNY have insisted
18 on a transformation plan for SUNY Downstate
19 in Central Brooklyn, where there are health
20 inequities, where we need more services for
21 women and children.
22 So my next question is, did SUNY
23 inform you about this transformation plan?
24 And if so, when?

1 COMMISSIONER McDONALD: I learned
2 about SUNY's transformation plan in the
3 media. So I don't have any more knowledge
4 about that than you do.
5 I will tell you when you do see the
6 report, it's robust and it's got data
7 analysis, so it should be worth waiting for.
8 Again, I'm sorry we didn't get it on time to
9 you.
10 SENATOR MYRIE: Okay. So I just want
11 to be clear for the record, being mindful of
12 time. So we did not get the report in the
13 statutorily required amount of time, and then
14 the so-called transformation plan for
15 Central Brooklyn was not even communicated to
16 the commissioner of the Department of Health
17 for the only state-run hospital in the City
18 of New York. I think that's unacceptable.
19 Thank you, Madam Chair.
20 CHAIRWOMAN KRUEGER: Thank you.
21 Assembly.
22 ASSEMBLYWOMAN PAULIN: Thank you.
23 The next up for us is Assemblymember
24 McDonald.

1 ASSEMBLYMAN McDONALD: Thank you,
2 Madam Chair.
3 My question's going to be towards DOH.
4 It's about maternity services. As Senator
5 Ashby had mentioned, Burdett is proposed to
6 be closed in Troy. There's 24 closed in the
7 last 15 years. Maternity wards in general,
8 currently there's five -- Burdett, last week
9 Saint Catherine of Siena, Long Island.
10 The Governor has made some very I
11 think meaningful proposals in the budget --
12 and I support them -- in regards to expanding
13 maternal services. And also my
14 understanding, and Amir will correct me if
15 I'm wrong, Medicaid rates, the rates for
16 fee-for-service and managed care, back in
17 October of last year -- in hospitals upstate
18 at least -- are seeing a significant shift
19 because of the Medicare wage index. Which is
20 going to help their overall health, but also
21 have an impact because a lot of times fees
22 base off the Medicare wage. So those are
23 facts. It's not opinion, it's facts.
24 Simultaneously, DOH has issued

1 regulations for midwife-led birth centers
2 this past year. Burdett is a midwife-focused
3 birth center. Midwife-led birth centers
4 within a hospital would have the resources to
5 handle higher-risk situations if they
6 arise -- and I think are an ideal model and
7 something I believe should be statewide.
8 Personally, I think Burdett is the model we
9 should be shooting for.
10 However, Trinity Health, an
11 out-of-state conglomerate worth billions of
12 dollars, is looking to close Burdett, which I
13 find to be problematic.
14 Now, my question's not about Burdett.
15 My question is when can we expect more on the
16 midwife-led birth centers from DOH? And just
17 as importantly, as the department is looking
18 at these closures in general, are they looked
19 at retrospectively on the sustainability
20 question or are they looked at prospectively
21 on the sustainability issue?
22 COMMISSIONER McDONALD: So I do expect
23 midwife birthing centers to open in New York
24 State in 2024. You know, that goes through

1 the Public Health and Planning Council. I
2 expect that will happen.
3 One thing I think is really important,
4 though, is people not get ahead of the
5 department. You mentioned some facilities
6 are talking about closing their maternity
7 units. It doesn't mean -- we haven't made
8 decisions on this yet. I just want to be
9 really clear: Please don't get ahead of the
10 department on this. There's a process that
11 people have to go through. And I just don't
12 think people should assume where the
13 department's going to go.
14 I think the midwife regulations we're
15 working on are going to be helpful as well.
16 And to your question about data, we
17 look at data retrospectively and we do look
18 at what is the prospective impact on the
19 community. I'm not speaking about any
20 particular closure.
21 But obviously, when someone's closing
22 anything, anywhere in the state, we're very
23 concerned about health equity and how it's
24 going to impact the people who count on

1 hospitals, emergency departments, whatever
2 we're talking about closing.
3 ASSEMBLYMAN McDONALD: DOB has
4 proposed a $228 million cut to the Health
5 Home Program. Does this include the
6 children's program?
7 MEDICAID DIRECTOR BASSIRI: I don't
8 believe the proposed cut is of that
9 magnitude. But we're happy to take that
10 offline and get you more details about that.
11 ASSEMBLYMAN McDONALD: Thank you,
12 Amir.
13 ASSEMBLYWOMAN PAULIN: Thank you.
14 CHAIRWOMAN KRUEGER: Thank you.
15 Senator Borrello.
16 SENATOR BORRELLO: Thank you.
17 First of all, thank you all for being
18 here. I have questions for all of you, but
19 I'm going to start with the most pressing
20 one, for you, Commissioner McDonald.
21 Your predecessor instituted Rule 213,
22 a Department of Health regulation, perhaps --
23 without a doubt, actually, the most draconian
24 rule ever to be put into health code in

1 New York State or perhaps anywhere in the
2 United States. It would allow any public
3 health official to forcibly remove someone
4 from their home and quarantine them. It
5 included no due process and no proof that
6 those -- that that person's actually sick.
7 Something you'd see more in mainland China,
8 in Communist China, than you would in
9 New York State.
10 That was overturned by the State
11 Supreme Court on the grounds that it was
12 unconstitutional. I brought that lawsuit
13 along with others. And then, shamefully --
14 and incorrectly -- the Fourth Appellate
15 Division overturned that because they said
16 we, as state legislators, didn't have
17 standing to bring a lawsuit on the separation
18 of powers.
19 With that being said, that paves the
20 way for you to be able to reinstitute
21 Rule 213, or something similar to it. Do you
22 have any plans to do so?
23 COMMISSIONER McDONALD: I can't talk
24 about active litigation here. But I do want

1 to talk a little bit about some things.
2 I think far too often we confuse the
3 terms "isolation" and "quarantine." You said
4 we would remove someone from their home by
5 quarantine if they weren't sick.
6 SENATOR BORRELLO: Yes, that's
7 correct. There's no requirement they
8 actually be sick.
9 COMMISSIONER McDONALD: No, I
10 understand. That's the very definition of
11 quarantine: You were exposed to something.
12 I just want to make sure you understand,
13 because too often you get this confused. If
14 you're ill, you isolate the ill, you
15 quarantine the exposed.
16 Having said that, there's active
17 litigation on that issue. I can't get into
18 it in great -- as much detail as I'd like --
19 SENATOR BORRELLO: But we already have
20 a rule -- we already have a law in place for
21 70 years that covered -- that included
22 due process and other constitutional
23 protections.
24 This was a copy-and-paste of Assembly

1 Bill 416 by Nick Perry, which never went
2 anywhere, which was the basis for our
3 lawsuit.
4 So the question is simple. Yes or no,
5 do you plan to reinstitute Rule 213 or not?
6 COMMISSIONER McDONALD: I don't have
7 any plans at the moment to reinstitute that.
8 SENATOR BORRELLO: Okay, that's good.
9 I would suggest that you and the
10 Governor do not do that. It is perhaps the
11 worst Department of Health ruling ever in the
12 history of our nation. And I would strongly
13 suggest that you protect our constitutional
14 freedoms by not doing that.
15 Thank you very much. I'm going to
16 move on now to the Medicaid commissioner, if
17 I can. How much time -- 48 seconds.
18 Nonemergency medical transportation
19 has been a costly boondoggle that has
20 benefited these brokers to the tune of
21 millions of dollars. More than two years ago
22 the Medicaid Redesign Team said we need to
23 throw it out; our Comptroller said it's
24 wasting millions of dollars; and yet we

1 haven't seen any reforms.
2 Can you just quickly speak to what
3 you're doing to ensure that we're not paying
4 taxi drivers more than we're paying doctors
5 and nursing homes to care for our elderly.
6 MEDICAID DIRECTOR BASSIRI: Yeah,
7 sure, thanks for the question. And in the
8 time remaining I would say we have
9 implemented a statewide transportation broker
10 earlier this fiscal year. It is being
11 expanded for the Managed Long Term
12 Care Program in a couple of months. But that
13 protest of the comptroller's office was
14 resolved, and we were -- we did move forward
15 with a statewide contract. So we are getting
16 livery rates, Senator.
17 SENATOR BORRELLO: Thank you.
18 ASSEMBLYWOMAN PAULIN: Thank you.
19 CHAIRWOMAN KRUEGER: Thank you.
20 Assembly.
21 ASSEMBLYWOMAN PAULIN: Before I --
22 we've been joined by actually two members
23 prior that I failed to mention -- sorry --
24 Assemblymembers Walsh and Blumencranz, and

1 more recently Jo Anne Simon.
2 The next Assemblymember is
3 Assemblymember Bendett.
4 ASSEMBLYMAN BENDETT: All right, thank
5 you. Thank you for being here.
6 There's an $810 million state share
7 Medicaid funding gap for nursing homes, and
8 more than 6,000 beds have been taken offline
9 over the past six years. Medicaid members
10 who are in need of care for nursing home
11 placements remain backed up in the hospital
12 or have to be placed in facilities outside of
13 their communities, causing family members to
14 drive hours for a visit.
15 Despite this, the Governor's budget
16 really decimates the nursing home industry.
17 With billions of dollars in reserves, why
18 would the Governor cut nursing homes?
19 MEDICAID DIRECTOR BASSIRI: Thanks for
20 the question, Assemblymember.
21 I don't think there's as wide of a cut
22 as being perceived. I was mentioning in one
23 of my earlier responses part of the reduction
24 is unallocated state subsidy support for

1 nursing homes. In the past two years we've
2 had $100 million to issue to nursing homes;
3 only $22 million each year has been expended,
4 between 10 or nine nursing homes.
5 So it's not necessarily a cut per se,
6 but it is a better reduction than would be to
7 cut services. So it's unallocated spending
8 which is the primary focus of that reduction.
9 ASSEMBLYMAN BENDETT: And how many
10 nursing homes do you think will close if
11 these cuts go through?
12 MEDICAID DIRECTOR BASSIRI: I do --
13 don't know that I can answer that. But I
14 don't anticipate any will result -- will
15 close as a result of these reductions.
16 ASSEMBLYMAN BENDETT: Okay, thank you.
17 The Governor's budget freezes the NH
18 opening rate at January 2024 levels. Last
19 year's budget included a 7.5 percent Medicaid
20 rate increase. Only 6.5 percent was provided
21 in the rates.
22 Does this freeze mean that NHs,
23 nursing homes, will not receive the
24 additional 1 percent that was approved last

1 year? And if so, the Medicaid score card
2 does not reflect this savings account.
3 MEDICAID DIRECTOR BASSIRI: So two
4 separate issues.
5 So the 7.5 percent rate increase from
6 last year is still under federal review and
7 approval. The state moved forward and issued
8 6.5 percent to the nursing homes, and when we
9 get the federal approval they will get the
10 additional percentage point.
11 The freeze is a separate issue. That
12 is something we do not have an option to
13 address. And it's because the way we
14 calculate acuity in the nursing home, which
15 is a factor in the payment, is done by some
16 federal assessments. We draw down on the
17 federal assessments. They're changing their
18 methodology and they're using a different
19 assessment, called the Patient-Driven
20 Monitoring Program, and that is a different
21 assessment.
22 So the freeze is temporarily, until we
23 are able to align to the new federal
24 implementation. But it's something we don't

1 have an option on.
2 ASSEMBLYMAN BENDETT: All right, thank
3 you very much.
4 CHAIRWOMAN KRUEGER: Thank you.
5 Senator John Liu.
6 SENATOR LIU: (Mic issue.) Thank you,
7 Senator Breslin, for the tech assistance.
8 And thank you, Madam Chair. And thank
9 our commissioners and their colleagues for
10 testifying.
11 You know, I'm looking at the testimony
12 between Commissioner McDonald and
13 Superintendent Harris, and it would appear
14 that DFS is like a perfect agency. Right?
15 You've got this long list of accomplishments,
16 2023.
17 I guess my first question is, is there
18 anything that DFS hasn't done? Or anything
19 that you -- that Superintendent Harris feels
20 that DFS could improve upon?
21 DFS SUPERINTENDENT HARRIS: There are
22 always things that we could do better,
23 Senator.
24 SENATOR LIU: Like what?

1 DFS SUPERINTENDENT HARRIS: Any number
2 of things, sir.
3 SENATOR LIU: Just name one.
4 DFS SUPERINTENDENT HARRIS: We could
5 always have more staff so that we can move
6 more quickly through the backlog. For
7 instance, we've put in place 60-day lists
8 because of the backlogs that we have on many
9 of our filings.
10 As a result of those 60-day lists,
11 we've moved through 11,000 old filings in the
12 past year. But I wish we could move more
13 quickly. And for that, we are working very
14 hard to increase our staffing.
15 SENATOR LIU: Well, you actually cite
16 that as an accomplishment. I'm asking --
17 actually asking you what can be improved,
18 what was not an accomplishment.
19 DFS SUPERINTENDENT HARRIS: Well,
20 there's still quite a lot of backlogs around
21 the agency, sir.
22 SENATOR LIU: Okay. So you can't
23 think of anything that you could improve
24 upon.

1 The $163 million returned to consumers
2 and healthcare providers, would you happen to
3 have a breakdown between consumers and
4 healthcare providers? $163 million is a lot.
5 Is it mostly to consumers? Or is it mostly
6 to healthcare providers? What's the rough
7 breakdown?
8 DFS SUPERINTENDENT HARRIS: I don't
9 have that with me, sir, but I'm happy to
10 provide it to you.
11 SENATOR LIU: My conjecture will be
12 that that would be mostly to healthcare
13 providers.
14 DFS SUPERINTENDENT HARRIS: That may
15 be the case, sir. I'm happy to come back to
16 you with that information.
17 SENATOR LIU: That would be the case.
18 Okay. So the consumer protection aspect of
19 DFS, you know, seems to always take a back
20 seat to I guess larger, more glamorous
21 issues. I mean, your testimony says the --
22 that DFS was at the center of preventing a
23 global financial meltdown.
24 DFS SUPERINTENDENT HARRIS: Yes, sir.

1 SENATOR LIU: And that was because of
2 the closure of Signature Bank?
3 DFS SUPERINTENDENT HARRIS: And the
4 ripple effects to European institutions that
5 we also regulate.
6 SENATOR LIU: Who closed Signature
7 Bank? DFS?
8 DFS SUPERINTENDENT HARRIS: Yes.
9 SENATOR LIU: I guess the FDIC likes
10 to claim credit for that as well. Are they
11 wrong?
12 DFS SUPERINTENDENT HARRIS: Sir, DFS
13 closed -- no, absolutely not. The way the
14 mechanics work is DFS closes and appoints the
15 FDIC as receiver. And that's what we did in
16 this case, sir.
17 SENATOR LIU: Okay. Wow, I closed
18 quick.
19 CHAIRWOMAN KRUEGER: I know. Sorry
20 about that. Thank you.
21 Assembly.
22 SENATOR LIU: Thank you.
23 ASSEMBLYWOMAN PAULIN: Assemblymember
24 Lunsford.

1 ASSEMBLYWOMAN LUNSFORD: Thank you
2 very much.
3 My question will be for
4 Commissioner McDonald.
5 I see in the Governor's budget that
6 there is an increase for Early Intervention.
7 I know you share my passion in this area. I
8 see a 5 percent increase statewide and a
9 4 percent rate modifier for rural and
10 underserved areas. So I have two questions.
11 The first, is this entire increase
12 funded by the 1115 waiver funding? And two,
13 how are you determining what an underserved
14 area is when, for the most part, the entire
15 state is underserved through EI services?
16 COMMISSIONER McDONALD: Yeah, so it's
17 not funded by the 1115 waiver. It's funded a
18 different way, through Medicaid in the
19 traditional way we fund Early Intervention.
20 Underserved areas is based on access to care,
21 and it's mostly rural areas of the state --
22 your part of the state, quite honestly, where
23 you're from.
24 So yeah, Early Intervention's very

1 important. You know, getting any investment
2 this year, in a year that's this challenging,
3 is a big deal. Very thankful that the
4 Governor allowed us to do this.
5 ASSEMBLYWOMAN LUNSFORD: I appreciate
6 that. And I know that you've been a strong
7 advocate in this area.
8 Still on EI, I see that there is a --
9 this rate increase is just for in-person
10 services. Is that correct?
11 COMMISSIONER McDONALD: That's right.
12 ASSEMBLYWOMAN LUNSFORD: So that means
13 that there wouldn't even be a 5 percent
14 increase for teleservices.
15 COMMISSIONER McDONALD: Right.
16 ASSEMBLYWOMAN LUNSFORD: So in some of
17 our rural areas that are the most
18 underserved, while telehealth is not ideal,
19 it is truly the only mechanism for access.
20 What are we going to do to help these areas
21 increase when there isn't even an in-person
22 provider to access the rate modifier?
23 COMMISSIONER McDONALD: No, I agree.
24 I'm concerned about it as well. You know, I

1 think we just have to be honest about this
2 year's budget. We're -- just getting this
3 increase was a lot of work to get it, quite
4 frankly. I'm very thankful to my team and
5 the Governor for getting it done.
6 I think with -- if we get more
7 providers, period -- and I don't know if this
8 increase alone will do that. But we need
9 more providers, period. Quite frankly the
10 rates are the issue. I'm concerned about our
11 timeliness of care in New York. I'm worried
12 about how long it takes us to get people in.
13 You know, one of the things I remember
14 when I visited the Rochester delegation was
15 they had a mom come in who gave just a
16 wonderful, honest description of how hard it
17 was to get access to care, and her child aged
18 out before they could get care.
19 I just don't want to see that happen
20 in New York. So I'm worried about it as
21 well, but we weren't able to do that increase
22 either.
23 ASSEMBLYWOMAN LUNSFORD: I'm trying to
24 squeeze in a quick question about CDPAP. I

1 see that there is an elimination of the wage
2 parity. And that's wage parity for home
3 health workers, correct?
4 MEDICAID DIRECTOR BASSIRI: Yes, that
5 is correct.
6 ASSEMBLYWOMAN LUNSFORD: So that
7 decrease represents an almost $3 cut in the
8 city and an almost $2 cut in upstate. Which
9 completely eliminates the $2 raise we put in
10 two years ago. You're shaking your head.
11 MEDICAID DIRECTOR BASSIRI: Well, it's
12 not upstate. It's -- wage parity for home
13 care workers is downstate and New York City,
14 Nassau, Suffolk and Westchester.
15 ASSEMBLYWOMAN LUNSFORD: So
16 exclusively.
17 MEDICAID DIRECTOR BASSIRI: Correct.
18 ASSEMBLYWOMAN LUNSFORD: So you're
19 just eliminating their wage increase from two
20 years ago.
21 MEDICAID DIRECTOR BASSIRI: No, they
22 are still going -- this will have no bearing
23 on their ability to get the $3 increase that
24 was instituted a couple of years ago.

1 ASSEMBLYWOMAN LUNSFORD: All right.
2 I'm out of time. Thank you very much.
3 CHAIRWOMAN KRUEGER: (Mic off.) Thank
4 you. Excuse me. Thank you.
5 I believe the next is Senator Brouk.
6 SENATOR BROUK: Thank you so much.
7 And hi, everyone. Thanks for your
8 time today.
9 This isn't a -- very quick at the top,
10 it's not a question but just something that
11 is a growing concern. I think it's been
12 mentioned many times about Medicaid
13 reimbursement rates, and we're looking at our
14 nursing homes. In Rochester we just had the
15 single most patients seen at one of our
16 hospitals in its history, and there's over a
17 hundred people who are ready for discharge
18 and can't because we don't have the beds.
19 So I urge you -- you know, if you're
20 waiting for the emergency, the crisis, we're
21 in it. And I hope that we'll see more to
22 come in the following negotiations.
23 But I want to turn my attention to
24 doula care. Obviously very exciting that

1 January 1st, the Medicaid reimbursement rate
2 went into effect. Thank you, Commissioner,
3 for all the work that you put into that.
4 I'm wondering a couple of things. You
5 know, as we looked at other states who have
6 done this before us, we've kind of been able
7 to learn from their mistakes. Notably in
8 California, they did the same thing that we
9 did. Their reimbursement rate was a little
10 bit lower than ours, and they've learned that
11 no one will actually enroll because it's
12 actually not a living wage and they've
13 actually more than doubled the rate that
14 they're doing for doula care.
15 What has New York learned from other
16 states, and what are you looking at in terms
17 of making sure ours is successful?
18 COMMISSIONER McDONALD: So we did
19 increase our reimbursement rate quite a bit.
20 I mean, and I have talked to doulas. I was
21 out meeting common doulas in Western New York
22 this year. You know, they were optimistic
23 that this rate would work. I think it will
24 work upstate and downstate.

1 And by the way, just want to highlight
2 again that I think allowing me to do a signed
3 standing order so any birthing person can
4 access a doula would be a really nice thing
5 to do for people.
6 SENATOR BROUK: Agreed. Commissioner,
7 I'm just going to interrupt quickly, because
8 yes, it increased from the pilot, which was
9 like 800-something dollars a birth. That
10 wasn't sustainable at all.
11 COMMISSIONER McDONALD: Right.
12 SENATOR BROUK: But it should be noted
13 we didn't get to the 1930 that the overall
14 doula community in New York State had asked
15 for. Right?
16 COMMISSIONER McDONALD: Right.
17 SENATOR BROUK: And so I'm glad to see
18 the standing order come into place; hopefully
19 that will help.
20 When would that actually go into
21 place?
22 COMMISSIONER McDONALD: The standing
23 order?
24 SENATOR BROUK: Yeah, the standing

1 order.
2 COMMISSIONER McDONALD: I can't do a
3 standing order till you good people let me do
4 a standing order. If you'd let me do it,
5 I'll do it really quickly.
6 SENATOR BROUK: So if it passes in the
7 budget --
8 MEDICAID DIRECTOR BASSIRI: Yes.
9 COMMISSIONER McDONALD: If you pass it
10 in the budget -- I will have my team start
11 drafting it, because I love your enthusiasm
12 on this.
13 SENATOR BROUK: Love that.
14 Okay, in my last 50 seconds -- I think
15 this is going to go to the Medicaid director.
16 Speaking of things I'm enthusiastic about
17 that haven't happened yet, the state talked
18 about the plan to put a State Plan Amendment
19 to expand Medicaid services for behavioral
20 health services in schools. And we talked
21 about that at the end of last year.
22 My question is, we know that things
23 like vaccinations, vision screenings, other
24 preventative health measures, are much needed

1 in schools as well. Why not expand that SPA
2 to actually include other types of medical
3 services and not just behavioral health?
4 MEDICAID DIRECTOR BASSIRI: You know,
5 we've -- and thank you for the question,
6 Senator. You've been a champion of that, the
7 School Supportive Health Services Program.
8 I think we've been fighting very hard
9 with the Center for Medicare and Medicaid
10 Services to get the initial expansion. We
11 have received the guidance to go further. I
12 think the reason we've held off is really
13 feedback from the districts and not everyone
14 being in the same place. So we want to do
15 the first part right --
16 ASSEMBLYWOMAN PAULIN: Thank you very
17 much.
18 CHAIRWOMAN KRUEGER: Thank you.
19 Assembly.
20 ASSEMBLYWOMAN PAULIN: Assemblymember
21 Gandolfo.
22 ASSEMBLYMAN GANDOLFO: Thank you,
23 Chairwoman. And thank you all for being here
24 today.

1 My question is going to be toward DOH,
2 specifically regarding the Medicaid waiver,
3 which will invest 7.5 billion over three
4 years in our state's health and social care
5 systems, including what appears to be a
6 $451 million investment into the --
7 investment of state funds appropriated in
8 this year's Executive Budget.
9 Will any of this investment address
10 the needs of New York's rising population of
11 older adults on Medicaid, the vast majority
12 of which are dually eligible for Medicare and
13 Medicaid?
14 MEDICAID DIRECTOR BASSIRI: So there
15 will be benefits for older New Yorkers on
16 Medicaid, although it's not as direct as some
17 of the other investments in the waiver. But
18 specifically, you know, we're doing a lot of
19 career pathways training and workforce
20 development that will include nursing titles
21 and other mental health practitioners that
22 will serve Medicaid beneficiaries, including
23 older adults, specifically nursing homes and
24 those in the community.

1 But in our conversations with CMS
2 there was much more of a focus on not
3 necessarily the non-elderly, but they felt
4 like we've done a lot through the American
5 Rescue Plan Act and the investments in home
6 and community services, which is north of
7 $5 billion, that there was a bigger focus on
8 just delivery system reform and a focus on
9 children's health, as evidenced by some of
10 the investments in the waiver.
11 ASSEMBLYMAN GANDOLFO: Thank you.
12 And the waiver also invests
13 $3.2 billion in health-related social needs
14 services over the next three years targeted
15 to Medicaid high-utilizers, individuals
16 experiencing SUD, serious mental illness,
17 intellectual and developmental disabilities,
18 or homelessness, pregnant and postpartum
19 persons, criminal justice- and juvenile
20 justice-involved populations, and children.
21 Will older adults in need of
22 long-term-care services who are not
23 experiencing these conditions benefit from
24 these services at all?

1 MEDICAID DIRECTOR BASSIRI: Well, they
2 will be eligible to, because they'll meet the
3 criteria necessary. However, you know, we do
4 have some investments in the Managed Long
5 Term Care Program, specifically in care
6 management, that include some of those
7 services, including Meals on Wheels and some
8 nutritional services, which would be eligible
9 for funding under the waiver and continue
10 with the demonstration.
11 ASSEMBLYMAN GANDOLFO: Okay, thank
12 you. And what about individuals who are
13 dually eligible for Medicare and Medicaid and
14 therefore would not receive medical or
15 hospital services through Medicaid? Would
16 they benefit from the services as well?
17 MEDICAID DIRECTOR BASSIRI: All
18 Medicaid members, regardless, will get Level
19 1 services, which we're defining as case
20 management and health-related social needs.
21 So they will get screened for their social
22 risk factors and demographics information and
23 be connected to any state and federal support
24 services if they're not eligible for the

1 higher-level services.
2 ASSEMBLYMAN GANDOLFO: Okay. Thank
3 you very much. That concludes my time.
4 CHAIRWOMAN KRUEGER: Thank you.
5 Senator Stec.
6 SENATOR STEC: Thank you.
7 Good morning. In 180 seconds I'd love
8 to ask a question of Department of Health
9 regarding nursing homes, specifically vacant
10 wings due to inability to hire staff or meet
11 staffing ratios. I've got constituents that
12 are putting loved ones in nursing homes two
13 or three hours away. Medicaid reimbursement
14 rates simply have not been keeping up over
15 the decades. We did a little bit last year,
16 but it's not keeping up with inflation. And
17 I'm hearing my nursing homes tell me that
18 they're in peril of closing. So I'm very
19 concerned about that.
20 Unfortunately, I can't ask about that.
21 I need to ask a question of Superintendent
22 Harris regarding Medicare Advantage plans.
23 Over the last few weeks my office has called
24 and emailed your office a few times trying to

1 get an answer. We still haven't gotten an
2 answer. There are potentially tens of
3 thousands of policyholders in the capital
4 region, so myself and many of my colleagues
5 up here are affected by this, and I've gotten
6 calls on it.
7 Recently Albany Med, Saratoga
8 Hospital, Glens Falls Hospital, and Columbia
9 Memorial Heath reviewed their relationship
10 with two plans, Wellcare and Humana, and
11 decided to terminate them. I have two
12 questions. And we're in the open enrollment
13 period now, so that's why this is
14 time-sensitive. It's late January, and the
15 open enrollment period ends at the end of
16 March. And I've got constituents calling me.
17 The two questions. Are business
18 practices of Medicare Advantage plan
19 providers monitored and reviewed by DFS? And
20 if they're not acting appropriately, are
21 there repercussions?
22 And the second question, and more
23 pressing, are these insurance companies
24 required to notify their policyholders that

1 certain healthcare organizations are no
2 longer participating with their plans?
3 healthcare providers are notifying
4 individuals in their system -- Glens Falls
5 Hospital has notified 6,000 people that they
6 serve. But their concern is people that
7 aren't currently on their radar in their
8 system are going to be finding out and
9 potentially surprised that they thought they
10 had coverage at the local hospital and they
11 don't.
12 So I'm very concerned about that and,
13 again, the open enrollment window. So if you
14 could answer those two questions, please.
15 DFS SUPERINTENDENT HARRIS: Yeah, I
16 will do my best to do so expeditiously and
17 then, of course, follow up in writing.
18 With respect to the contract disputes,
19 we do not have jurisdiction over those
20 contract disputes between insurance companies
21 and providers. We try very hard to use our
22 soft powers to encourage them to continue
23 working together --
24 SENATOR STEC: Who does? Who does

1 have jurisdiction, then? The Attorney
2 General?
3 DFS SUPERINTENDENT HARRIS: I'd have
4 to come back to you on that. But usually
5 these are private contractual negotiations,
6 and so they're at their leisure to either
7 come to an agreement or not.
8 What I will say is there are
9 notification requirements for consumers.
10 There are also cooling off requirements. So
11 a consumer has to be able to continue for
12 60 days to get the care from their provider,
13 even after the contract has expired. And in
14 the case of cancer patients or postpartum
15 care, there are extended windows for cancer,
16 90 days, and through postpartum care.
17 SENATOR STEC: Thank you.
18 ASSEMBLYWOMAN PAULIN: Thank you.
19 CHAIRWOMAN KRUEGER: Thank you.
20 Senator Rachel May.
21 ASSEMBLYWOMAN PAULIN: No, I think
22 we're --
23 CHAIRWOMAN KRUEGER: Oh, that's right,
24 excuse me. That was Senator Stec.

1 Assembly, excuse me.
2 ASSEMBLYWOMAN PAULIN: Thank you.
3 Assemblymember González-Rojas.
4 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Okay.
5 All right. Thank you so much.
6 Thank you, Commissioner, for being
7 here. Thank you all.
8 The U.S. Centers for Medicare &
9 Medicaid Services has confirmed that we can
10 use the 1332 waiver for the pass-through
11 funding to fund health insurance coverage for
12 individuals not authorized to be here. It
13 would save us $500 million in Medicaid
14 spending. We know DOH received nearly 2,000
15 comments from labor, individuals, advocates,
16 et cetera, and the vast majority have
17 supported the use of this waiver to cover our
18 undocumented community.
19 As you know, this would save us
20 $500 million in state costs in Medicaid. And
21 a recent analysis by CSS anticipates that
22 even with the expansions included in the
23 testimony for the 1332 waiver, we can still
24 cover 150,000 immigrants and still have

1 $790 million to spare over the five-year
2 waiver period.
3 So the Governor talked about doing
4 this back in 2022. We didn't get it done.
5 2023, haven't gotten it done. So here we
6 are. So can you talk about why this
7 population hasn't been included in the 1332
8 waiver?
9 COMMISSIONER McDONALD: Yes. We are
10 covering people 65 and older starting
11 January 1st this year, which is a good thing.
12 I expect to hear from --
13 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: And
14 pregnant people.
15 COMMISSIONER McDONALD: Sorry?
16 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: And
17 pregnant people.
18 COMMISSIONER McDONALD: And people who
19 are pregnant.
20 And I also expect, with the 1332
21 waiver -- that I expect approval this week --
22 we'll be adding the Deferred Action for
23 Childhood Arrival population as well this
24 year.

1 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
2 you for that.
3 COMMISSIONER McDONALD: You know,
4 obviously as the State Health Commissioner I
5 want everyone to be insured. I do. You
6 know, it just is -- it's a social determinant
7 of health. So I understand the gravity of
8 the issue. You know, just as we look at the
9 money -- I've gotten different numbers, so it
10 just isn't there because of budgetary
11 reasons, is what I'm told.
12 I don't have a better answer than that
13 for you.
14 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: We're
15 going to continue to advocate for this
16 coverage because, again, we'd be saving our
17 Medicaid dollars.
18 One quick other question. I'm
19 actually really thrilled to see that my bill
20 with Senator Brouk, A8164, to provide
21 continual coverage for children enrolled in
22 Medicaid and S-CHIP, would be included.
23 There is a discrepancy. Our bill
24 ensures that folks that might need to switch

1 from S-CHIP to Medicaid can do so. But we
2 don't see any language in -- can you speak to
3 that?
4 MEDICAID DIRECTOR BASSIRI: Yeah. We
5 don't need any legislative language to be
6 able to effectuate that change. That happens
7 today. It's seamless, the member doesn't
8 even see it. We do it all on the back end.
9 And that would continue under this waiver
10 amendment, with continuous eligibility.
11 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: And
12 actually, just a last thing on -- a follow-up
13 on Assemblymember Lunsford's question. I've
14 got data that a $2.54 cut in wages to
15 benefits to home care workers, that's about a
16 12 percent cut. And that puts their
17 compensation at the lowest rate. I guess you
18 can't answer that. But we do really want to
19 hear the response to that.
20 MEDICAID DIRECTOR BASSIRI: We can
21 respond in writing. We don't see that
22 magnitude of cut.
23 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
24 you.

1 CHAIRWOMAN KRUEGER: Next is the
2 Health chair, Senator Rivera, 10 minutes.
3 SENATOR RIVERA: Hello. How you all
4 doing? All right, I'm going to do a lot of
5 follow-up because I've been -- as you know, I
6 kind of lean back and kind of see how things
7 are going.
8 First of all, following up on Senator
9 Myrie's question about the report,
10 Commissioner, you say you know where it is.
11 Is it like in a -- like on top of your desk
12 or in a drawer or something?
13 COMMISSIONER McDONALD: No. No.
14 SENATOR RIVERA: Could you go get it?
15 What's happening?
16 COMMISSIONER McDONALD: I know where
17 it is. But it's one of those things that --
18 SENATOR RIVERA: Where is -- so if you
19 know where it is, why is it not here right
20 now?
21 COMMISSIONER McDONALD: It's not just
22 the Department of Health that has to
23 complete -- completely finish the report,
24 so ...

1 SENATOR RIVERA: Okay. So wherever it
2 is, could you like tell your people to get it
3 here?
4 COMMISSIONER McDONALD: I would love
5 to give it to you. I'd love to have it for
6 you. You know, I like Senator Myrie, I want
7 to have everybody have what they want, I
8 really do. I would love to get it to you.
9 SENATOR RIVERA: Gotcha. If you know
10 where it is, please. And to the universe --
11 COMMISSIONER McDONALD: It's not me
12 that's been holding it up.
13 SENATOR RIVERA: -- wherever it is.
14 But we need it.
15 COMMISSIONER McDONALD: I know.
16 SENATOR RIVERA: Particularly because,
17 as Senator Myrie was saying, this whole
18 notion that -- and obviously we're going to
19 follow up with SUNY when they come up, when
20 they come over here, to talk about this
21 transformation and what have you.
22 The fact that this report has not
23 been -- you know, you found out that they
24 were going to do this like in the middle --

1 you found out in the media. All this stuff,
2 it's a little nuts. And the fact that this
3 report is not with us, so we don't know as
4 far as the inequalities that exist there, and
5 whether the changes are actually going to
6 address these inequalities, it's kind of
7 important.
8 So please make sure you --
9 COMMISSIONER McDONALD: I understand.
10 Totally agree with you.
11 SENATOR RIVERA: Gotcha.
12 Number two. Why do the rates that you
13 folks -- that are being developed and
14 regularly approved by the state's actuary
15 differ so greatly from the actual costs that
16 providers are reporting to us?
17 COMMISSIONER McDONALD: I'm sorry,
18 what?
19 SENATOR RIVERA: You've got a face
20 like "that's not true."
21 COMMISSIONER McDONALD: No, I didn't
22 understand the question, I'm sorry.
23 SENATOR RIVERA: I will ask again.
24 Why do the rates that are being developed and

1 regularly approved by the state's actuary
2 differ so greatly from the actual costs that
3 providers are reporting to us? Has your data
4 shown that there's decrease -- that the costs
5 are decreasing for providers?
6 MEDICAID DIRECTOR BASSIRI: Well, it
7 depends on the service, Senator. And I think
8 it's really two sets of information. The
9 actuary does set the rates, they're
10 actuarially sound. That's what we pay the
11 health plans on a per-member, per-month
12 basis. The health plans pay providers based
13 on their direct contracts with those
14 providers, and then providers will pay their
15 workers and any other costs they incur to run
16 their business.
17 But what we're providing to you, I
18 assume, in the actuarial rates, is what we
19 pay the health plans.
20 SENATOR RIVERA: All right. Because
21 it -- because there was -- a couple of years
22 ago, when we were in this room, we were
23 talking about the fact that the budget was
24 going in a positive direction as opposed to

1 the decade before that. Last year we can see
2 kind of the same thing.
3 This year, can't do that. Kind of
4 turning back. And some of the cuts -- and
5 we're going to get to those in a second --
6 are more than a little bit disappointing,
7 particularly because I want to follow up on
8 what Senator -- I'm sorry, Assemblymember
9 González-Rojas was talking about as far as
10 coverage for all.
11 If y'all are coming over here -- and
12 you said these are tough choices, we always
13 have to make tough choices during budgets.
14 But I really need to understand this. And I
15 don't think I'm going to get an answer --
16 spoiler. But are y'all really seriously
17 telling us that we don't have -- that we --
18 the money that -- we have to do cuts,
19 including these unallocated cuts, which are a
20 little -- which is another weird thing that
21 we'll get to in a second -- and that you're
22 not pursuing $500 million from the federal
23 government and almost $800 million left over
24 for things that don't have to do with

1 coverage for undocumented folks, that you
2 could do -- that you could use for other
3 types of coverage that is allowed.
4 Why you ain't doin' that?
5 I need a good answer. It wasn't a
6 good answer before.
7 COMMISSIONER McDONALD: Oh, I answered
8 as best I could, my friend. I understand
9 your frustration. I share your frustration,
10 you know -- I mean, quite frankly, in working
11 within what we have here to offer today.
12 SENATOR RIVERA: All right --
13 COMMISSIONER McDONALD: I'm happy to
14 work through the budget process and see what
15 we can do.
16 SENATOR RIVERA: Gotcha.
17 Amir, you got anything?
18 MEDICAID DIRECTOR BASSIRI: The only
19 thing I would say, Senator, is just
20 technically, because the amendment is not yet
21 approved and we're waiting for the approval,
22 we can't change that pending amendment. So
23 technically it couldn't be applied for till a
24 later date.

1 SENATOR RIVERA: Again -- sorry -- not
2 a good answer. Particularly since the
3 federal government last year told us
4 explicitly -- when we asked them, they sent
5 us a letter -- I don't know if you got it. I
6 got it -- that said explicitly that we could
7 do this. And yet y'all are not doin' it.
8 And yet you're coming here to us to tell us
9 that we've got to make these cuts, which --
10 not really cuts -- we'll get to that. But
11 they're not really cuts. And you've got
12 $500 million at least that you're just
13 leaving in the air. That's -- it's
14 {unintelligible}. And so I'm not happy about
15 that, but okay.
16 Moving on. Where am I? So three,
17 four -- all right, so to follow up on
18 Assemblymember Lunsford's point, so can you
19 confirm here, related to -- so CDPAP. Can
20 you confirm here that the intent is to
21 eliminate the minimum wage protections as
22 well for these workers? And additionally, is
23 there a concern that while we are in the
24 middle of a healthcare workforce crisis, that

1 reducing the wages will actually worsen this
2 situation?
3 MEDICAID DIRECTOR BASSIRI: Can you
4 repeat the first part of the question,
5 Senator?
6 SENATOR RIVERA: So there is -- there
7 is wage parity, we're talking about wage
8 parity for CDPAP workers. So number one, can
9 you confirm that the intent here is to
10 eliminate the minimum wage protections as
11 well for these workers?
12 MEDICAID DIRECTOR BASSIRI: No. No.
13 SENATOR RIVERA: Oh, that's not it?
14 MEDICAID DIRECTOR BASSIRI: No. That
15 is not. The intent is simply --
16 SENATOR RIVERA: Okay, then you need
17 to look at the language, because it's kind of
18 where it goes.
19 MEDICAID DIRECTOR BASSIRI: --
20 technical. I think that was identified the
21 other evening, and it will be addressed in
22 the technical amendments.
23 SENATOR RIVERA: Okay, so you do
24 acknowledge that y'all need to fix that.

1 MEDICAID DIRECTOR BASSIRI: I'm not an
2 attorney, but yes, I would acknowledge that
3 it needs to be.
4 SENATOR RIVERA: Thank you. And also,
5 additionally, do you -- is there a concern
6 that we're -- again, we've talked about the
7 healthcare workforce crisis, you know,
8 endlessly. Does this not make it worse,
9 because you're paying these folks less?
10 MEDICAID DIRECTOR BASSIRI: I think
11 that it -- there's certainly a workforce
12 crisis. I think this Governor has made
13 unprecedented investments, as has the
14 Legislature, in the home care workforce
15 specifically. Job growth in the home care
16 sector continued to be the fastest-growing
17 sector of the healthcare workforce.
18 SENATOR RIVERA: That might not be --
19 that might not continue that much because
20 these unallocated cuts that we're going to --
21 I just got to work on the time, bro --
22 (Overtalk.)
23 SENATOR RIVERA: I understand, but
24 we -- we will continue to have these

1 conversations also in private. But since
2 we're having them here, and I only have four
3 minutes left, let's get to this next one.
4 This one is really a head-scratcher.
5 And again, this budget is very different in
6 so many ways. Like instead of a two-years
7 allocation you do a one-year allocation. And
8 then these unallocated cuts stuff. Bro, are
9 you seriously saying that what you're doing
10 is just saying to people, Okay, we're going
11 to have to cut off either your pinky or your
12 pinky toe, so you just have to be the hand on
13 the machete as we cut? That's what you're
14 saying?
15 COMMISSIONER McDONALD: Not at all,
16 no.
17 SENATOR RIVERA: That's not it?
18 COMMISSIONER McDONALD: No, not at
19 all.
20 SENATOR RIVERA: Okay, so explain it
21 to me.
22 COMMISSIONER McDONALD: No, so what
23 we're saying is the Governor's asking you to
24 work with her to find cuts that work and that

1 are less painful. And quite frankly, you
2 know, you know Blake Washington like I do; I
3 trust his numbers. They're difficult
4 numbers. If we went to a two-year budget,
5 the cuts would have been worse this year. He
6 went to a one-year budget to help us.
7 SENATOR RIVERA: Which brings me back
8 to -- which brings me back to what I said
9 just earlier. The fact that you're leaving
10 almost $500 million on the table is even more
11 frustrating.
12 COMMISSIONER McDONALD: I understand.
13 SENATOR RIVERA: So whoever it is --
14 if it's not y'all, if it's someone in the DOB
15 and, you know, one of these days, hopefully,
16 we've got the DOB sitting right there. If
17 there's somebody over there, whomever it is,
18 bro, like you're saying these unallocated
19 cuts -- which, again, I've never seen this
20 before. You always come to us and say, we're
21 gonna cut these for savings, that word that
22 y'all use, cut savings. It's cuts.
23 So you do the cuts or the savings, and
24 then we fight with you to figure out which --

1 in this case, you're saying like, Well,
2 you're gonna have to help us, where we
3 gonna -- we're gonna chop. Somebody said to
4 me, it's like being the caterer at your own
5 funeral. That's basically what this is
6 saying.
7 COMMISSIONER McDONALD: It's also like
8 partnership, too. That's another way of
9 looking at it.
10 SENATOR RIVERA: But there's
11 $400 million that you're doing here, right,
12 200 and -- 200 in Medicaid, 200 in --
13 COMMISSIONER McDONALD: Yeah. Yup.
14 SENATOR RIVERA: And again, there's --
15 because all money's fungible, right? You
16 could get this 450 million that would
17 actually help you address that, which might
18 make some money available elsewhere you might
19 be -- so just a little nutty.
20 Two more minutes. All right, don't
21 worry, you won't have to deal with me that
22 much longer. Okay.
23 Okay, are you planning on implementing
24 the ADL requirements that have been

1 suspended?
2 COMMISSIONER McDONALD: I lost the
3 audio on that. Planning what requirements?
4 SENATOR RIVERA: You got it? The ADL.
5 MEDICAID DIRECTOR BASSIRI: Yeah, I
6 got this one.
7 Yes, we are. It is state law, and we
8 will be implementing that change. It's
9 assumed in the financial plan and in our
10 forecasts.
11 SENATOR RIVERA: Do you have the --
12 what are the updated fiscal projections?
13 MEDICAID DIRECTOR BASSIRI: We don't
14 have an updated fiscal projection at this
15 time. It needs to be based on the actual
16 assessments that members complete, and that
17 was currently finished in November/December.
18 So we're looking at it, but no updated fiscal
19 at this time. We don't anticipate it being
20 different.
21 SENATOR RIVERA: All right. So just,
22 again, one and a half minutes and I'm
23 probably -- I'm going to be done before that.
24 But this -- you obviously can tell I'm

1 a little frustrated. We were going -- we
2 were doing so well. In all honesty, we were
3 going in a positive direction. This seems
4 like it's a turn back. Even though you're
5 all trying to put a good face on it.
6 And particularly there's some concerns
7 here, because there's money on the table that
8 we could go get. And this is without -- this
9 is without counting on the raising the taxes
10 on the wealthy, which I'm going to be
11 bothering some other people about, not y'all.
12 But just within the confines of what you
13 need -- what you decide and what you impact
14 directly, coverage for undocumented folks --
15 which by the way, according to your own
16 numbers, if I'm not mistaken, last year was
17 what, $860 million of emergency Medicaid?
18 Is that correct?
19 MEDICAID DIRECTOR BASSIRI: Yeah.
20 SENATOR RIVERA: So it's $860 million
21 that we're already spending because we've got
22 people who are uncovered who are going to
23 emergency -- so like you got -- you got some
24 clarification for me?

1 MEDICAID DIRECTOR BASSIRI: Just that
2 that is the state and the federal share of
3 emergency Medicaid.
4 SENATOR RIVERA: Oh, so it's only
5 $400 and some-odd million. Okay, thank you.
6 MEDICAID DIRECTOR BASSIRI: Or it was
7 last year, yeah.
8 SENATOR RIVERA: Four hundred-some-odd
9 million dollars that is both for the state
10 and for the localities. And we could
11 actually be addressing that. And again,
12 because money's fungible, a lot of this stuff
13 could actually help us to deal with some of
14 the cuts that you're proposing here.
15 We're going to have a lot of
16 conversations over the next couple of weeks
17 and months. We're starting early. Kind of
18 disappointing; there's a lot of stuff that
19 I'm seeing here. And I'm certainly going to
20 follow up. But I've got another five
21 seconds, so I should just linger and just say
22 like, So, how are you thinking about the
23 Knicks? Oh, here we go.
24 (Time clock sounds; laughter.)

1 CHAIRWOMAN KRUEGER: Well done,
2 Senator Rivera.
3 Assemblymember.
4 ASSEMBLYWOMAN PAULIN: Thank you.
5 Assemblymember Gray. Push.
6 ASSEMBLYMAN GRAY: There we go. There
7 we go. Thank you very much, Madam
8 Chairwoman.
9 And thank you, ladies and gentlemen,
10 for being with us today. So it's clear that
11 we've heard the -- and it's no surprise, the
12 healthcare industry is in a dire position.
13 Doesn't matter if it's nursing homes,
14 hospitals, EMS service. Seventy-five percent
15 of our hospitals are operating with negative
16 margins. Forty percent are relying on VAP or
17 VAPAP for supplemental funding.
18 Is it prudent to be cutting VAPAP at
19 this time?
20 MEDICAID DIRECTOR BASSIRI: Is it
21 prudent to be cutting VAPAP at this time. I
22 think we have to -- you know, the level of
23 subsidies that the state has incurred for
24 financially distressed hospitals is growing

1 at an exponential rate. We're currently at
2 around three or so billion dollars. We did
3 get federal funding through the 1115 waiver,
4 which was a very challenging thing to do
5 because we are at every payment limit that
6 the federal government has put in place for
7 hospitals.
8 So I think we have to live within the
9 resources we have. And we continue to make
10 sure hospitals are getting what they need to
11 provide essential services for the community.
12 ASSEMBLYMAN GRAY: So the VAPAP is a
13 one-to-one -- right, is it a one-to-one
14 match? Are we leaving money on the table?
15 MEDICAID DIRECTOR BASSIRI: VAPAP is
16 zero federal match.
17 ASSEMBLYMAN GRAY: Zero federal match,
18 okay.
19 MEDICAID DIRECTOR BASSIRI: VAP has a
20 federal match, but it's subject to federal
21 payment limits, one specifically known as the
22 upper payment limit, which we are currently
23 at.
24 ASSEMBLYMAN GRAY: Okay. Medicaid

1 rates. I mean, there's nothing proposed in
2 this, no increase is proposed. And last year
3 there -- I mean, the facilities are cost --
4 you know, staffing shortages; we have, you
5 know, cost increases that they're facing and
6 reimbursements not keeping pace with that.
7 Where are we going to go with it?
8 COMMISSIONER McDONALD: Yeah, I mean,
9 we did make a historic increase last year, as
10 you noted.
11 I think one of the ways to look at
12 this, though, for nursing homes and hospitals
13 is, you know, you can increase rates, but the
14 other thing you do is find ways to reduce
15 costs. If you look at our scope of practice
16 proposals, we all should want hospitals and
17 nursing homes to have less costs. I mean, if
18 you're going to let a certified medication
19 aide work in a nursing home, that's going to
20 help everybody. Medical assistant to give a
21 vaccine, that helps everybody.
22 Look at the licensure compacts.
23 They're really going to help everybody.
24 Hospitals are still paying a lot of money for

1 agency nurses. That's something that we need
2 to own, that it's not in our best interests
3 for anybody. Finding methods to reduce
4 hospital costs are very important to all of
5 us. And I'm willing to work with hospitals
6 on any idea they have to reduce costs. And I
7 think there's methods out there where we can
8 do that, and I think there's things out there
9 that we can work on together.
10 ASSEMBLYMAN GRAY: And so what are we
11 going to address agency or contract nursing
12 or travel nurses in that regard? Because
13 that's what they're relying on right now, and
14 it's been an exorbitant cost to them.
15 COMMISSIONER McDONALD: Yeah, we did
16 get the authority last year to do -- to
17 register them. We have registered them. A
18 report's coming soon, it will be out before
19 you know it. It's also one of those things
20 where this is still a very big expense for
21 hospitals. H+H in particular is paying a lot
22 for this.
23 ASSEMBLYMAN GRAY: Thank you.
24 CHAIRWOMAN KRUEGER: Thank you.

1 Next is Senator Rachel May.
2 SENATOR MAY: Thank you, Madam Chair.
3 And thank you all for being here to
4 testify.
5 Commissioner, I want to start by
6 thanking you for your attention to the Native
7 health clinics that -- which were neglected
8 for so long. And I have many constituents
9 who are grateful for the -- for your
10 attention and the increased support in the
11 budget.
12 I also have a lot of constituents who
13 are worried about Upstate University Hospital
14 and its future. And given that it's losing
15 its support for the debt service -- I hope
16 you're aware of that -- that we are also --
17 the Medicaid gap is only going to grow. And
18 the -- they receive zero operating support
19 from the state while serving dozens of
20 counties with essential care. I wonder what
21 your vision is for the future of that
22 hospital.
23 COMMISSIONER McDONALD: Yeah, Upstate
24 Medical Center is very important. They

1 provide care to a lot of people -- not just
2 tertiary care, but quaternary care. They're
3 very important to that part of New York.
4 You know, I met with Dr. Dewan, I went
5 out there and visited them. I have concerns
6 about their physical plant, as he does as
7 well, and I think they're looking for
8 resources to estimate where they need to go
9 for the future, and I think that's very
10 important.
11 I think they're going to be in the
12 future of New York, and I'd like to see them
13 something that we try to help and move
14 forward with. But they do have needs. I'm
15 addressing them as best I can here. I don't
16 mean to not give you specifics; I just -- I
17 understand their concerns, and I agree with
18 Dr. Dewan. I'm concerned as well.
19 SENATOR MAY: All right, thank you.
20 On lead pipes -- I was gone for half
21 an hour, so I don't know if you talked about
22 this yet -- but we asked for $50 million last
23 year. DOH I think has spent 30 million,
24 which is estimated to be about 1 percent of

1 the need statewide for getting rid of the
2 lead pipes and lead service lines.
3 What is your plan?
4 COMMISSIONER McDONALD: I think we
5 have 115 million this year. The Governor
6 just announced yesterday projects across the
7 state, by the way, as well.
8 And we're replacing lead service
9 lines -- I think one of the big projects
10 actually was in Rochester in particular. So
11 I think we have a nice system going to
12 releasing the money. There's more federal
13 money coming for the next several years.
14 We're not going to replace all the lead
15 service lines, but I like the investment I
16 saw yesterday and I think you'll see more
17 coming as the years go on.
18 SENATOR MAY: Okay. Thank you.
19 And then on nursing homes, just on the
20 Medicaid gap there. How many beds do you
21 anticipate will close because of the gap that
22 we have? And should we have our constituents
23 call you? Because they're calling us on a
24 daily basis looking for some help with

1 long-term care.
2 COMMISSIONER McDONALD: Well,
3 constituents contact the department all the
4 time, and their messages are welcome. We're
5 happy to hear them.
6 And I think with nursing homes in
7 particular, we have to look at how we can
8 help with scope of practice and licensure
9 compacts to help them. I think that's
10 something we can all agree we need to help
11 reduce costs on in particular.
12 SENATOR MAY: Okay. Thank you.
13 CHAIRWOMAN KRUEGER: Thank you.
14 So because we've had you here for two
15 and a half hours -- and we have more -- we're
16 going to allow everyone to take a 15-minute
17 break till ten after 1:00 to do with whatever
18 you -- ten after 12:00, oh, my goodness.
19 Sorry, everyone. All right, ten after 12:00,
20 to do whatever people might need to do during
21 those minutes. Thank you.
22 (A brief recess was taken from 11:56 a.m.
23 to 12:11 p.m.)
24 ASSEMBLYWOMAN PAULIN: Is

1 Assemblymember Walker here? No. Alex Bores?
2 Khaleel Anderson? Jenifer Rajkumar? No.
3 Karines Reyes? Okay. Anna Kelles? Jonathan
4 Jacobson? Boy, that bathroom break took care
5 of a lot more than just --
6 (Laughter.)
7 ASSEMBLYWOMAN PAULIN: Jo Anne Simon.
8 There we go.
9 (Off the record.)
10 ASSEMBLYWOMAN SIMON: Okay, there we
11 go. Thank you. This is what happens if you
12 come back on time. Right?
13 So thank you for your testimony. And
14 I only have three minutes, so I have a couple
15 of quick questions I'd like to outline, and
16 then the -- and that is, you know, one of the
17 responses about cuts to nursing homes, about
18 unallocated state subsidies. And my question
19 is, why are they unallocated?
20 The other point I wanted to -- if
21 somebody could really clarify for me how it
22 is that you can have this wage parity with
23 the CDPAP program and how it will not harm
24 both the workers, discourage people from

1 joining the workforce, and lead to a lack of
2 care.
3 And then the other question I have is
4 the school-based health clinics. The
5 Governor has proposed school-based mental
6 health centers in any school. Having lost
7 five school-based health clinics which
8 happened to be administered by Downstate, I
9 have real questions about how we are going to
10 have the money and the wherewithal to
11 actually do these school-based mental health
12 centers. And I also don't want to lose
13 school-based health clinics, not to mention I
14 don't want to lose Downstate.
15 So thank you.
16 MEDICAID DIRECTOR BASSIRI: Thank you,
17 Assemblymember. I'll start with the first
18 question on the nursing homes, why is it
19 unallocated.
20 You know, I think that's a question
21 that we should hear from the nursing home
22 industry. They -- there is an application
23 process to receive VAPAP or state-only
24 funding. They have to submit, they have to

1 meet, you know, financial distress criteria,
2 days cash on hand --
3 ASSEMBLYWOMAN SIMON: Could you be a
4 little closer to the microphone? I'm having
5 trouble hearing.
6 MEDICAID DIRECTOR BASSIRI: Sure.
7 So I can't necessarily answer
8 definitively as to why they are not applying
9 or where they're applying and not meeting the
10 criteria. But I'm sure we'll hear from them
11 later on.
12 We have awarded 10 nursing homes
13 through that funding. And that's been
14 consistent for two years. So given the
15 budget challenges, it seemed like a more
16 prudent use, reserving unallocated funds,
17 than trying to reduce services.
18 Your next question was related to the
19 wage parity reduction?
20 ASSEMBLYWOMAN SIMON: Yeah, how does
21 that work? I don't understand your answers
22 from before.
23 MEDICAID DIRECTOR BASSIRI: You know,
24 wage parity was put in place in 2017, and

1 really intended to level the playing field
2 between the CDPAS personal aides and LHCSA
3 personal aides. And since that time we've
4 learned a lot about the program. It's become
5 clear that CDPAS aides are eligible for
6 health insurance benefits, or some of them
7 are, especially with the expansion in the
8 Essential Plan, the Qualified Health Plan.
9 But we do know that many of the
10 workers are receiving that benefit through
11 base wages and not benefits. And we've made
12 a tremendous number of investments in base
13 wages, including indexing the minimum wage to
14 inflation permanently.
15 ASSEMBLYWOMAN PAULIN: Thank you.
16 CHAIRWOMAN KRUEGER: Thank you.
17 Next is ranker for Finance Senator Tom
18 O'Mara, five minutes.
19 SENATOR O'MARA: Thank you, Senator.
20 Good afternoon. Thank you for your
21 responses today so far.
22 With regards to the migrant crisis in
23 New York City that we read about every day,
24 and all these cuts to Medicaid we're talking

1 about, can you explain to us what the impact
2 of the migrant situation is on the Medicaid
3 program in New York? How many of those are
4 eligible or ineligible?
5 COMMISSIONER McDONALD: So some
6 members who are migrants are eligible for the
7 Essential Plan. And we do have assisters who
8 actively help them get the Essential Plan.
9 So we do try to enroll as many people as
10 possible.
11 In addition, just to highlight another
12 issue, there is about $25 million in this
13 budget to help with making sure people are
14 screened for tuberculosis and get vaccines
15 before they get insurance. That's additional
16 money that's put forward to help address
17 those issues as people arrive.
18 As far as Medicaid goes, my
19 understanding from Medicaid is they're
20 eligible for Emergency Medicaid if they need
21 it.
22 You can supplement (inaudible).
23 MEDICAID DIRECTOR BASSIRI: Yeah, it
24 will really depend on the individual's

1 status, documentation status upon entry into
2 the country. If they are undocumented, they
3 are eligible for Emergency Medicaid, which is
4 life-threatening or critical condition
5 inpatient services. And then as Dr. McDonald
6 said, if they do have -- if they are asylees
7 or asylum seekers and are working and have
8 work authorization, they would be enrolled in
9 the Essential Plan. So no Medicaid costs.
10 SENATOR O'MARA: But you don't have
11 numbers of how many migrants are enrolled in
12 the Essential Plan as opposed to getting
13 Emergency Medicaid?
14 MEDICAID DIRECTOR BASSIRI: I don't
15 have them in front of me. And it's a little
16 harder to answer that than it may seem. But
17 it's certainly something we can get back to
18 you on in writing.
19 SENATOR O'MARA: Yeah, well, you know,
20 with all the discussion about the financial
21 impacts of this migrant crisis, particularly
22 in New York City, you know, we should have a
23 handle on that and know what the impact, what
24 the cost is and really, you know, what we

1 should be asking the federal government and
2 President Biden to supply to New York State
3 to cover these expenses.
4 MEDICAID DIRECTOR BASSIRI: And I
5 think some of those expenses are well beyond
6 Medicaid and costs that New York City has had
7 to incur for other social supports and
8 housing services.
9 SENATOR O'MARA: Moving on a little
10 bit to hospitals and Medicaid, it's been
11 consistently reported that Medicaid is
12 underpaying hospitals by about 30 percent for
13 the cost of supplying those medical services.
14 Do you agree with that number?
15 And what is the state looking at doing
16 with regards to making hospitals whole for
17 providing those services?
18 MEDICAID DIRECTOR BASSIRI: I haven't
19 looked at the numbers closely enough. I know
20 they reference a 70 percent -- I think that's
21 as a percentage of their cost. We do have
22 sort of rules and the federal government has
23 rules that dictate what Medicaid can
24 reimburse hospitals for services. We are at

1 those limits, meaning we cannot pay them any
2 more while continuing to receive federal
3 financial participation on those payments.
4 Which is why you've seen such a large
5 increase in our state-only Medicaid payments,
6 because we're -- we can't get federal match
7 anymore.
8 So I think there's certainly some
9 alignment on the numbers, but we've done a
10 number of things and invested in those
11 reimbursement rates through state-directed
12 payments and other payment vehicles.
13 Unfortunately, we are just running out of
14 options to get federal match, which is
15 important. We have done that --
16 SENATOR O'MARA: Are there discussions
17 going on with the feds to deal with that
18 inequity?
19 MEDICAID DIRECTOR BASSIRI: There
20 absolutely are. It's something we spent a
21 considerable amount of time negotiating with
22 them as far as our 1115 waiver. So they are
23 agreeing to provide federal match, even
24 though we are above those limits for those

1 hospitals. Which is not the ideal scenario,
2 but it is an acknowledgment, I think, on
3 their part that more needs to be done to
4 support those institutions.
5 SENATOR O'MARA: Getting back to the
6 migrants for the last few seconds I have,
7 what is the impact on hospitals or other
8 healthcare providers providing services to
9 uninsured or ineligible migrants or illegal
10 immigrants?
11 MEDICAID DIRECTOR BASSIRI: I think
12 there are -- to the extent they are
13 uninsured, they would be getting Medicaid --
14 I'm sorry, undocumented, they would be
15 getting Medicaid reimbursement. But many are
16 eligible for the Essential Plan and are
17 receiving reimbursement from the
18 Essential Plan which is higher, significantly
19 higher, than the Medicaid rate.
20 SENATOR O'MARA: Thank you.
21 CHAIRWOMAN KRUEGER: Thank you.
22 Assembly.
23 ASSEMBLYWOMAN PAULIN: Thank you.
24 Alex Bores.

1 ASSEMBLYMAN BORES: Thank you,
2 Madam Chair. Thank you all for being here.
3 Commissioner McDonald, I'm actually
4 going to ask you the same two questions I
5 asked you last year, with some updates. The
6 first is you've talked about licensure
7 compacts. There's also interstate data
8 sharing compacts that the federal
9 government's prioritizing to prevent growth
10 in diseases. I know we participate in many
11 of them. Last year I asked about norovirus
12 and NoroSTAT. Since that time, Colorado's
13 added in. Any updates on that, or are there
14 initiatives to share data across state lines?
15 COMMISSIONER McDONALD: As far as I
16 know, we are sharing data on that, but I'll
17 get back to you to be a hundred percent sure.
18 Because we like sharing data. It's obviously
19 in everyone's best interest to work together
20 with that.
21 ASSEMBLYMAN BORES: Cool. The CDC
22 doesn't list New York. I hope they're wrong.
23 But would love for you --
24 COMMISSIONER McDONALD: I'll

1 double-check on it. I thought we did, but
2 let me double-check.
3 ASSEMBLYMAN BORES: Cool. And if you
4 could just follow up in writing with sort of
5 where we are sharing data, that would be
6 really helpful.
7 COMMISSIONER McDONALD: Sure.
8 ASSEMBLYMAN BORES: And then the
9 second is last year's budget put a strong
10 priority on fighting future pandemics and
11 investing in strengthening of vaccines.
12 There's some of that in here, right, the
13 testing of HIV and hepatitis, et cetera, but
14 certainly not as much.
15 You spoke really passionately last
16 year about how you wanted to spread more in
17 fighting future pandemics, and vaccines. I'd
18 love it if you could just update on kind of
19 where that's reflected, or are those
20 initiatives really cut?
21 COMMISSIONER McDONALD: Yeah, I mean
22 the federal government's taken a lot of lead
23 in this. I mean, one of the things I hear
24 from the federal partners is for a new virus

1 they expect to have a test within -- their
2 words, not mine -- 10 days. And they expect
3 to have vaccines available within like
4 90 days, which to me is -- their words, not
5 mine -- which is quite remarkable.
6 And I think one of the things you
7 notice is we're much better supplied with
8 personal protective equipment. And, you
9 know, remember at the beginning of the
10 pandemic, that was just one of those things
11 where we just weren't ready. No state was,
12 because no one saw how much of a need that
13 was going to be.
14 You know, obviously the public health
15 department is much better prepared, because
16 we lived through it, but we're also much
17 better staffed, thank you very much. You
18 know, we are in a much better place than we
19 were last year. Last year we had barely
20 broken even in '22. This year I have
21 hundreds of more team members on my team that
22 I'm very excited about. And we're actually
23 now at pre-pandemic levels, and we have more
24 positions that we're hiring, and we really

1 like the momentum that we have at the
2 department.
3 ASSEMBLYMAN BORES: Wonderful. And
4 could you just comment specifically on the
5 Division of Vaccine Excellence?
6 COMMISSIONER McDONALD: Yes. So I'm
7 thrilled with that here. So we have a new
8 leader in that area, which is good. We're
9 hiring more staff for that. Really looking
10 ahead, we address things like vaccine
11 confidence. How do we get it, just quick,
12 frankly more available? And, you know, I
13 think one of the things you saw this year
14 was, hey, the COVID vaccine transition to the
15 commercial market, it was helpful for us to
16 have team members to explain to people how
17 that was going to happen, to make that as,
18 you know, smooth as it could be.
19 It was bumpier in other states than it
20 was here. We were pretty good at getting
21 information out. And Medicaid, thank you
22 very much, did a great job at getting it
23 covered. We had our team members, our
24 Medicaid members covered quicker than

1 commercial players, which I really appreciate
2 my team doing that.
3 ASSEMBLYMAN BORES: Thank you.
4 ASSEMBLYWOMAN PAULIN: Senate.
5 CHAIRWOMAN KRUEGER: Thank you.
6 Senator Lea Webb.
7 SENATOR WEBB: Thank you, Chair.
8 So my question is -- actually,
9 questions are directed to the commissioner.
10 So with regards to reproductive
11 health, I appreciate the increase in funding
12 for reproductive health center security
13 grants. And so what I didn't see in the
14 increase was direct support for providers.
15 And I know this was an issue that we brought
16 up last year. And so -- and the Executive
17 proposal did not include that, to increase be
18 Medicaid reimbursement to cover the actual
19 cost of medication abortion.
20 So my question is, how does the
21 department expect that those services can
22 continue when providers are not being
23 reimbursed for their true costs? So that's
24 one question.

1 And then my other pertains to the
2 HPNAP/Nourish NY program. I want to lend my
3 voice to this. This is an important -- these
4 are two important programs to address food
5 insecurity. However, what was troubling is
6 that Nourish NY is not a true replacement.
7 And so with the proposal on the table, how
8 does this proposal address these issues?
9 I'll start there.
10 MEDICAID DIRECTOR BASSIRI: Thank you
11 for the question, Senator. I'll answer the
12 first one with respect to the abortion
13 services. Though we did make an investment
14 last year -- it was a two-year investment to
15 increase the reimbursement -- it is very
16 complicated given the federal rules on
17 financial federal match and just generally
18 targeting the funding in such a way that we
19 get it to the right providers.
20 We did get some feedback from a few
21 outside groups and are thinking about
22 alternatives to expand on what we did last
23 year. But it has been a major undertaking to
24 implement last year's investment, and we

1 would hope we can build on that in further
2 discussions.
3 COMMISSIONER McDONALD: And then I --
4 can you repeat the question about Nourish NY
5 and Hunger Prevention and Nutrition
6 Assistance Program again, please?
7 SENATOR WEBB: So last year, you know,
8 those programs were essentially kind of
9 combined, and that was a problem for a lot of
10 us who serve rural areas, especially dealing
11 with food insecurity.
12 So my question is, how does a new
13 proposal, if there is one, address these
14 issues with those two programs?
15 COMMISSIONER McDONALD: Yeah. I mean,
16 it went through a competitive procurement. I
17 know everybody wasn't pleased with the
18 results of that, but it's a competitive
19 procurement. I mean, we did 390 million
20 emergency meals last year. As far as I know,
21 the program did work. I mean, we fed a lot
22 of people. And our plan this year is to
23 continue with the same. I don't know of any
24 new investment.

1 Obviously I'm concerned about food
2 insecurity too, though. You know, it's a big
3 issue. But we're trying to support as many
4 people as we can with this.
5 SENATOR WEBB: Okay. And then my
6 follow-up deals with maternal health. What
7 actions is the Department of Health going to
8 take to address unnecessary C-sections? I
9 know the Governor included this in her
10 budget. We also advanced legislation
11 yesterday in the responses to that. And we
12 can also talk offline as well. I know --
13 COMMISSIONER McDONALD: There is a
14 significant investment incentivizing
15 hospitals to reduce their C-section rate by 1
16 percent. We give them money.
17 ASSEMBLYWOMAN PAULIN: As much as I
18 want to hear a more expanded answer, we have
19 to move on.
20 Assemblymember Walsh.
21 ASSEMBLYWOMAN WALSH: Thank you,
22 Chairwoman. And good afternoon.
23 As New York State continues to express
24 its desire to increase health equity for all

1 residents, there continues to be one
2 population that does not get the opportunity
3 to participate. There's only one clinic in
4 the Capital Region, Center Healthcare, a
5 division of the Center for Disability
6 Services in Albany, that is fully accessible
7 and has true integrated care under one roof,
8 including primary care, dental care. And
9 that's especially important now that 600
10 individuals are on a waitlist for service
11 after St. Peter's closed their dental clinic.
12 Neurology, psychiatry, physical, occupational
13 and speech therapy, sidewalk social work
14 counseling, and physical medicine. Many of
15 these services are not available in community
16 practices due to the complex nature of the
17 patients, time required to treat, including
18 in some instances a Hoyer Lift to safely
19 transfer in and out of a wheelchair, and
20 assistance to undress and dress, and the
21 increased staff that's necessary due to
22 behavior such as a minimum of one dental
23 assistant and up to three assistants, in
24 addition to the dentist or hygienist, for any

1 dental work being performed.
2 Emergency rooms and urgent care
3 centers have turned into basic healthcare for
4 individuals with I/DD because of the lack of
5 access to services and the transportation to
6 get to and from an appointment for someone in
7 a wheelchair in the community.
8 The center's health and dental clinic
9 has not had a rate increase in 17 years,
10 while the hospital-based clinics have had
11 routine cost-of-living adjustments approved
12 by the Legislature, including last year at
13 7 percent, only to have a local hospital
14 close their dental clinic this past summer,
15 as I mentioned.
16 Emergency rooms are not the answer for
17 individuals with I/DD or autism. They are
18 crowded, they're loud, and they're
19 short-staffed. The individuals served at the
20 center are often nonverbal, which creates
21 additional challenges in an emergency room or
22 urgent care center, often resulting in
23 unnecessary testing and cost.
24 I know you visited, Commissioner, the

1 center recently, as I did.
2 The question: How will New York
3 support health equity and health services for
4 individuals with I/DD in clinics like the
5 Center Healthcare, which is not eligible for
6 Federally Qualified Health Center funding?
7 These clinics are crucial to the
8 future of healthcare for individuals with
9 disabilities, and they cannot be expected to
10 continue to serve this population on a rate
11 that's been frozen for 17 years.
12 How will New York, with current state
13 budget funds and the new 1115 waiver, make a
14 commitment to properly support individuals
15 with disabilities in a proper setting like
16 the Center Healthcare for basic healthcare
17 and dental service? What we have today is
18 not health equity, and it's discrimination,
19 and I think New York has got to do better.
20 And in the little remaining time, I
21 would appreciate your thoughts on that.
22 COMMISSIONER McDONALD: I -- you made
23 a lot of great points. I think you made a
24 lot of really good points. There actually is

1 a pretty substantial increase in this budget.
2 It was a pretty important investment, I
3 think.
4 And I think you're absolutely right to
5 call out. People with disabilities are a
6 vulnerable population, and health equity
7 matters a lot. I couldn't agree with you
8 more. There's a health disparity. The
9 increased investment should help to address
10 that.
11 ASSEMBLYWOMAN PAULIN: Senate.
12 CHAIRWOMAN KRUEGER: Thank you. Thank
13 you very much.
14 Next is Senator Gounardes.
15 SENATOR GOUNARDES: Thank you,
16 Senator Krueger.
17 Good I guess afternoon, Commissioners,
18 everyone.
19 I want to pick up on a theme that was
20 started a little bit earlier by my colleague
21 Senator Hinchey, and that's to talk about
22 some of our financially distressed hospitals,
23 the safety net hospitals in particular. I'm
24 here on -- this is my sixth budget cycle. I

1 feel like every year we talk about a safety
2 net stabilization fund, the safety net, you
3 know, fix, a temporary fix. It's 500 million
4 here, 600 million there. We're going to
5 divert New York City sales tax to shore up
6 our hospitals. Every year it's a Band-Aid,
7 and every year it's crisis to crisis to
8 crisis.
9 What if anything is being advanced in
10 this budget to shift us away from that
11 perpetual crisis mode towards a more
12 sustainable funding for our safety net and
13 financially distressed institutions?
14 COMMISSIONER McDONALD: Right. You're
15 exactly right. Every year it's the same
16 thing, right? We cannot buy ourselves out of
17 this issue. I couldn't agree with you more.
18 And I think this is really, really why
19 it's important to look at how do we help
20 hospitals reduce costs, how do we help
21 nursing homes reduce costs. Some of that is
22 in the scope of practice changes we talked
23 about.
24 Yes, there is money in the 1115

1 waiver. Yes, we have money for them as well.
2 But I think we need to look at ways we can
3 help hospitals reduce costs. Agency nurses
4 are still a substantial cost for hospitals.
5 But I think you need to go back to are there
6 other things we're asking hospitals to do
7 that are a cost to them that we can relieve
8 from them.
9 I'm happy to work with hospitals to
10 put data together to help improve their
11 throughput and make sure this is something
12 that is sustainable. But we really need a
13 substantial path for hospital finances, and
14 it's not -- the answer isn't just adding more
15 money every year.
16 Amir, do you want to add to that?
17 MEDICAID DIRECTOR BASSIRI: I just
18 wanted to add that the 1115 waiver that
19 Dr. McDonald mentioned is certainly a
20 long-term investment. It is not a Band-Aid.
21 And while there are only a subset of
22 safety net hospitals that would be eligible
23 for enhanced funding, it is tied to a broader
24 federal model that includes all payers, not

1 just Medicaid, and has a number of
2 flexibilities that would be attractive to a
3 hospital and helpful in addressing this
4 long-term, longstanding issue.
5 SENATOR GOUNARDES: I hope that I'm
6 not here next year asking a similar version
7 of the same question. I suspect that until
8 we actually change the structure of how we
9 finance healthcare, we're never going to get
10 to a truly more sustainable system.
11 You mentioned hospital spending,
12 hospital costs. Over the last decade-plus,
13 hospital costs have increased by about
14 90 percent, far outpacing other sectors of
15 the healthcare industry. What are we doing
16 to kind of drive down some of those costs?
17 And at the same time those costs are rising,
18 some of the big corporate hospital chains are
19 posting profits of a billion-plus. So
20 something other than that is not adding up.
21 And what are we doing to rightsize the
22 equations there?
23 COMMISSIONER McDONALD: The largest
24 driver of hospital costs is labor costs. And

1 that's still -- agency labor. And that's
2 still a pretty big impact. And I think, you
3 know, we just need to find ways for hospitals
4 to help them reduce their costs. This is
5 where a lot of the licensure compact stuff
6 we're talking about -- it's important to
7 think about the scope of practice changes
8 we're talking about too. There's long-term
9 solutions there. I hope people just
10 entertain them and look at them closely. But
11 I think we need help with labor.
12 SENATOR GOUNARDES: Thank you.
13 ASSEMBLYWOMAN PAULIN: Thank you.
14 Assemblymember Mikulin.
15 ASSEMBLYMAN MIKULIN: Just a few
16 questions.
17 With the rise in fentanyl deaths,
18 Narcan is needed more and more. It is my
19 understanding that the Department of Health
20 purchases Narcan from only one source when
21 generic supplies exist. Why?
22 ACTING EX. DEP. COMMISSIONER MORNE:
23 Thank you. So yes, the purchase of naloxone
24 or Narcan has been with a single source. We

1 maintain a contract with that particular
2 contractor. We have, as a result, have been
3 able to distribute thousands of kits across
4 New York State in order to advance and save
5 lives.
6 ASSEMBLYMAN MIKULIN: Is there any
7 plan to extend it and put it out to bid so
8 that there's more than one contractor we're
9 purchasing it from?
10 ACTING EX. DEP. COMMISSIONER MORNE:
11 Yes. As we continue to move forward and as
12 we continue to advance the availability of
13 different types of models related to
14 naloxone, certainly we will look at that.
15 ASSEMBLYMAN MIKULIN: And following up
16 on actually something my colleague said, in
17 my district I have a public benefits
18 corporation called NUMC that will be running
19 out of money shortly. It's my understanding
20 that funding, especially from the state, has
21 been limited over the years. What are we
22 going to be doing to help?
23 COMMISSIONER McDONALD: I lost some of
24 your audio. You said there's a -- do you

1 have a healthcare facility that's running out
2 of money, is that what your question is?
3 ASSEMBLYMAN MIKULIN: Yes.
4 COMMISSIONER McDONALD: Yeah, so
5 there's a process for them to apply to the
6 department to see what funding we can offer
7 to people and see what's available.
8 ASSEMBLYMAN MIKULIN: They -- they
9 did.
10 COMMISSIONER McDONALD: Is it a
11 hospital?
12 ASSEMBLYMAN MIKULIN: Yes, it is a
13 hospital.
14 COMMISSIONER McDONALD: And then it
15 just has to walk through the process. I
16 can't specifically address any particular
17 facility now, but I can have my staff look
18 into it. And since they're listening, I'm
19 sure they already are right now.
20 ASSEMBLYMAN MIKULIN: Okay, so we can
21 maybe set up a meeting and they can reach on
22 out to you?
23 COMMISSIONER McDONALD: I'm sure my
24 staff just heard what you asked, and I'm sure

1 they're looking into it and they'll get back
2 to you about what we're doing with them.
3 Does that sound fair?
4 ASSEMBLYMAN MIKULIN: Thank you.
5 COMMISSIONER McDONALD: You're
6 welcome.
7 CHAIRWOMAN KRUEGER: Senator Rhoads.
8 SENATOR RHOADS: Thank you so much,
9 Chairwoman.
10 And I actually share that hospital in
11 my district with my Assembly colleague,
12 Assemblyman Mikulin. So I would be very
13 interested in that answer, Commissioner. So
14 thank you very much.
15 Just -- you mentioned that
16 hospitals are having difficulty making ends
17 meet. And one of the things that I wanted to
18 address was medical debt. In the Governor's
19 proposal she wants to increase the Hospital
20 Financial Assistance Program to cover now
21 400 percent of the federal poverty level. In
22 addition, she wants to increase -- or
23 decrease, rather, the gross monthly income
24 threshold from 10 percent to 5 percent and

1 reduce the interest rate to 2 percent on
2 medical debt.
3 What's the estimated financial impact
4 to hospitals due to the Governor's proposed
5 changes to hospital financing?
6 COMMISSIONER McDONALD: You know, I
7 don't know the exact number, but I think it's
8 rather minimal. When you look at who we're
9 actually getting medical debt from, it's some
10 of the poorest New Yorkers.
11 And this is one of those things where
12 suing people for medical debt hasn't
13 generally been that effective. I think
14 they're recovering generally 14 cents on the
15 dollar anyways here. And really a lot of
16 what this is about is trying not to create a
17 financial barrier we don't need to. You
18 know, not necessarily demanding a credit card
19 preauthorized before you get healthcare, but
20 not suing people.
21 And there's some nice changes here so
22 SUNY doesn't have to be suing people. I
23 don't know that they want to be as well. But
24 it was interesting how SUNY is one of the

1 largest litigators of medical debt.
2 I'll see if I can get you the exact
3 number from my staff on how much money this
4 is going to actually impact hospitals. My
5 understanding, it wasn't that much.
6 SENATOR RHOADS: And was there any
7 consideration given specifically to
8 safety-net hospitals with respect to that,
9 since they treat primarily an indigent
10 population?
11 COMMISSIONER McDONALD: Yeah, I don't
12 know that safety-net hospitals are the ones
13 who are actually really influenced by medical
14 debt. I think that's one of those things
15 where, you know, a lot of their patients have
16 Medicaid and have other insurance issues as
17 well.
18 I mean, I share your concern about our
19 hospitals; I want to help them to stay whole.
20 But I don't think this is one of those things
21 where it's going to be as big a cost driver.
22 SENATOR RHOADS: Well, just a -- would
23 a proposal such as this necessarily result in
24 higher medical costs for individuals who do

1 have the capacity to pay, because hospitals
2 are trying to make up a shortfall for what
3 they can't collect from other patients?
4 COMMISSIONER McDONALD: So when you're
5 collecting money from people who are either
6 uninsured or underinsured, you know, they
7 have to negotiate rates here.
8 Sometimes people who are underinsured
9 or uninsured, by the way, are paying a lot
10 more money than someone who's insured because
11 they don't have the power of an insurance
12 company to negotiate for them. And sometimes
13 the difference is stunning. You know,
14 sometimes the cost that, you know, the
15 insurance company pays -- you see this on
16 your explanation of benefits -- it's 10 or
17 15 cents on the dollar, and the hospital's
18 happy to get that from the insurance company.
19 Oh, it's not true for every expense a
20 hospital gets. But I think this gets back to
21 just sort of parity, and it's really an
22 equity issue. We're taking -- you know, this
23 is really a proposal to stop taking, you
24 know, advantage of some of the poorer

1 New Yorkers, quite frankly, because that's
2 the population that's affected by this.
3 Medical bankruptcy isn't pleasant for anyone.
4 SENATOR RHOADS: I would appreciate
5 seeing those statistics. Thank you,
6 Commissioner.
7 CHAIRWOMAN KRUEGER: Thank you.
8 Assembly?
9 ASSEMBLYWOMAN PAULIN: Yes.
10 Assemblymember Latrice Walker.
11 ASSEMBLYWOMAN WALKER: (Mic issue.)
12 Awesome. I guess your muscles are stronger.
13 (Laughter.)
14 ASSEMBLYWOMAN WALKER: Good afternoon.
15 So we have heard a number of times
16 about SUNY Downstate potentially either being
17 downsized and/or closing. In light of the
18 fact that SUNY Downstate and many other
19 hospitals such as those under the
20 One Brooklyn Health program -- it would be
21 interesting to hear what the federal Medicaid
22 waiver dollars -- or how many of them are
23 going to be utilized in order to support
24 public benefit corporations and hospitals who

1 are safety-net hospitals, such as those under
2 One Brooklyn Health and Downstate.
3 MEDICAID DIRECTOR BASSIRI: Thank you
4 for the question, Assemblymember.
5 There is significant funding in the
6 waiver, $550 million annually, for
7 financially distressed hospitals, but private
8 financially distressed hospitals. It does
9 not include public hospitals. And this was
10 something we advocated for, but the federal
11 government held firm in that public hospitals
12 have access to other means of Medicaid
13 financing through intergovernmental transfers
14 and changes to the Disproportionate Share
15 Hospital payments, whereas private voluntary
16 hospitals do not.
17 So that is the reason why it is
18 limited to only private hospitals, the
19 550 million.
20 ASSEMBLYWOMAN WALKER: Correct. But
21 isn't hospitals such as Brookdale Hospital,
22 Interfaith, Kingsbrook -- aren't those
23 considered private hospitals but just provide
24 public benefits simply because most of the

1 constituents or utilizers of those hospitals
2 are people who are on Medicaid? Who we know
3 many of those hospitals are in distress
4 because there is a network adequacy issue,
5 where doctors are being underpaid through
6 their reimbursement rates.
7 And so why don't they have access to
8 the dollars?
9 MEDICAID DIRECTOR BASSIRI: I may have
10 misunderstood your question. But I can tell
11 you, One Brooklyn Health is absolutely
12 eligible for the 1115 waiver, as are other
13 safety-net hospitals in Brooklyn, the Bronx
14 and Queens.
15 ASSEMBLYWOMAN WALKER: Well, one of --
16 so there's a serious issue with respect to
17 lower reimbursement rates that providers
18 receive without recourse.
19 And so I'd be interested in hearing at
20 what point would DFS and DOH consider a lack
21 of network adequacy a public health crisis
22 and intervene by regulating the reimbursement
23 rates between payer and providers.
24 DFS SUPERINTENDENT HARRIS: My muscles

1 aren't working too.
2 Thank you for the question. In terms
3 of reimbursement rates on the mental health
4 side, of course the Governor has proposed
5 that for several clinics, that commercial
6 providers start to reimburse at the Medicaid
7 rate or the Medicare rate.
8 With respect to network adequacy
9 generally, DFS has just proposed a regulation
10 for mental health providers in particular
11 requiring that the first appointment be given
12 within 10 days if there isn't -- I'm happy to
13 provide more in writing, ma'am.
14 ASSEMBLYWOMAN WALKER: Awesome, thank
15 you.
16 CHAIRWOMAN KRUEGER: I was busy
17 adjusting mics, sorry.
18 We are at Senator Hoylman-Sigal.
19 SENATOR HOYLMAN-SIGAL: Thank you,
20 Madam Chair. Good to see you all.
21 I wanted to bring up the issue of
22 Paxlovid, which I know you're familiar with,
23 Commissioner. In November of last year,
24 Pfizer and the federal government announced

1 that Paxlovid, which has been shown to reduce
2 serious illness of COVID-19 by 89 percent,
3 was transitioning to the commercial market.
4 And since then, the market price of these
5 treatments has exceeded $1500. And even some
6 people with insurance are seeing copays or
7 carveouts that are footing them with steep
8 bills for these life-saving medications.
9 I wanted to let you know that I've
10 introduced a bill today to require all
11 insurance providers in New York State,
12 including Medicaid, to provide coverage for
13 COVID-19 therapeutics that are approved by
14 the FDA.
15 Do you agree that New Yorkers should
16 be forgoing life-saving treatments like this
17 because of cost?
18 COMMISSIONER McDONALD: No. I mean, I
19 don't agree with that. How about being just
20 straightforward like that. Of course not. I
21 want every New Yorker to have access to the
22 medicine they need to get better.
23 I'll tell you, when I had COVID last
24 July, within 22 hours of taking Paxlovid I

1 could tell I was heading in the right
2 direction. And I was miserable with my
3 COVID. I don't ever remember being that
4 sick, and I was as updated with the vaccines
5 as you could be. So I was still thankful to
6 have it.
7 But it's weird to me how expensive it
8 is, really weird.
9 SENATOR HOYLMAN-SIGAL: Is there
10 anything in this budget that would address
11 those kind of costs?
12 COMMISSIONER McDONALD: It's covered
13 by Medicaid. So Medicaid does cover
14 Paxlovid, as we cover every other
15 FDA-approved medicine. So that's how we
16 address that.
17 SENATOR HOYLMAN-SIGAL: Thank you.
18 And then I wanted to also ask about
19 gun safety. We passed legislation last year
20 that would allow for Medicaid reimbursement
21 for hospital-based gun violence prevention
22 programs, an approach that studies show that
23 reduces gun death in communities.
24 I wanted to know if either the

1 superintendent or the commissioner know
2 whether you've applied for approval of an
3 amendment to the State Medicaid Plan, as
4 required by the legislation. That
5 application was due, I believe, in
6 mid-November.
7 MEDICAID DIRECTOR BASSIRI: Yes, we
8 did file that, Senator. And it is under
9 review with the federal government.
10 In the interim, we are processing
11 enrollments for community health workers who
12 are employed by either community-based
13 organizations, hospitals or partners of
14 hospitals to do that hospital-based
15 intervention prevention programming. It's
16 primarily through outreach and working with
17 community members from peer support
18 navigators, so.
19 SENATOR HOYLMAN-SIGAL: And there's
20 one more part of that. You're supposed to
21 approve an accrediting body to review and
22 approve training and certification programs
23 for these violence prevention professionals.
24 That approval was due I think just a couple

1 of days ago.
2 MEDICAID DIRECTOR BASSIRI: We don't
3 have that. I will follow up with you on that
4 in writing.
5 SENATOR HOYLMAN-SIGAL: Thank you very
6 much.
7 CHAIRWOMAN KRUEGER: Thank you.
8 Assembly.
9 ASSEMBLYWOMAN PAULIN: Thank you.
10 Khaleel Anderson, is he here? Okay.
11 Jenifer Rajkumar, is she here?
12 ASSEMBLYWOMAN RAJKUMAR: Yes.
13 ASSEMBLYWOMAN PAULIN: Okay, good.
14 ASSEMBLYWOMAN RAJKUMAR: Thank you.
15 Thank you, Commissioner McDonald. And
16 as a pediatrician, I'm sure you will like
17 this topic, which I think you alluded to in
18 your opening.
19 In July 2023, I introduced the Keep
20 Kids Covered Act, which would allow 600,000
21 children enrolled in Medicaid to stay on it
22 continuously until age six, regardless of
23 change in eligibility and without
24 redetermination.

1 Children on Medicaid are more likely,
2 as you know, to have a regular provider, to
3 get routine medical care, and even complete
4 high school and college.
5 And Senator Hoylman-Sigal, I'm proud
6 to say, is sponsoring it in the Senate.
7 So if we pass our bill, will we have
8 your support to apply for the necessary
9 federal Section 1115 waiver?
10 COMMISSIONER McDONALD: I think we're
11 doing that anyways, aren't we?
12 MEDICAID DIRECTOR BASSIRI: We are.
13 And actually, that is public. At this point
14 we put in the federal public notice, and
15 there's legislation in the budget, and we're
16 proposing the financing is connected to our
17 recently approved 1115 waiver. So we're very
18 excited about that.
19 ASSEMBLYWOMAN RAJKUMAR: Fantastic.
20 Well, if you do it faster than us, even
21 better.
22 So my next question is about cannabis
23 shops. I have introduced the Smoke Out Act,
24 and my legislation will empower local law

1 enforcement to shutter illegal smoke shops
2 that are selling unregulated cannabis.
3 A random sampling of their cannabis
4 products actually found that 40 percent
5 contain dangerous contaminants such as
6 E. coli, salmonella, lead, and pesticides.
7 None met the safety standards of New York
8 State's legal cannabis market.
9 So my question for you is would you
10 say that these illegal smoke shops are a
11 threat to public health that needs to be
12 addressed?
13 ACTING EX. DEP. COMMISSIONER MORNE:
14 Thank you for that question.
15 First let me just acknowledge that
16 certainly cannabis management within New York
17 State is overseen by the Office of Cannabis
18 Management. That said, the Department of
19 Health does work in partnership and is
20 responsible for the public health impact.
21 We are working collaboratively with
22 the Office of Cannabis Management as well as
23 other partners in looking at what we can do
24 to ensure the safety and wellness of

1 New Yorkers who may in fact be impacted by
2 these illegal smoke shops, as you referenced.
3 ASSEMBLYWOMAN RAJKUMAR: So you would
4 agree that the illegal smoke shops are a
5 danger to public health?
6 ACTING EX. DEP. COMMISSIONER MORNE:
7 Yes, we would certainly agree. Which is the
8 whole intention behind looking at adult-use
9 cannabis and creating spaces in which there
10 can be regulated as well as safe access.
11 ASSEMBLYWOMAN RAJKUMAR: Great. Well,
12 thank you for your work in partnership on it.
13 I hope that we can close all 36,000 illegal
14 smoke shops across the state because they're
15 such a threat to health.
16 Thank you.
17 CHAIRWOMAN KRUEGER: Thank you.
18 Senator Comrie.
19 SENATOR COMRIE: Here we go. Here we
20 go.
21 Good morning. Somebody said wow?
22 Good morning, Commissioners. I wanted to ask
23 a couple of questions, which I will do them
24 quickly.

1 Last year myself and Assemblyman Aubry
2 put out a bill to deal with the underbedding
3 in Southeast Queens, which has been long
4 documented and long discussed -- I'm over
5 here.
6 (Laughter.)
7 SENATOR COMRIE: And DOH didn't
8 support the -- the need for making sure that
9 we could have more hospitalization, hospitals
10 built in Queens, throughout Queens. Queens
11 has been determined to be underbedded from a
12 study released 25 years ago that was done by
13 the state, and we still haven't had any
14 resolution to that.
15 Can you explain why DOH did not
16 support the bills S5172, Assembly 5970?
17 COMMISSIONER McDONALD: Let me just
18 offer to get back to you with that.
19 SENATOR COMRIE: That's -- at some
20 point we have to have some understanding of
21 it.
22 How do you understand hospitalization
23 usage, and what protocols do you do to
24 determine it?

1 COMMISSIONER McDONALD: Based on
2 population, resources, time to get to a
3 hospital, time to get to an emergency
4 department, type of service offered,
5 diversity of service offered, how many
6 people, you know, can actually get
7 throughput, what their bed status is, how
8 many people are in the beds, how long it
9 takes for people to get out. These are just
10 some of the variables that come to mind.
11 SENATOR COMRIE: Okay, thank you.
12 And then also to -- I would hope that
13 we could find some way to come up with an
14 assessment without starting to do a
15 million-dollar study to understand
16 hospitalization, since you have all those
17 statistics at hand already, and to make sure
18 that we can have some new hospitals built in
19 Queens.
20 Just another issue, CDPAP and the
21 fiscal intermediaries and the issue of the
22 contract. Can you give us an update on where
23 we are with that new contract?
24 MEDICAID DIRECTOR BASSIRI: Thank you

1 for the question, Senator.
2 I assume you're referring to the
3 request for offering. And unfortunately,
4 there's pending -- there's active litigation
5 and I'm unable to provide an update at this
6 time.
7 SENATOR COMRIE: We went from worse to
8 worst.
9 (Laughter.)
10 SENATOR COMRIE: So dealing with
11 the -- I'll just follow up on, instead of
12 Paxlovid, the lack of ability for pharmacies
13 and folk to be able to get Ozempic in for
14 people that actually need it because of the
15 burdening -- folks that are taking it that
16 don't need it.
17 Is there a state response to working
18 on folks that are suffering from diabetes
19 that can't get those medications?
20 ASSEMBLYWOMAN PAULIN: Thank you.
21 CHAIRWOMAN KRUEGER: Thank you.
22 You'll have to get back to Senator Comrie
23 afterwards. I think again, on that probably
24 very long list now of things you need to get

1 back to us on, add that to the list.
2 Thank you.
3 ASSEMBLYWOMAN PAULIN: Assemblymember
4 Reyes.
5 ASSEMBLYWOMAN REYES: Just got to
6 press really hard. Okay.
7 I will preface -- this is for DOH. I
8 will preface my question by saying, one, that
9 New York has 1.4 million children
10 Medicaid-eligible, and that 25 states have
11 already submitted their State Plan Amendment
12 to CMS. So you were asked earlier by
13 Senator Brouk about the State Plan Amendment
14 being submitted to CMS and our concern that
15 your SPA is too narrow in scope and doesn't
16 include services such as dental, optical and
17 other forms of care.
18 I'm also concerned that there are few
19 mental health professionals in schools that
20 are actually licensed to bill Medicaid. And
21 clinicians like school psychologists who have
22 been in schools providing services for years
23 are not included in this current SPA.
24 Why not submit a more broad State Plan

1 Amendment to CMS? And how will you address
2 the need to add school-based mental health
3 professionals to those able to bill Medicaid
4 so that the expansion will actually help meet
5 the growing mental health crisis in
6 children's mental health needs?
7 MEDICAID DIRECTOR BASSIRI: Thank you
8 for the question, Assemblymember Reyes. And
9 I know you're a huge champion on this
10 initiative, and it's been great working with
11 you on this thus far.
12 What I would say is it's been a long
13 haul to get where we are with the state plan
14 that is before the Center for Medicare &
15 Medicaid Services. Since that submission,
16 there was a recent guidance put out that
17 allows for, you know, the broader services
18 that you're alluding to that you're
19 interested in us seeking. And I think based
20 on our work with the schools themselves, and
21 the districts, I think we are cognizant of
22 the undertaking that the current state plan
23 allows for, with the data sharing and the
24 infrastructure to actually bill.

1 So it's not that we don't want to go
2 for more additional services, including those
3 mental health services. We're just trying to
4 take the right approach, given that we're not
5 going to get from zero to 60 overnight. And
6 it is a large undertaking to implement, what
7 we've worked on together.
8 ASSEMBLYWOMAN REYES: Yeah, I would
9 just add that the guidance from CMS was
10 changed like 2014. This isn't like new
11 guidelines. Right? And there have been
12 states that have had significant time to do
13 this. We could have -- I've been talking
14 about this for like three years now.
15 But you did say that there were some
16 school districts that weren't on board with
17 the change. I was just wondering how you --
18 MEDICAID DIRECTOR BASSIRI: I wouldn't
19 say that they are not on board. I think
20 there's a large infrastructure that is needed
21 to be able to bill Medicaid for the services
22 that are incurred for those students, and the
23 data exchange to make sure that they are
24 Medicaid-eligible students.

1 ASSEMBLYWOMAN REYES: Absolutely. And
2 I would add that once we're able to do that,
3 we will also be able to access matching
4 dollars from Medicaid. And I think that
5 would offset some of that cost and that
6 buildout.
7 My last question -- and I don't have a
8 lot of time -- how does DOH plan to achieve
9 the additional unidentified $400 million in
10 Medicaid savings in the budget, the
11 200 million in general and 200 million in
12 long-term care?
13 MEDICAID DIRECTOR BASSIRI: If you're
14 asking what the specific proposals are to
15 achieve that savings, we don't have them
16 predetermined at this time. It's something I
17 think we envision working with the
18 legislative staff and legislators with as we
19 go through the budget process.
20 ASSEMBLYWOMAN REYES: I guess to be
21 continued. Thank you.
22 MEDICAID DIRECTOR BASSIRI: Yes.
23 CHAIRWOMAN KRUEGER: Thank you. So I
24 believe I'm the last Senator, just for

1 keeping track.
2 And I have 10 minutes as the chair.
3 Thank you.
4 All right, I have a variety of
5 questions. Let's start with something that's
6 already come up a number of times but for
7 different hospitals. So we've already heard
8 about the concerns about SUNY. Senator
9 Comrie just asked questions about how do you
10 evaluate -- I know in my district -- it's not
11 exactly my district, but it's four Senators'
12 districts in Manhattan -- we're very
13 concerned about Mount Sinai's closing of Beth
14 Israel without seeming to go through
15 appropriate procedure. We've met with you,
16 Commissioner, and you actually put a
17 cease-and-desist for them, but apparently
18 they're ignoring it and just doing what
19 they're doing anyway. So I'm very concerned
20 about that, that they view a couple of
21 thousand dollars a day of penalty isn't worth
22 their listening.
23 So when you were just asked how do you
24 assess whether there's need for a hospital

1 not to close or even a hospital to be open,
2 you sort of ran through a list. Is that in
3 writing somewhere, is there a regulation that
4 we can look to to understand? Because for
5 example, SUNY Downstate is Brooklyn. Beth
6 Israel/Mount Sinai is probably the last large
7 hospital in the southern part of Manhattan.
8 We know that they take a huge number of their
9 patients from Brooklyn, but now we're going
10 to have another Brooklyn hospital closing.
11 So is there something we can all look
12 at and so that we know how we evaluate
13 their -- or how you're evaluating?
14 COMMISSIONER McDONALD: The department
15 has broad authority to assess this through
16 all the different tools we have. And it
17 comes to the department first. If the
18 decision isn't to the liking of the hospital,
19 they can appeal to the Public Health and
20 Planning Council, who can then make a
21 recommendation back to me.
22 I don't know if there's something
23 specific in writing. I know we have broad
24 authority here. I'll just have the team get

1 back to you with what actually our authority
2 is. I did talk to our legal team about this
3 last week in particular, and I'm told we have
4 very broad authority here.
5 And this is part of why when I just
6 say to people I really think it's important
7 hospitals not get ahead of the department, I
8 think that's really important for them to do.
9 I also think that I can't comment on
10 any particular regulatory action going on.
11 But, you know, if people have concerns about
12 something, they should let us know. I said
13 earlier I actually read every email. I don't
14 respond to everything, but you'd be surprised
15 how fast I process information. But I do
16 read every email we get, and I do forward it
17 to people in the department to do things
18 about it. And I'm not specifically calling
19 out one hospital, but I'm kind of aware of
20 what's going on in the state.
21 CHAIRWOMAN KRUEGER: Thank you.
22 So the Governor puts into her budget
23 again this year the creation of a data
24 warehouse, which now is specifying will be to

1 analyze maternal outcomes. She's put that
2 money in the budget multiple years. Did
3 anything happen so far? Is there any
4 development of a data warehouse that's in
5 process? Because originally it was for more
6 kinds of data than just maternal outcomes,
7 but I think the language this year is a data
8 warehouse for maternal outcomes. What's the
9 story here?
10 COMMISSIONER McDONALD: So there's a
11 lot going on with maternal health. There's a
12 lot going on with maternal mortality. I
13 don't know specifically what you're referring
14 to with the data warehouse, so I'm going to
15 have to get back to you on that one.
16 CHAIRWOMAN KRUEGER: Okay. She's
17 putting money in for the building of a data
18 warehouse. I don't quite know what that
19 means either yet. But I'm still trying to
20 figure our when there's a Cloud, why you need
21 a warehouse. But never mind, that's a
22 different question.
23 All right. So the Medical Indemnity
24 Fund, MIF. That was set up under the Cuomo

1 administration. It's for children who are
2 born with serious disabilities and, rather
3 than going through the medical malpractice
4 court system, there was a different setup.
5 And the fourth quarter report for '22 is the
6 last one published, so I think we're a year
7 behind. And I'm looking for the new data,
8 but most relevantly, in the fourth quarter
9 report from '22 the estimate of the
10 assets-to-expense ratio was expected to
11 exceed 80 percent by the end of the second
12 quarter of '23. So that would be over six
13 months ago now. And it referenced closing
14 down the fund and not letting any other
15 patients in when they literally were running
16 out of money.
17 I need to understand, are we putting
18 new money in? Have we stopped accepting more
19 children? We have a legal obligation to the
20 children that are in the fund for the rest of
21 their lives. What's happening?
22 MEDICAID DIRECTOR BASSIRI: Thank you
23 for the question, Senator.
24 We have not stopped enrollment. And

1 if we did, we would be -- we would notify you
2 as well as others, per the regulation of the
3 program.
4 But we are continuing to see higher
5 enrollment month over month and expenses
6 month over month. As you know very well,
7 individuals who are in the MIF have the
8 lifetime benefit. They are living longer.
9 They're -- we have continued the commercial
10 rates or the change that was made to
11 reimbursements since 2017, which has really
12 put pressure on the allocation for the MIF.
13 There's no new investment at this time
14 to support the MIF. But it's something we'd
15 be very open to working with you on, knowing
16 the current trends and the trajectory of the
17 program.
18 CHAIRWOMAN KRUEGER: Well, if I
19 remember reading the other -- the previous
20 reports, you should very soon be actually out
21 of money. So what's going to happen here?
22 Where are you supposed to get the money?
23 because we need to pay for those kids even if
24 we don't accept any more into the program.

1 MEDICAID DIRECTOR BASSIRI: I think
2 there's an understanding in the -- from the
3 Executive and the Division of Budget that
4 more money may be needed, and we look forward
5 to working with you on ways to get that level
6 of support to the MIF.
7 CHAIRWOMAN KRUEGER: So there's a
8 30-day amendment time frame for the Governor.
9 I hope that there's someone listening there
10 on the second floor and that they will go
11 ahead and put the money in. Because I don't
12 know about anyone else, but I don't want to
13 wake up one day and learn that you don't have
14 any money in that fund and you have
15 desperately ill children who were promised
16 lifetime care and we don't have any more
17 money for them.
18 I take this very seriously, and I
19 think you do also.
20 MEDICAID DIRECTOR BASSIRI: As do I.
21 We're on the same page.
22 CHAIRWOMAN KRUEGER: Okay. Thank you.
23 Okay, we had a conversation with some
24 people from Department of Health a few months

1 ago about the importance of providing more
2 training for doctors and physician assistants
3 and nurse practitioners in reproductive
4 healthcare services, that there was a
5 shortage of providers in the state. And I
6 had made a proposal to the Governor's office
7 with some of my colleagues for an investment
8 in expanded training services for people who
9 it's in scope of practice, they're already
10 licensed, but they've never had the training
11 to provide some of the care procedures,
12 disproportionately in second and third
13 trimester and they need to be in hospitals.
14 I didn't see any proposal like that in
15 the budget. Is it there and I just missed
16 it?
17 COMMISSIONER McDONALD: I didn't see
18 one in there either. I'll get back to you,
19 though, and find out if there isn't one in
20 there. I'll talk to my team.
21 CHAIRWOMAN KRUEGER: Okay. Thank you.
22 Okay, sorry. A number of people
23 brought up the discussion about the
24 long-term-care providers and the amount of

1 money being spent on the agencies as opposed
2 to the actual service providers. And there
3 was even some recent data -- sorry, it came
4 out in a couple of op-eds, I think one
5 yesterday -- that the state is paying MLTCs
6 $4500 per consumer for each month, regardless
7 of whether that's actually going -- or a
8 significant percentage of that is actually
9 going to home care workers.
10 And a concern that home care hours
11 approved were in the lowest hour categories,
12 even though we are paying these middlemen
13 agencies enormous amounts of money. A number
14 of advocacy groups, I think that will be
15 testifying later today, if somebody stays and
16 listens, will be arguing that this is a total
17 misuse of the limited funds we know we have,
18 and that we should be rethinking completely
19 this model and putting more money into the
20 actual payment of workers because we have a
21 desperate shortage both of the number of
22 workers and the pay is still -- seems very
23 inadequate to get people to want to do this
24 work, and yet we're spending an enormous

1 amount of money on the middlemen agencies.
2 Has your department been discussing
3 any of these proposals at all?
4 MEDICAID DIRECTOR BASSIRI: We -- we
5 have seen some of the legislative bills that
6 have passed and are still reviewing those.
7 But I would say it's not as simple as one
8 would think. And there are a range of
9 considerations with respect to modifying that
10 program. And we have the same concern that I
11 think you expressed with cherry-picking of
12 members who may not need the level of
13 services that the premium currently assumes.
14 I think we've talked about this in the
15 past and have some proposals to address it.
16 But it is something we're concerned about.
17 But I don't know that we have a position on
18 the legislation you're describing and whether
19 we agree with the estimates that -- tied to
20 that proposal.
21 CHAIRWOMAN KRUEGER: Yeah, I don't
22 know about the estimates either. I would
23 just argue that then you should do the
24 research and come up with your own

1 projections on the numbers.
2 But I do think that when you look at
3 the breakout of the dollars being spent on
4 the, quote, unquote, agencies versus the
5 workers, something's wrong.
6 MEDICAID DIRECTOR BASSIRI: One thing,
7 just in the last 10 seconds, is we did pass
8 together legislation to do more reporting
9 both on the payer and the provider side.
10 CHAIRWOMAN KRUEGER: Yes. Yes.
11 MEDICAID DIRECTOR BASSIRI: And so we
12 are implementing that and look forward to
13 getting that information when it's ready.
14 CHAIRWOMAN KRUEGER: Thank you.
15 Technically I have three more minutes,
16 but I'm going to wait to see if there's more
17 people going first.
18 ASSEMBLYWOMAN PAULIN: Okay.
19 CHAIRWOMAN KRUEGER: Thank you very
20 much. My time is up.
21 ASSEMBLYWOMAN PAULIN: We have more
22 Assemblymembers.
23 Next is Anna Kelles.
24 ASSEMBLYWOMAN KELLES: So I just

1 wanted to make first a comment following up
2 on the MIF question. My understanding is
3 that the funding was supposed to originally
4 come from hospital assessments, but that
5 funding has been going into the HCRA, which
6 is lumped in with a whole bunch of other
7 funds, which makes it really difficult to
8 follow and track and make sure the money goes
9 to the right place.
10 So I can follow up with you, but I'd
11 really love to hear how that is being handled
12 to make sure that it's going to the right
13 place and it's still coming from the
14 hospitals. My understanding is we haven't
15 actually collected money from the hospitals
16 in years.
17 MEDICAID DIRECTOR BASSIRI: That's not
18 my understanding. There is an assessment
19 that is imposed on hospitals specifically
20 that funds the appropriation for the MIF. A
21 lot of our taxes go through HCRA, so that
22 doesn't necessarily mean that it's not being
23 applied. It is.
24 ASSEMBLYWOMAN KELLES: Okay.

1 Another question. In March of 2024,
2 the list of vital tasks that we use for
3 determining someone's eligibility for managed
4 home care is going to reduce down to seven.
5 A lot of the things that are being removed
6 are tasks that really do identify limitations
7 in cognitive and physical disabilities. And
8 I'm curious if that's being reevaluated,
9 given that the managed long-term care is
10 certainly -- or home care -- is certainly
11 much more cost-effective than someone being
12 in a home.
13 MEDICAID DIRECTOR BASSIRI: Can you
14 repeat the question? I don't -- I didn't --
15 ASSEMBLYWOMAN KELLES: So there is a
16 list of vital tasks that are used to
17 determine whether or not someone is eligible
18 for home care, managed home care. And that
19 list was reevaluated and it's being reduced
20 from 22 tasks down to seven tasks.
21 And my question is, given that that is
22 much more cost-effective than someone being
23 in a -- you know, in assisted living or a
24 home, a nursing home, are we reevaluating

1 this? Since it's going to go into effect in
2 March of this year.
3 MEDICAID DIRECTOR BASSIRI: I think
4 we'll have to take this one offline. I think
5 you may be talking about a separate issue
6 with respect to eligibility.
7 ASSEMBLYWOMAN KELLES: Happy to take
8 that offline.
9 Last question, given my time. This
10 past November the Drinking Water Quality
11 Council recommended 23 PFAS chemicals to be
12 designated as PFAS chemicals -- or as
13 emerging contaminants. And that would
14 require statewide drinking water testing and
15 notifications.
16 I'm curious when that is expected to
17 come out, and if it's expected to come out
18 before the budget, since it may have an
19 impact, of course, on our budget.
20 COMMISSIONER McDONALD: It's -- yes,
21 that happened. We do listen to the Drinking
22 Water Council. I expect that that happened.
23 I don't know the expected timeline. It will
24 be coming in the coming months, but it has to

1 go through the regulatory process, is my
2 understanding.
3 ASSEMBLYWOMAN KELLES: But we should
4 expect that to come out and they should --
5 they will be identified and put in as
6 emerging contaminants.
7 COMMISSIONER McDONALD: Right. Yes.
8 It is my expectation -- some of this will
9 depend, too, on what we hear from the federal
10 government as well. Remember, the
11 Environmental Protection Agency is doing
12 their own list as well, and we plan on
13 listening to that and then updating our list
14 based on that.
15 ASSEMBLYWOMAN KELLES: Thank you.
16 ASSEMBLYWOMAN PAULIN: Thank you very
17 much.
18 Next on the Assembly list is Jonathan
19 Jacobson.
20 ASSEMBLYMAN JACOBSON: Thank you,
21 Madam Chair.
22 I have three questions. I've got to
23 go quickly; we don't have a lot of time.
24 To Superintendent Harris, a lot of

1 people are getting flooded all the time in
2 their homes, and they call their insurance
3 agent and they find out they got -- they
4 don't have coverage because wind-driven rain
5 is not covered. It's never been discussed
6 with them.
7 I would just hope that you could set
8 up new rules and regulations so there's more
9 disclosure on what is in a homeowner's policy
10 and even a renter's policy, and to have some
11 more evaluation because when someone's doing
12 a closing they're looking to save every
13 nickel, because it's costing them more than
14 they thought, but that they should know what
15 the risk/reward is on getting flood insurance
16 or additional coverage.
17 So I'm wondering if we could do that.
18 DFS SUPERINTENDENT HARRIS:
19 Absolutely, sir. It's a very important
20 issue. And I'll note that we are providing a
21 briefing for all members of the Legislature
22 on Thursday around homeowner's insurance,
23 flood, and climate change.
24 We do have rules around continuing

1 education requirements for brokers and how
2 they must speak to homeowners about what's
3 contained in their insurance --
4 ASSEMBLYMAN JACOBSON: I look forward
5 to new, stronger rules to make sure there's
6 more disclosure.
7 To Director Bassiri, it seems like
8 we're penny-wise and pound-foolish when it
9 comes to Medicaid spending for home health
10 aides. Because it's very hard to get the
11 workers. If we don't get the workers,
12 they're going to the nursing homes, and the
13 nursing home is the most expensive place for
14 anybody to be taken care of.
15 So we've got to change it. It can't
16 look like it's just a budget item for this
17 year; you've got to look more longer term.
18 Do you think perhaps there could be a
19 change of thinking on this?
20 MEDICAID DIRECTOR BASSIRI: I mean, I
21 think we're always looking to be more
22 creative and innovative. You know,
23 Governor Hochul has made a tremendous
24 investment in the home care worker wages and

1 workforce, not just over the past couple of
2 years, but prospectively indexing that
3 increase to inflation and --
4 (Overtalk.)
5 MEDICAID DIRECTOR BASSIRI: -- minimum
6 wage.
7 ASSEMBLYMAN JACOBSON: I've got to go
8 to my next question. I hope that's a yes --
9 MEDICAID DIRECTOR BASSIRI: Yes.
10 ASSEMBLYMAN JACOBSON: -- I'm not
11 sure. But I hope that's a yes.
12 To Commissioner McDonald. In the
13 Hudson Valley, which I represent, the average
14 time to get served, for want of a better
15 term -- to be treated in a hospital is
16 163 minutes. At Vassar Brothers Hospital in
17 Poughkeepsie, it's another 90 minutes --
18 250 minutes. So that means it's better to go
19 travel a half-hour or 25 minutes to Newburgh
20 or Kingston to get treated.
21 How can we allow such long wait times
22 like this? Because it's -- you're not
23 getting -- you're not getting treated.
24 COMMISSIONER McDONALD: I can't answer

1 that in a second.
2 (Laughter.)
3 COMMISSIONER McDONALD: We'll get back
4 to you, my friend. We'll get back to you.
5 ASSEMBLYMAN JACOBSON: All right.
6 ASSEMBLYMAN WEPRIN: Saved by the
7 bell.
8 COMMISSIONER McDONALD: I'm happy to
9 answer it if you guys -- it's your time
10 limit, not mine.
11 ASSEMBLYWOMAN PAULIN: Next on the
12 list is Khaleel Anderson.
13 ASSEMBLYMAN ANDERSON: (Mic issues.)
14 Okay, there we go. All right. Thank you so
15 much, Madam Chair, for allowing me a moment
16 to just ask some questions.
17 It's good to see all of our
18 commissioners here today. Thank you,
19 Commissioner McDonald, for in your opening
20 remarks mentioning your trip to my district.
21 I trust that you got to see some of the
22 things we need to work on at our healthcare
23 institutions across our state, including the
24 parts of Queens that are distressed. And

1 hopefully we'll get you to come,
2 Superintendent Harris, to the district. As
3 you know, we are a banking desert, and it's
4 really important to visit.
5 So my question first -- and I know my
6 time is short -- is for Commissioner
7 McDonald, and then I'll go over to
8 Superintendent Harris. One of the things I
9 mentioned to you on that tour last year was
10 the need for funding resources and a
11 set-aside for hospitals that are
12 geographically isolated. I think I kicked
13 this in your ear, among the other things we
14 talked about.
15 And this is not something that is a
16 phenomenon to my peninsula community in
17 Southeast Queens, but this is stuff we're
18 seeing in the North Country, other parts of
19 the state.
20 So I'm just wondering if there is an
21 angle or a space in this budget to look at
22 additional resources for geographically
23 isolated hospitals.
24 COMMISSIONER McDONALD: Yes, so I

1 really enjoyed my visit a lot. I learned a
2 lot about Queens. It was great to meet you
3 and others down there. It was wonderful just
4 to see the healthcare situation down there.
5 You know, that '15 waiver does offer
6 some help in this regard, though. And I
7 think this gets to one of those issues where
8 a lot of what the 1115 waiver is about is
9 when I say health equity, it's about getting
10 the healthcare part of this to the people who
11 need it the most and trying to deal with some
12 of this isolation.
13 Because you're right. Your area is
14 different, and there is a uniqueness to it,
15 but I think the 1115 waiver could be helpful
16 in that regard.
17 ASSEMBLYMAN ANDERSON: Excellent. I'm
18 interested in following up with your folks to
19 figure out how the fee waiver can be used to
20 help support geographically isolated
21 hospitals. Because it's one thing when you
22 have distressed hospitals, but then there's
23 geographically isolated hospitals. So we're
24 looking forward to follow up on that.

1 Superintendent, it's always good to
2 see you. My first question -- and you know
3 I've been working really hard on the issue of
4 captive insurance. And I noticed that --
5 and, you know, we've been working on this
6 bill for a long time in figuring out how to
7 keep insurance providers who are in the state
8 providing that insurance and providing
9 support for those who need it.
10 So I'm wondering if you can let me
11 know if there's a cost associated with
12 implementing captive insurances, including
13 the one that was passed by the Legislature
14 and implemented by the Executive last year in
15 Ithaca.
16 DFS SUPERINTENDENT HARRIS: Yeah, so
17 there are including $100 million in reserve
18 requirements that are required for captives
19 in the State of New York. But always happy
20 to talk offline or reply in writing about
21 additional requirements that we have to make
22 sure captive insurers are safe and sound.
23 ASSEMBLYMAN ANDERSON: So there's a
24 $100 million price tag generally for a

1 captive in general?
2 DFS SUPERINTENDENT HARRIS: Yes.
3 ASSEMBLYMAN ANDERSON: Okay, so we'll
4 follow up. Thank you.
5 ASSEMBLYWOMAN PAULIN: Thank you very
6 much. I'm on now for -- oh, no, Pam Hunter.
7 ASSEMBLYWOMAN HUNTER: Yes, good
8 afternoon.
9 This probably is for
10 Commissioner McDonald.
11 I think we all are aware that there's
12 an emergency room and healthcare crisis. And
13 just to set the stage a little bit, the
14 traveling nurses who are getting paid
15 exponentially more than someone who lives
16 literally across the street from them -- and
17 I note that there's a bill to try to take
18 care of that, but that is a significant
19 issue. And I know you were talking about
20 cutting spending, but we have to find a way
21 to get that done.
22 So where I live in Central New York,
23 there's a nursing home that has two days'
24 cash on hand. And I need to go to his county

1 (to Assemblyman Jacobson), because we have
2 people waiting in the emergency room for
3 eight hours without even being seen. So
4 apparently they must be doing something right
5 down there.
6 But there's beds available but aren't
7 open. In one of our nursing homes, the roof
8 actually collapsed, with patients, residents
9 in the nursing home. A resident actually
10 left through a window, and the people didn't
11 even know in the nursing home that the person
12 was gone.
13 And then there's been conversations
14 that, you know, really a health system has to
15 be bankrupt before the Department of Health
16 steps in. So I guess I'm asking, how can --
17 if you can answer the question -- how can we
18 alleviate this eight-hour wait time in the
19 emergency room? Because it's not just people
20 not having primary care visits in order for
21 them to go to, and it's not just a WellNow
22 issue.
23 And you spoke about talking with
24 healthcare facilities about better finances

1 and cutting spending. So can you just give a
2 couple examples of where do you think they
3 need to cut spending? And I'll give you the
4 rest of my time.
5 COMMISSIONER McDONALD: So I think the
6 emergency department wait time, which is
7 something I really appreciate you both
8 bringing up here, is a multifactorial issue.
9 There's a lot going on in it.
10 Where hospitals and emergency
11 departments need help is getting staffs. So
12 if you have licensure compacts, you actually
13 get nurses from other states who will
14 practice here. That will help.
15 And, you know, I think getting people
16 like physicians is also another license
17 compact. But there's other scope-of-practice
18 changes like a PA not necessarily having to
19 be supervised. Because hospitals can find
20 ways to do that. This is so they can hire
21 more staff.
22 But there's other issues as well that
23 we're dealing with here with this whole, you
24 know, emergency department wait issue. Part

1 of it's just, quite frankly, not just the
2 availability of qualified professionals, but
3 just, you know, the throughput in hospitals.
4 Like one of the things hospitals are
5 struggling with is you have someone who's
6 ready to go home but they can't get them to
7 the next destination, whether it's a nursing
8 home or some other setting of care.
9 So I'm more than happy to help
10 hospitals try to solve the throughput
11 problem. I think that's one of the biggest
12 issues we have right now, is helping
13 hospitals move patients through their system.
14 Hospitals have a hard job. There's
15 nothing in our culture like a hospital where
16 anybody can show up with any problem and the
17 hospital is expected to solve it --
18 ASSEMBLYWOMAN HUNTER: Do you have an
19 example of cutting spending?
20 COMMISSIONER McDONALD: I just gave
21 you several. I talked about labor. Labor is
22 the biggest cost. It's about helping
23 hospitals not have to hire agency nurses.
24 The agency nurse costs are excessive, very

1 excessive.
2 ASSEMBLYWOMAN HUNTER: Thank you.
3 ASSEMBLYWOMAN PAULIN: Is Phara here?
4 ASSEMBLYWOMAN FORREST: Yeah.
5 ASSEMBLYWOMAN PAULIN: Next.
6 ASSEMBLYWOMAN FORREST: Good
7 afternoon, everyone.
8 Superintendent Harris, according to
9 the American Diabetes Association,
10 attributable costs to diabetes in New York is
11 7 billion in premature mortality costs,
12 11.3 billion in lost productivity costs, and
13 17.3 billion in medical costs. That's
14 $35 billion in cost to the state for diabetic
15 costs.
16 So do you think that getting rid of
17 insulin copays and allowing access to the
18 life-preserving drug will save the state more
19 money or -- more money than any infinitesimal
20 rise in premiums, insurance premiums?
21 DFS SUPERINTENDENT HARRIS: Ma'am, I
22 do. I think we expect about a .03 to .04
23 premium increase from -- as a result of the
24 Governor's proposal to take cost-sharing for

1 insulin to zero. And some studies from other
2 states, including Louisiana, show that when
3 you take the cost-sharing for chronic disease
4 medications to zero, you can save quite a bit
5 in overall costs as people become
6 increasingly compliant with their care
7 requirements.
8 ASSEMBLYWOMAN FORREST: Thank you so
9 much, Superintendent Harris. Because I look
10 forward to seeing us really take a stab at
11 that $35 billion cost.
12 DFS SUPERINTENDENT HARRIS: Likewise.
13 Thank you.
14 ASSEMBLYWOMAN FORREST: My next
15 question is to either Commissioner McDonald
16 or Dr. Bassiri.
17 As a Black mama and one who gave birth
18 at a public hospital, maternal health is very
19 important to me. Safety-net hospitals are
20 especially dependent on Medicaid, correct?
21 COMMISSIONER McDONALD: Yes.
22 ASSEMBLYWOMAN FORREST: Okay. And in
23 New York City particularly, Black women are
24 more likely to deliver at a safety-net

1 hospital or public health hospital, is that
2 correct?
3 COMMISSIONER McDONALD: Yes.
4 ASSEMBLYWOMAN FORREST: Okay. So the
5 Governor in her budget wants to battle Black
6 maternal health and -- and -- also cut the
7 Medicaid budget by $1 billion. So what will
8 be the impact on safety-net hospitals and, by
9 extension, the Black maternal health be --
10 what will be, you know, what the impact will
11 be by cutting the Medicaid budget by
12 $1 billion? And do these cuts contradict her
13 goal in helping Black mamas like me?
14 (Applause.)
15 COMMISSIONER McDONALD: So I'm not
16 aware of a $1 billion cut. There are
17 substantial investments in maternal health.
18 The Birth Equity Improvement Program
19 is something new the department started last
20 year, but I think it's very helpful. Seventy
21 percent of the hospitals are participating,
22 and it covers 76 percent of births.
23 The Birth Equity Improvement Project
24 is really trying to get to antiracist

1 messaging, addressing people's implicit bias,
2 giving people a chance to actually interact
3 and tell us, retell, what their birth was
4 like. Did you have a respectful birth? That
5 kind of thing is very important, that
6 feedback's important.
7 There are investments going on -- the
8 Perinatal Collaborative as well.
9 ASSEMBLYWOMAN FORREST: Okay. Thank
10 you so much, Commissioner. We'll talk more
11 about it later.
12 ASSEMBLYWOMAN PAULIN: Thank you.
13 So now I'm on the clock for
14 10 minutes.
15 First question, getting back to the
16 issue of C-sections and the proposal.
17 Exactly what are the financial incentives?
18 It says financial incentives -- I'm reading
19 your testimony -- to get hospitals to reduce
20 unnecessary C-section births. So I wondered
21 exactly what the proposal looks like.
22 MEDICAID DIRECTOR BASSIRI: Sure.
23 Thank you, Chairperson.
24 We are investing funding in a Quality

1 Incentive Program that really evaluates based
2 on a subset of hospitals that have a minimum
3 number of deliveries with caesarean rates
4 that are above, you know, the average. We
5 will provide incentive funding if they're
6 able to get those rates down to the statewide
7 average. And if they're at the statewide
8 average, we will give them incentive funding
9 if they get 1 percentage point down.
10 So it's really targeted to help them
11 or give them the incentive to make up-front
12 investments and programmatic and clinical
13 changes to prevent caesarean deliveries
14 overall, and to reduce their number as
15 compared to themselves. So they have to
16 improve.
17 ASSEMBLYWOMAN PAULIN: So I guess two
18 follow-up questions. This is -- every
19 hospital is eligible if they fall into those
20 categories.
21 MEDICAID DIRECTOR BASSIRI: No.
22 Every -- the hospitals that are eligible are
23 those -- I believe it's with a minimum of
24 500 deliveries in managed care. On an annual

1 basis. I think it's 500. I can get back to
2 you to confirm.
3 ASSEMBLYWOMAN PAULIN: So they're not
4 only Medicaid patients, they're across the
5 board?
6 MEDICAID DIRECTOR BASSIRI: Well, they
7 actually are -- it is 500 deliveries for
8 Medicaid managed care.
9 ASSEMBLYWOMAN PAULIN: So it's only
10 for -- so the only reduction program is for
11 those who are enrolled in Medicaid.
12 MEDICAID DIRECTOR BASSIRI: That is
13 what we are measuring against, yes. That's
14 what we are paying on. We're paying through
15 Medicaid and we're measuring their percentage
16 of Medicaid deliveries.
17 ASSEMBLYWOMAN PAULIN: So do we know
18 or have we looked at the amount of C-sections
19 outside of that population? Is there any
20 program to address those excessive numbers?
21 MEDICAID DIRECTOR BASSIRI: I think
22 there are, and --
23 COMMISSIONER McDONALD: So there is a
24 robust maternal health package in the

1 Department of Health. We do work with the
2 Perinatal Quality Collaborative. That's many
3 hospitals that deliver birth -- to have
4 birthing hospitals in the state. And they
5 focus on all these quality metrics.
6 One of them is decreasing C-section
7 rates, particularly for low-risk individuals.
8 So that's one example of how the Perinatal
9 Collaborative does work. And they do work
10 also that addresses mortality as well, and
11 adverse outcomes as well. They're trying to
12 all work collaboratively together to do that.
13 ASSEMBLYWOMAN PAULIN: So are those
14 financial incentives?
15 COMMISSIONER McDONALD: The Perinatal
16 Collaborative gets an additional $700,000.
17 But it's not a financial incentive. It's
18 work we do with them so the hospitals learn
19 best practices and work together.
20 And they've had success in the past.
21 I mean, they've actually done things that
22 have -- we created protocols that all the
23 hospitals use to improve birth outcomes and
24 maternal outcomes.

1 ASSEMBLYWOMAN PAULIN: With all due
2 respect, we're 49th out of 50 states for
3 primary C-sections, and that's a problem.
4 Across the board, not just Medicaid.
5 Although I would argue, evidenced by the
6 report that came out by the department a
7 couple of years ago, that, you know, Black
8 and brown pregnant people are more at risk
9 for C-sections. So -- but they're not
10 necessarily on Medicaid. It's because of
11 their race.
12 COMMISSIONER McDONALD: Right. But
13 the Birth Equity Improvement Program is
14 working on that as well, because you're
15 hitting on I think very important issues,
16 which is some of the racial disparities.
17 Which shouldn't exist. Not just for the
18 C-section rate, but for the maternal
19 mortalities. And that's why there's a
20 multipronged approach.
21 There's also the Maternal Mortality
22 Review Board.
23 ASSEMBLYWOMAN PAULIN: I would just
24 think we might do more.

1 COMMISSIONER McDONALD: Happy to do
2 more, and I'm open to your ideas.
3 ASSEMBLYWOMAN PAULIN: I think we
4 talked about that a little bit yesterday, but
5 I think there needs to be financial
6 incentives across the board to increase
7 midwifery. That was also in the report. We
8 need to have financial incentives for all
9 hospitals that are, as you say, above
10 average, to reduce the C-sections. I don't
11 know that it's limited simply by Medicaid.
12 COMMISSIONER McDONALD: Well, you
13 know, we do pay midwives 95 percent of what
14 we pay obstetricians. But I'm open to other
15 suggestions you have.
16 ASSEMBLYWOMAN PAULIN: I think we
17 should perhaps, if we want more midwives in
18 hospitals, think about paying midwives more.
19 COMMISSIONER McDONALD: Oh, that's
20 interesting. Okay. So you want to pay
21 midwives more than obstetricians.
22 ASSEMBLYWOMAN PAULIN: Perhaps. But I
23 do think that, you know, you need to drive
24 the change. And if you want to drive the

1 change, it's dollars that does that.
2 So I'm going to move on because I only
3 have not that much time. Procurement. You
4 know, according to the report issued to the
5 Legislature a few days ago, there has been
6 mergers and acquisitions in the MLTC
7 resulting from the quality metrics that we
8 enacted last year. Specifically, nine MLTCs
9 do not meet those metrics, and there have
10 already been seven acquisitions to conform to
11 those standards, and one plan has closed.
12 What is the need to go forward with an
13 additional procurement of all plan types when
14 we have proven that implementing quality
15 metrics can effectuate the same change?
16 MEDICAID DIRECTOR BASSIRI: Thank you
17 for the question. It's a good one.
18 I don't think that there -- the intent
19 behind the proposal to procure managed care
20 plans is not necessarily to hit the specified
21 number of plans. Which is more attendant to
22 what we did last year by changing the
23 standards, as you said. But there's a lot
24 more we can do to increase competition in the

1 market. There are products in managed
2 long-term care that are available on a
3 statewide basis, which is why we still have
4 partially capitated long-term-care plans.
5 And I think we would take everything
6 into consideration that has been done by the
7 plans that have stepped up and acquired other
8 plans and helped us implement this proposal,
9 into consideration with the evaluation, in a
10 way that would mitigate or minimize any
11 impact to providers and/or members.
12 ASSEMBLYWOMAN PAULIN: Thank you.
13 You know, I'm tempted just to go back
14 to C-sections for a moment because I feel
15 like I have a forum to talk about it, and so
16 I'm going to mention a few other things.
17 We should be doing -- I know the
18 department supports this more value-based as
19 far as specifically birth-concerned, driving
20 that a little more. I know that we're doing
21 some of that, but we should be doing more of
22 it.
23 We should be informing women -- I
24 would suggest that physicians are not doing

1 that. You know, one staff member of mine,
2 for example, a former staff member, had five
3 pregnancies, was never told that she could
4 hemorrhage, did, on the table of her fifth
5 pregnancy, because no doctor had informed her
6 that having successive C-sections was a
7 problem. Educated, smart woman, never
8 informed. She probably would have not had
9 that baby if she had known.
10 And also there needs to be a little
11 more analysis by the department to determine
12 what are the causal factors -- you know, you
13 might want to collect data on that. For
14 example, you know, a lot of midwives, for
15 example, would argue -- and I would agree --
16 that giving an epidural in the middle of
17 someone's labor could -- could delay the
18 birth and therefore cause a C-section.
19 Is that what is happening in some of
20 the places? We don't know. So if you just
21 look at the number of C-sections without
22 looking at the before, you don't get at the
23 issue.
24 So the department has to do more data

1 collection, more analysis of the hospitals
2 that have excessive rates. And if we really
3 want to combat, you know, the excessive
4 number of C-sections that we have in this
5 state compared to every other state but
6 one -- and as you pointed out, I don't know
7 that it's Florida, yesterday.
8 But New York has to be better than 49.
9 We need to do a lot more to enhance the
10 Governor's proposal. So I'm looking forward
11 to the 30-day amendments.
12 So with that, okay. Pharmacy
13 questions. The department is a year into --
14 last year, this was all about 340B and about
15 saving money. How does the actual savings
16 look against the projections?
17 MEDICAID DIRECTOR BASSIRI: Thank you
18 for the question.
19 We are on track to achieve the savings
20 we projected and enacted in last year's
21 budget. There's a little bit of a timing
22 issue with the way that our federal and state
23 supplemental rebates come in, but we will be
24 able to provide an update on that as we get

1 closer in the budget process. We're going to
2 hit those targets.
3 ASSEMBLYWOMAN PAULIN: Great.
4 Pediatric nursing homes, as we know,
5 care for the most vulnerable and sickest
6 children. And was there an intention to
7 include pediatric SNPs in the cut, or can we
8 exempt -- was there consideration, and I
9 think they are included. Is there
10 consideration to exempting them?
11 MEDICAID DIRECTOR BASSIRI: There are
12 certainly considerations, and there was not
13 any intention to make a targeted reduction to
14 those pediatric nursing homes.
15 There are some state plan issues with
16 trying to exempt them. But we will explore
17 that. And if possible, I think that's
18 something that you could see in negotiations.
19 But I would also say we have the young
20 adult demonstration that we put forward that
21 really does support young adults as they age
22 into -- age above 21, to keep that pediatric
23 rate, which is over a thousand dollars a day.
24 ASSEMBLYWOMAN PAULIN: So I'm going to

1 come back for my three minutes.
2 CHAIRWOMAN KRUEGER: Senator Gustavo
3 Rivera, three-minute time limit.
4 SENATOR RIVERA: Don't worry, it will
5 be quick.
6 School-based health centers, there is
7 the managed care -- the carveout for managed
8 care expires on the 31st of this month. I'll
9 continue to beat on my bill to ensure that
10 they continue to be reimbursed at fee for
11 service. But I just want to know, for the
12 record, what can providers expect for -- on
13 April 1st for the rates?
14 COMMISSIONER McDONALD: There are
15 investments in this budget for school-based
16 health centers. You know we did the 10
17 percent increase last year, but there's a
18 million dollars to restore our cut from 2017.
19 There's 1.5 million in this budget to enhance
20 oral healthcare. And then there's a million
21 dollars in there as well to help community --
22 community health workers in there.
23 So there isn't any plan right now to
24 move school-based health centers into managed

1 care.

2 Did I get all of what you wanted

3 there?

4 SENATOR RIVERA: Kind of, but I'll

5 follow up afterwards.

6 COMMISSIONER McDONALD: Okay.

7 SENATOR RIVERA: There's -- to follow

8 up something on 340B, there was -- there's

9 one part that still is under managed care,

10 which is provider dispensing. And -- but

11 you're making some changes into it in this

12 budget, if I'm not mistaken? So there's an

13 elimination of it for provider dispensing in

14 this budget, is that not correct?

15 MEDICAID DIRECTOR BASSIRI: No, that

16 is not correct.

17 SENATOR RIVERA: That is not correct.

18 So you were --

19 MEDICAID DIRECTOR BASSIRI: Provider

20 dispensing in Medicaid is dictated by very

21 clear federal rules that require acquisition

22 costs-based survey to establish a

23 professional dispensing fee. So we don't

24 have the liberty of making changes to that

1 component of the reimbursement without going
2 through a process.
3 SENATOR RIVERA: Then I am obviously
4 misunderstanding a part of it. I will follow
5 up. Because it was my understanding, based
6 on the language that we saw, that there is a
7 proposal to eliminate 340B benefits under
8 managed care in -- for provider dispensing.
9 But if I'm mistaken, well, I messed up.
10 Moving on -- so we'll revisit that --
11 there was money that was approved by the feds
12 back in July that has not flowed to the
13 distressed hospitals yet. Do we have a
14 timeline on that?
15 MEDICAID DIRECTOR BASSIRI: I think --
16 yes. I think you're referring to the
17 state-directed payment.
18 As you see in the budget, we do have
19 some financial pressures due to the subsidies
20 that we've advanced certain hospitals. But I
21 think that's something we're actively
22 discussing and --
23 SENATOR RIVERA: So no timeline that
24 you can tell me now?

1 MEDICAID DIRECTOR BASSIRI: There's no
2 timeline right now.
3 SENATOR RIVERA: Gotcha.
4 And last -- and you might be surprised
5 by this, but I want to finish on a lighter
6 note. And that is to say that the proposals
7 that the Governor has made on medical debt,
8 there's a bunch of them that I'm a very, very
9 big fan of. As I've said many, many times,
10 the idea that medical debt are two words that
11 are next to each other is an obscene
12 proposition. That's why we need to pass the
13 New York Health Act, but we'll get to that a
14 little bit later.
15 At least for now, there's a bunch of
16 proposals here, and I'm very much looking
17 forward to working with the Governor and the
18 administration on getting many of these over
19 the finish line, because it is incredibly
20 important that we protect people from medical
21 debt.
22 And the Knicks are doing fantastic,
23 man, 9 and 2 since they cinched Anunoby. I'm
24 telling you, now they open up the floor, it's

1 a little bit different, you got - I mean,
2 Brunson is playing --
3 (Time clock sounding.)
4 SENATOR RIVERA: Oh, don't worry about
5 it, it's fine.
6 MEDICAID DIRECTOR BASSIRI: Thank you.
7 (Laughter.)
8 ASSEMBLYWOMAN PAULIN: Yes, we have a
9 three-minute follow-up from our Insurance
10 chair, David Weprin.
11 ASSEMBLYMAN WEPRIN: (Mic issue;
12 inaudible.) Okay, I'm on, I'm green.
13 Going back to supplemental spousal
14 liability reform. There is a sunset on that,
15 I believe. Why is that?
16 DFS SUPERINTENDENT HARRIS: So the
17 sunset was part of the previous proposal, and
18 so when these amendments were put forward in
19 this year's budget, the sunset was there to
20 match and make sure there wasn't a timing
21 mismatch between the original proposal and
22 the amendments that were just put forward.
23 ASSEMBLYMAN WEPRIN: Okay. And the
24 sunset is when?

1 DFS SUPERINTENDENT HARRIS: Sir, I
2 don't have that in front of me, but happy to
3 come back to you.
4 ASSEMBLYMAN WEPRIN: Okay. All right,
5 fine.
6 And you had mentioned with the insulin
7 zero copayment there would be about an
8 18 percent savings, is that the number?
9 DFS SUPERINTENDENT HARRIS: So the
10 study in Louisiana that looked at zero
11 cost-sharing for medications for a number of
12 chronic diseases showed up to an 18 percent
13 savings across the board. So insulin is
14 certainly a big driver of that. Diabetes is
15 a big driver of that, as your colleague
16 noted. And those are some of the best
17 studies we have on proposals like this one,
18 sir.
19 ASSEMBLYMAN WEPRIN: Okay, and what
20 would that -- what would that savings be put
21 to? Where would that -- what would you do
22 with that savings?
23 DFS SUPERINTENDENT HARRIS: Oh, that
24 is not my decision to make, sir.

1 ASSEMBLYMAN WEPRIN: Okay. And how
2 much money are we talking? What do you think
3 the dollar amount would be?
4 DFS SUPERINTENDENT HARRIS: I don't
5 have the dollar amount. It actually is a
6 savings, in the Louisiana study, across the
7 healthcare system. So it would be --
8 potentially with respect to overall insurance
9 premiums, cost containment, when we look at
10 providers. But we don't have a breakdown of
11 how that savings was allocated across the
12 state of Louisiana when they did the study on
13 this.
14 ASSEMBLYMAN WEPRIN: Okay. That's
15 fine, yeah.
16 ASSEMBLYWOMAN PAULIN: Oh, I'm just
17 going to follow up with a couple of other
18 questions. I think you guys are done, right?
19 CHAIRWOMAN KRUEGER: I have one
20 minute, later. After you.
21 ASSEMBLYWOMAN PAULIN: Okay.
22 I guess I was struck by the -- how
23 much it cost to close a hospital. You know,
24 the capital expenditures that are going to be

1 needed for SUNY Downstate. And I also was
2 just texted by one of my colleagues, it's the
3 only midwifery program in Brooklyn. So I was
4 just going to mention it.
5 But it's a lot of money. Not that
6 those improvements to outpatient don't need
7 to be done in all of that in order to shore
8 up the community, I get it. But at the same
9 time there's a decrease in the capital for --
10 overall for hospitals. And since the
11 waiver's only going to address 12 hospitals,
12 and we know we have 75 financially distressed
13 and probably a lot more on the brink, you
14 know, is that -- you know, for hospitals that
15 could make their own improvements and
16 increase their own outpatient, isn't that
17 a -- you know, I guess I'm asking why.
18 COMMISSIONER McDONALD: I need the
19 question in a way that I can understand a
20 little better -- I'm not following you right
21 now.
22 ASSEMBLYWOMAN PAULIN: So it seems to
23 me that you need a lot of capital in order to
24 close a hospital and transition them to

1 outpatient vis-a-vis SUNY Downstate. And yet
2 at the same time we have a lot of hospitals
3 that we're not really dealing with in the
4 budget because it's very expensive.
5 So why don't we increase -- why is the
6 capital decreased at a time when we know they
7 have to transition to more outpatient
8 universally across the board?
9 COMMISSIONER McDONALD: I'm a little
10 uncomfortable talking about Downstate
11 specifically because quite frankly it just
12 hit the news and it's in the regulatory
13 process now. So I don't want to specifically
14 address that --
15 ASSEMBLYWOMAN PAULIN: Not -- I'm
16 really not asking about Downstate. I'm
17 asking about the capital.
18 COMMISSIONER McDONALD: Fair enough.
19 But let's talk about it, then.
20 What do you --
21 MEDICAID DIRECTOR BASSIRI: I don't
22 know that there's necessarily been a
23 reduction in hospital capital. But there are
24 new things that can be paid for with the

1 hospital capital, including transformative
2 projects that may include, you know,
3 partnerships or things that are not
4 traditionally funded through our statewide
5 healthcare transformation programs.
6 But I don't think it's a reduction,
7 and we're happy to confirm that in writing
8 with you. It's really another tool in the
9 toolbox to support, you know, safety-net
10 hospitals and trying to redesign
11 community-based care.
12 ASSEMBLYWOMAN PAULIN: And just one
13 last thing. Going back -- or going to what
14 my counterpart in the Senate, Senator Gustavo
15 Rivera, said about -- and also right here --
16 managed care is supposed to manage care. You
17 know, and I am -- again, a lot of groups are
18 coming and saying, we want to go back to
19 fee-for-service, thinking that's going to be
20 a better system because care isn't being
21 managed. It's just being administered.
22 And so I don't know if there's a hard
23 look at what that reality is. And this is
24 the end.

1 CHAIRWOMAN KRUEGER: (Mic off.) Thank
2 you.
3 I think I will be the last Senator
4 too. (Inaudible.) Oh, it's not on. Thank
5 you.
6 So I'm not saying you need to be able
7 to answer it now; we have no time. But I
8 would love for you to come in and sit with me
9 and Gustavo Rivera and our staff and help us
10 understand, when we pay for managed long-term
11 care, how do the contracts work? Do we pay X
12 amount for the actual workers, Y amount for
13 the managed care, Z amount for something
14 else? And do we pay different amounts based
15 on the level of need per patient? And who
16 makes the decisions about how many hours per
17 patient are being contracted for? And if we
18 get 10 hours, do we pay less than if we're
19 getting 20 hours, or does the agency keep the
20 difference if they're providing less number
21 of hours?
22 So you can't answer in two minutes, I
23 know that. But I would love to be able to
24 sit down and try to help the Senate and the

1 Assembly, if they like also, to get our arms
2 around what are we spending and on what
3 pieces of the puzzle.
4 MEDICAID DIRECTOR BASSIRI: I would
5 love to do that with you. Anytime.
6 CHAIRWOMAN KRUEGER: Okay, thank you.
7 No, no more Knicks, I don't know
8 sports. I'm going to give up my 1 minute and
9 37 seconds to close us down. Thank you all.
10 Pardon me? Thank you all for your time with
11 us today. And you do have many questions
12 already on your lists to answer, and we will
13 do the follow-up on the math in long-term
14 care Medicaid. We'll find a time sooner than
15 later.
16 And I want to thank you all for your
17 work every day and your time with us today.
18 And I want everyone to -- if they're
19 following these four people out to chase them
20 down, bother them outside in the hallway, not
21 here in the room, because we -- you might
22 have noticed we're only going to Panel A, and
23 we have pages of panels.
24 So I would like the Greater New York

1 Hospital Association, the Healthcare
2 Association of New York, and 1199 to join us
3 here.
4 (Applause.)
5 CHAIRWOMAN KRUEGER: Okay. Okay. And
6 also, just because this happens every year,
7 we run later than everyone imagined we
8 would -- and so if you decide you have to
9 catch a train and go home before we're going
10 to call you up at 9 o'clock tonight, we won't
11 take offense. Everyone's testimony is up
12 online and it will stay there, available.
13 And so just let somebody here in the front
14 know if you're leaving so we're not trying to
15 track you down six hours from now when you
16 really decide that it was time to get on a
17 train wherever.
18 So thank you to the ending panelists,
19 welcome the new panelists, and let's
20 transition quietly. Thank you.
21 Everyone take your conversations
22 outside. Not in here. You can come back
23 when you're done chatting.
24 Okay, great. So I see some of our

1 panelists. Where did the rest go? Okay,
2 great. Great. And I guess we'll start in
3 the order that you're in, Ken Raske, then
4 Bea Grause, and then George Gresham.
5 And we do have new microphones. And
6 if you weren't here earlier today, you don't
7 know yet; you have to push the button very
8 hard to get it to go from red to green just
9 when you're talking. So just letting you
10 know that.
11 Okay, Ken, shall we start with you?
12 MR. RASKE: (Mic off; inaudible.)
13 CHAIRWOMAN KRUEGER: Absolutely. We
14 shall defer to Bea Grause. Welcome.
15 MS. GRAUSE: Thank you.
16 Good afternoon, Chairs Krueger,
17 Paulin, and Rivera -- I don't know where they
18 went. Oh, there you go -- and other members
19 of the Senate and Assembly. Good afternoon.
20 Thank you very much for the opportunity to
21 testify.
22 You know, the ED backlogs, the unit
23 closures, the lack of access to nursing home
24 beds, the lack of access to home care -- many

1 of the comments and questions that you raised
2 earlier today, they are all symptoms of a
3 failing financial infrastructure for New York
4 State. Given our aging population,
5 healthcare workforce shortages, health
6 disparities and medical advances, we know we
7 have to come together to find new,
8 sustainable solutions to provide access to
9 improved health and to achieve and maintain
10 affordability.
11 That is the backdrop that we are all
12 operating -- that we all must consider
13 eventually. And there are no cheap, easy or
14 quick solutions to it; it will take years.
15 That is the long-term backdrop.
16 But right now, this budget, we must
17 focus on stabilizing the healthcare system
18 that New Yorkers depend upon today. I'm
19 going to talk about two issues. There
20 certainly are many. But the first one,
21 obviously, is Medicaid.
22 Woefully inadequate Medicaid
23 reimbursement has been and continues to be
24 central to hospitals and nursing homes. And

1 the Governor and the Legislature must close
2 the Medicaid gap and make a significant
3 down payment this year.
4 Last year's Medicaid rate increases
5 were a good start, but the rate increases for
6 hospitals in particular was largely offset by
7 other reductions such as 340B, and for
8 nursing homes it was overshadowed by the
9 staffing requirements.
10 These rate increases, the 7.5 and the
11 6.5 percent, were also the first of
12 significance in 15 years. Fifteen years.
13 And they in no way resolve the gap that is
14 widening as labor costs, drug costs, supply
15 and equipment costs continue to rise faster
16 than inflation.
17 The Executive Budget -- and you talked
18 a lot about this this morning and early this
19 afternoon -- the 1115 waiver also wholly
20 fails to address the urgent need to stabilize
21 all hospitals and nursing homes. And again,
22 the 1115 waiver is largely not addressing
23 stabilization, which as one member said
24 really is akin, for hospitals, to throughput.

1 In addition, the Executive Budget's
2 proposals, both defined and yet to be
3 defined, may in fact result in hospital and
4 nursing home funding being cut by
5 $1.3 billion. And again, I urge the
6 Legislature to make a multiyear commitment to
7 close the Medicaid reimbursement gap and to
8 maintain and increase supportive funding.
9 Second, we must continue to build the
10 workforce pipeline and bolster our current
11 workforce. Hospitals and nursing homes
12 statewide face tremendous challenges
13 recruiting for a wide variety of clinical and
14 nonclinical roles, as we've talked about
15 today. HANYS supports many essential
16 workforce proposals advanced by the Governor,
17 including joining the interstate nursing and
18 physician licensure compacts and enacting
19 many critically needed scope of practice
20 reforms.
21 I'll conclude by urging you to oppose
22 any harmful policies or funding cuts that
23 further threaten provider sustainability,
24 including the cuts proposed within the

1 Executive Budget. New Yorkers expect their
2 local hospitals and health systems to be
3 there when they need them -- and without your
4 support, they won't.
5 Thank you.
6 CHAIRWOMAN KRUEGER: Thank you.
7 Ken Raske, you want to go next?
8 MR. RASKE: Yes, Madam Chairman, thank
9 you. As always, a pleasure to see the
10 {inaudible} group of individuals and esteemed
11 legislators.
12 Today is a very special day. It
13 represents a hallmark in healthcare policy
14 formulation in New York State. George
15 Gresham, my partner and fellow proposer, is
16 here today to ask for your help. We need
17 your help in establishing a very simple but
18 very important policy position in healthcare
19 in this state, and that is to eliminate,
20 eliminate the disparities in Medicaid
21 payment, to come up to at least paying the
22 cost of care, and at the same time eliminate
23 the disparities in healthcare indices in our
24 communities of color.

1 How simple of a request is that? And
2 we look at that and we ask you, we are going
3 to work on that proposal over four years to
4 get it accomplished. This is the equivalent
5 of going to the moon in a spacecraft, except
6 that this is accomplishable in our own
7 backyard. And we need to do this for the
8 people of this state.
9 We have gone to the executive branch,
10 and we have made this proposal: Let's work
11 together and roll up our sleeves to do this.
12 But as you can see, the budget that you have
13 before you for consideration does not have
14 one peep on this subject. And that is a
15 tragedy for this state.
16 We have many, many issues of our
17 hospitals in fiscal distress. You can hear
18 that. You heard it from Bea. You know
19 about it from your communities. And we also
20 know that last year's budget -- you know what
21 I call last year's budget from the Executive
22 point of view? An inconvenient truth. Now,
23 you maybe heard that before, an inconvenient
24 truth. What does it mean? Yeah, they got

1 7.5 percent increase in rates. Except, Amy,
2 you know they wiped everything out with 340B
3 and with a cut that was involved in the
4 polls. So what kind of arithmetic is that?
5 It's like 1.6 percent.
6 So, ladies and gentlemen, we have the
7 side of right on our side as we present this
8 to you.
9 Finally, I would make the point, gee,
10 how are you going to pay for it, Ken? Well,
11 the answer is, you're sitting on a mountain
12 of cash, probably the most cash certainly in
13 the history of this state, and probably in
14 the United States. And that cash is more
15 than enough to cover the reserve requirements
16 of all the entities that you're involved in.
17 So let's use a smidgen of that cash to
18 make a down payment, ladies and gentlemen, on
19 this basic plan.
20 CHAIRWOMAN KRUEGER: Thank you, Ken.
21 (Applause.)
22 CHAIRWOMAN KRUEGER: Thank you. We
23 would appreciate, actually, even when you
24 agree with folks, if you just not applaud,

1 because we can't keep going.
2 This -- great, this is a great way to
3 show your appreciation. Thank you. Thank
4 you so much.
5 Next we have George Gresham from 1199.
6 Good afternoon.
7 MR. GRESHAM: Thank you very much.
8 (Audience reaction.)
9 MR. GRESHAM: I would say that it's a
10 pleasure to be here and to see you, but the
11 reason why I'm here is not a pleasure at all.
12 In five minutes I'm going to try to tell you
13 something that I hope will compel you to make
14 changes in the proposed budget.
15 You know, this is my 60th anniversary
16 where my parents brought me from the South as
17 a part of the Northern migration, to take me
18 out of segregation and the world that I was
19 living in down South. And we made a lot of
20 progress over the years, only to see some of
21 that being reversed back.
22 What I want to talk about today is the
23 Medicaid cuts. When I was asked by the
24 Greater New York Hospital Association to get

1 involved in this conversation, when I looked
2 at the facts, I was like, this is not just
3 about balancing the budget, this is a civil
4 rights issue.
5 When you look at the reduction of
6 Medicaid when a person comes in, why does
7 that make sense to give them, the hospital,
8 30 percent less care, the hospitals and
9 nursing homes? What does that mean to me?
10 That means that the people that are being
11 serviced are 30 percent less human. How can
12 you deny the fact that the communities that
13 primarily are being faced with these cuts are
14 the Black and brown communities. How can we
15 stand up and say that that's okay?
16 It is outrageous when you look at
17 COVID and what COVID came to visit upon us,
18 where were the highest fatalities? They were
19 in the Black and brown communities. Why?
20 Because we are not the healthiest
21 communities. COVID was clearly survival of
22 the fittest.
23 How long are we going to go with this?
24 This is racism, from my perspective. I would

1 hope that people understand that, that you
2 can see it, that you say New York is better
3 than this and that we're not going to
4 reimburse the hospitals 30 percent less for
5 taking care of the Black and brown community.
6 I'm going to raise my voice as loud and as
7 long as I can, because this is outrageous.
8 But I'm hoping that you're going to partner
9 with me. And even if you were not aware of
10 it before, that in the year 2024, this is
11 absolutely unacceptable.
12 MR. RASKE: Thank you, George.
13 (Audience reaction.)
14 CHAIRWOMAN KRUEGER: (Mic off.) Thank
15 you. (Inaudible; modeling silent applause.)
16 Thank you. I think our first
17 questioner is Zellnor Myrie.
18 SENATOR MYRIE: Thank you,
19 Madam Chair.
20 And thank you for taking the time to
21 testify before us today.
22 I have one quick question. Can you
23 talk to us about what impact this has on the
24 workers? We talk a lot about the service to

1 the community, we talk a lot about the
2 healthcare provision and the impact on the
3 patients. But can you talk about how this
4 discrepancy has affected the workforce? And
5 that's for the whole panel.
6 MR. GRESHAM: Sure, I'm happy to talk
7 about the speed-up that it has caused the
8 workers. For example, the safety-net
9 institutions, on any given day you can go
10 into the emergency room and it looks like a
11 war MASH unit. People are talking care of
12 patients on stretchers in the hallway. That
13 has a tremendous impact.
14 Think about during COVID when the
15 workers did not even have PPEs. They could
16 not protect themselves. They watched their
17 families, they watched their coworkers die,
18 and they were worried about taking diseases
19 home to their families. We cannot imagine
20 how the workers had the courage to come in
21 every day to fight.
22 And the resources that the hospitals
23 get -- so in many of our communities, there
24 aren't any clinics now. The family physician

1 is the emergency room. And so in the more
2 affluent neighborhoods, when you would
3 present with a cold, more than likely you're
4 going to present with pneumonia by the time
5 you come through the emergency room.
6 This is -- is this really -- is this
7 the best that we can do? Is this really what
8 we feel about our Black and brown and
9 low-income people? Because low-income,
10 Black, brown, green or yellow, if you don't
11 have the means, you deserve quality
12 healthcare. Sixty years ago Dr. King said:
13 "Of all the disparities that exist in this
14 country, the most egregious is healthcare."
15 I still have time? I thought I saw a
16 light go on there.
17 MS. GRAUSE: I'll just add quickly, I
18 worked for 10 years as an emergency room
19 nurse in a county hospital -- not in
20 New York -- and I would say the impact on
21 health workers really has less to do about
22 the physical surroundings than it has to do
23 with the frustrations and challenges of not
24 being able to refer patients to the proper

1 care setting. So if they came in, they
2 didn't have a clinic to go to or there wasn't
3 a physical therapist that would take them.
4 So I think that frustration at not
5 being able to provide the care to patients is
6 really very wearing on healthcare workers.
7 CHAIRWOMAN KRUEGER: (Mic off;
8 inaudible.) Thank you.
9 Assembly.
10 ASSEMBLYWOMAN PAULIN: Yes, we have
11 Assemblymember Josh Jensen, ranker on Health.
12 ASSEMBLYMAN JENSEN: Thank you very
13 much, Chairwoman.
14 When we're looking at our hospitals --
15 and kind of piggy-backing on some of the
16 things that Commissioner McDonald said
17 previously, talking about entering different
18 compacts, expanding scope of practice -- as
19 you look at, especially in Greater New York
20 and in HANYS, your member hospitals, how
21 critically important is it across the care
22 continuum to ensure that we're rightsizing
23 the workforce to meet the needs of all the
24 patients who are entering into our nursing

1 homes -- or in our hospitals, whether it's in
2 EDs, the acute care settings, surgical?
3 MR. RASKE: I'd like to begin, sir.
4 Thank you.
5 There is nothing more important in the
6 healthcare community, and especially the
7 hospital community, than our workforce. We
8 have the best and most committed and most
9 talented workers in the United States. And I
10 say to every one of them, God bless whatever
11 they have done in their lives to get to
12 achieve that status.
13 And to go further, the best investment
14 that we can make is in our workforce, for the
15 future. There are no bad ideas in workforce
16 development. Some are better than others,
17 but there are no bad ideas.
18 So as the community gets together,
19 working with labor, so often as we do, we
20 like to come up with ideas, present them to
21 the legislative body, to the Congress at the
22 federal level, for development of our
23 workforce for the future. And in that
24 process, and in that process, we can assure

1 the finest of patient care, sir.
2 MS. GRAUSE: I would just add that I
3 think -- again, I think there are a lot of
4 good ideas. The purpose of that is to --
5 financially for hospitals is to expand
6 ability to recruit and retain, enlarge the
7 pipeline and enhance scope of practice so
8 that the costs of providing healthcare are
9 reduced.
10 So again, in light of the financial
11 crisis, you want to make sure that you're
12 reducing expenses as much as you possibly can
13 without compromising care.
14 ASSEMBLYMAN JENSEN: So would some of
15 these proposed changes or ideas not just help
16 reduce the reliance on agency staff as a
17 critical component of the staffing needs, but
18 also help to meet some of the mandated
19 staffing ratios that the Legislature and the
20 Executive had signed off on a couple of years
21 ago?
22 MR. RASKE: Well, you know, the agency
23 staff dependence is a real problem. And --
24 and that is the goal of the hospital

1 community, is to eliminate it in terms of our
2 dependence on it. And the only way to do
3 that is to obviously invest in workforce
4 development, sir.
5 ASSEMBLYMAN JENSEN: Very quickly,
6 would it make sense to possibly look at
7 geofencing where agency staff can work, so
8 they can't work in the same communities that
9 they live in?
10 MR. RASKE: Well, I think just in
11 emergency situations is really what -- what
12 you should depend on it. But not as a
13 continuum dependency as it is today in some
14 communities. Right, Bea?
15 Thank you.
16 CHAIRWOMAN KRUEGER: Thank you.
17 Senator Gallivan, ranker, for five
18 minutes.
19 SENATOR GALLIVAN: Thank you,
20 Madam Chair. Good afternoon.
21 MS. GRAUSE: Good afternoon.
22 SENATOR GALLIVAN: Appreciate, as
23 always, you guys being here, and your
24 testimony.

1 I think you've made it very clear,
2 your thoughts, and I think we've heard your
3 thoughts and biggest concern, of course, is
4 the Medicaid reimbursement gap, so I won't
5 focus on that. But there are some specific
6 proposals -- well, they're specific with the
7 words but not necessarily specific with
8 details -- proposals in the Governor's budget
9 regarding increased financial assistance by
10 hospitals, and addressing medical debt that
11 no doubt will have an effect on hospitals.
12 So whoever feels most appropriate to
13 answer: What impact will those proposals
14 have on hospitals?
15 MS. GRAUSE: I think, as the
16 commissioner said, the -- we have not done
17 any financial analysis on what the impact on
18 hospitals would be, and I know that the
19 commissioner did testify that they assumed
20 that it would not be major. We don't know
21 the answer to that.
22 It does, I think -- behind your
23 question, Senator, is a question of who pays.
24 And what happens if -- in the instance if

1 there is yet another reason why
2 reimbursement -- why hospitals are not
3 receiving reimbursement that they need.
4 So I think that it isn't -- it is a
5 question of what the impact's going to be.
6 We just have not done that analysis.
7 MR. RASKE: Lookit, I'm going to be a
8 little bit more clear.
9 This budget stinks. And I can tell
10 you why. It stinks because it's built on a
11 shaky foundation, the foundation of which has
12 this disparity, and perpetuates it. Even
13 worse, if you adopted this budget, it
14 wouldn't perpetuate the 30 percent, it would
15 increase it and make it worse.
16 So therein lies what the real problem
17 is. The investment, the objective that 1199
18 or the Greater New York Hospital Association
19 or our colleagues at HANYS are talking about
20 is very simple. Let's eliminate the
21 disparity over four years, let's work
22 together, roll up our sleeves, and we can do
23 it and, in the process of doing it, eliminate
24 the healthcare disparities in our communities

1 of color.
2 My God, how much more simple than that
3 can it be than to do that and say, Amen.
4 (Audience response of "Amen.")
5 CHAIRWOMAN KRUEGER: Remember --
6 SENATOR GALLIVAN: I think I'm good.
7 I think I know the answer to the rest of my
8 questions. But thank you.
9 CHAIRWOMAN KRUEGER: That it?
10 SENATOR GALLIVAN: I'm good, yes.
11 CHAIRWOMAN KRUEGER: Okay, thank you.
12 Assembly.
13 ASSEMBLYWOMAN PAULIN: Thank you.
14 Assemblymember Bores.
15 ASSEMBLYMAN BORES: Thank you for
16 being here. And thank you for fighting to
17 close this gap this strongly and this
18 passionately.
19 I want to help sort of dispel some of
20 the arguments we hear against this, so if you
21 can just help with some of those. We want to
22 be able to match the costs that hospitals
23 have that some people say those costs are not
24 being contained appropriately, that instead

1 hospitals are just investing in fancy rooms
2 and all of that. Do you have a sense of how
3 much hospital costs are going up from
4 improving facilities or things that are more
5 luxurious?
6 MR. RASKE: We have a really good
7 idea. The hospital costs have increased
8 substantially in the last decade, and not
9 offset by any revenue increases that come
10 close to it.
11 It is for that reason, in the
12 Governor's --
13 ASSEMBLYMAN BORES: I just want to be
14 precise, if you followed the --
15 MR. RASKE: No, no, in the Governor's
16 State of the State the Governor said clearly
17 that 42 percent of the hospitals in 2021 were
18 losing money. If she would have done the
19 same calculations --
20 ASSEMBLYMAN BORES: I don't mean to
21 interrupt, but I just have three minutes.
22 The question is, how much of the increased
23 costs are investing in fancier facilities?
24 Do you have a rough sense of that?

1 MR. GRESHAM: Well, let me just say
2 this, first of all. You're not talking about
3 all of New York when you talk about that. In
4 the safety nets, there is no increase. There
5 is no fancy goddamn equipment. It is people
6 that are suffering because of their zip
7 code --
8 ASSEMBLYMAN BORES: Thank you. That's
9 what I was looking for. Thank you.
10 And so would you say that it's now
11 become, say, standard in hospitals to have
12 single-occupancy beds and that that's driving
13 the cost? Is that what you see?
14 MR. GRESHAM: Yes, sir.
15 ASSEMBLYMAN BORES: Okay. Has it
16 become standard to have sort of the larger
17 emergency room departments that are not
18 behind curtains or et cetera?
19 MR. GRESHAM: Obvious. I invite
20 anyone to visit any safety-net hospital ER on
21 any given day and then the answer will be
22 obvious. This is not humane treatment that
23 people are receiving.
24 ASSEMBLYMAN BORES: Sorry, you're

1 saying that standard hospitals now -- the
2 standard is to have single occupancy but
3 we're not getting to see that in safety nets,
4 right? That's the disparity that we're
5 talking about? I just want to clarify.
6 MR. GRESHAM: I'm not sure if --
7 ASSEMBLYMAN BORES: Hospitals have
8 historically have had double-occupancy rooms.
9 There's now been more and more of a move,
10 especially in fancy ones, of single
11 occupancy. Are you saying that that is now
12 standard? Is that driving costs?
13 I'm just trying to get at what's
14 driving --
15 MS. GRAUSE: I think without capital
16 you -- what -- I think another way to say
17 what you're saying is that hospitals without
18 access to capital and with inadequate
19 reimbursement cannot upgrade their facilities
20 in the way that others can. And that results
21 in double-occupancy --
22 MR. RASKE: The one thing you should
23 know about this budget is this budget goes
24 backwards on safety-net hospitals, on top of

1 what we are talking about. It actually is a
2 retrenchment on the contribution even with
3 the federal waiver. Even with. It's like a
4 bait-and-switch.
5 ASSEMBLYWOMAN PAULIN: Thank you.
6 ASSEMBLYMAN BORES: Thanks.
7 ASSEMBLYWOMAN PAULIN: Senator Comrie.
8 SENATOR COMRIE: Yes, thank you.
9 I have a similar question, but I just
10 want to ask another question first.
11 Do you have an understanding of the
12 hospitals' capacity for New York State and
13 how the Berger report, which was 25 years
14 ago, talked about under-bedding? And we were
15 trying to get a bill passed earlier, I heard,
16 to understand what the policies and practices
17 for opening up new hospitals or -- because we
18 have a series of hospitals that are being
19 opened in northern Mid-Manhattan, but nothing
20 being done to save existing hospitals.
21 And also in Queens, where we are
22 severely underbedded, to open hospitals --
23 especially in Southeast Queens, which is a
24 safety-net area, we only have one hospital in

1 Southern Queens that is doing all of the
2 work. It's in danger of closing too.
3 The second floor talked about they
4 would have to do a million-dollar study to
5 ascertain those numbers. Don't you have
6 those numbers on a regular basis that you can
7 show people or show the state to prove where
8 we need hospitals and resources now?
9 MR. RASKE: We can slice and dice any
10 bit of information, sir, for you that you
11 would like. We can give by service areas, we
12 can do beds. Beds is just a proxy, because
13 the medical care system has advanced so much
14 in the decades that certainly I've been
15 involved in it, that beds is not necessarily
16 a good measure for a lot of communities of
17 availability of good healthcare services.
18 You take, for example, I'm having an
19 outpatient procedure and surgery next -- this
20 upcoming Thursday. Ten years ago that very
21 same procedure that's going to be done on me
22 was done on an inpatient basis. So there is
23 this great change that is going on, sir.
24 But we can give you whatever you wish

1 in terms of information. I know that's from
2 Bea, it's from us. We -- certainly our
3 colleagues at 1199 feel the same way.
4 whatever you need, sir, we could provide you.
5 SENATOR COMRIE: Thank you. And we
6 also need to make sure --
7 MR. RASKE: And all your colleagues as
8 well.
9 SENATOR COMRIE: Right. Well, thank
10 you all for being here. And the issue of
11 Medicaid reimbursement is major, as -- I
12 recently had some work done as well, and to
13 see that Medicaid is only paying 10 cents on
14 the dollar is ridiculous. The rates are
15 ridiculous. I hope that we can get Medicare
16 equality -- Medicaid equality. We did it for
17 the Campaign for Fiscal Equity for schools;
18 we can get this done within four years.
19 So thank you.
20 MS. GRAUSE: Thank you, Senator.
21 MR. RASKE: Thank you, sir.
22 CHAIRWOMAN KRUEGER: Thank you,
23 Senator Comrie. You still have 26 -- oh, no,
24 you don't. You had 26 seconds and you've

1 lost them.
2 (Laughter.)
3 ASSEMBLYWOMAN PAULIN: Assemblymember
4 Gandolfo.
5 ASSEMBLYMAN GANDOLFO: All right,
6 there we go. My question is going to be
7 directed at HANYS, first and foremost.
8 The Executive -- you reference that
9 the budget could reduce funding to hospitals
10 and nursing homes by almost 1.3 billion. The
11 Executive is suggesting that there are
12 greater investments. Can you explain your
13 concerns? And this is my main question, so
14 take all the time you need.
15 MS. GRAUSE: Sure. I think the
16 commissioner said that the -- that they have
17 invested $984 million. That's actually a cut
18 from previous years. And I think that's part
19 of the 1.3 billion total that we believe is a
20 cut in this budget. As Ken was saying, it's
21 a step backward. It's the 200 million in
22 long-term-care spending, the 200 million in
23 Medicaid. Gross that up to add the
24 federal -- the loss of federal matching

1 funds, that's $800 million. And then you
2 take the reduction of VAPAP spending; they
3 diverted half to go into the 1115 waiver and
4 get matched, then they put the other 275 back
5 into the General Fund.
6 And so that totals the cut to
7 hospitals.
8 ASSEMBLYMAN GANDOLFO: Okay. And
9 what's the impact of a cut like that on the
10 ground? How would that impact the average
11 nursing home or hospital that you represent?
12 MS. GRAUSE: Well, no margin, no
13 mission, right?
14 You know, and I think that the ability
15 now -- we have 5600 fewer nursing home beds
16 than we did in 2019. That is in large part
17 due to the inability for not-for-profit
18 nursing homes to be able to hire workers and,
19 with the current reimbursement rate, actually
20 have a margin.
21 So the cut just makes that harder.
22 ASSEMBLYMAN GANDOLFO: All right,
23 great. Thank you very much.
24 MS. GRAUSE: Sure.

1 ASSEMBLYMAN GANDOLFO: And that's it
2 for me, Chair.
3 CHAIRWOMAN KRUEGER: Thank you very
4 much.
5 The next is Pam Helming.
6 SENATOR HELMING: Thank you.
7 I want to say thank you to our
8 panelists for your testimony today.
9 And George, if it's okay, sir, I want
10 to give you a special thank you for your
11 passion. And I want to ask you to consider
12 adding on what people in my district, which
13 is primarily rural, what they're facing, the
14 challenges they're facing. Because it's very
15 similar to what you have shared.
16 We don't have urgent care centers in
17 many areas of my district. We don't have
18 primary care physicians in some of our areas.
19 As a matter of fact, this past summer right
20 before school was going to start, in Naples,
21 New York, the only primary care physician
22 they had lost his position. Our kids trying
23 to get immunizations to start school, there
24 was no one to help with that. People who --

1 high school kids who wanted to play sports,
2 there was no one to do those mandated
3 physicals. People who needed heart
4 medications, who needed diabetes treatments,
5 there was no one there to help them.
6 In addition, our Federally Qualified
7 Healthcare Centers, they're cutting hours,
8 they're cutting services because they can't
9 make it work financially because of the
10 reimbursement rates.
11 And our emergency rooms -- which we
12 don't have hospitals in every county, but the
13 ones we do, some of them are saying: Don't
14 come here, we're full, we can't take anyone.
15 So we're in just as dire positions as
16 the communities that you talked about. So
17 feel free to add us to your conversations
18 that you're having.
19 Just wanted to turn for a moment -- I
20 have to say for me personally, the last panel
21 that we had when we asked questions about the
22 budget and what's in there to right the ship,
23 to turn things around so people could get
24 access to the life-saving treatments and the

1 care that they need, I didn't have a whole
2 lot of confidence that there was anything
3 that was truly meaningful. There are some
4 good workforce development initiatives, but
5 they're going to take a long time for us to
6 get there.
7 One of the Assemblywomen asked the
8 commissioner about what's in the budget to
9 save our hospitals and our nursing homes, and
10 what I took away from that is that we're
11 going to save money with the workforce
12 proposals. Again, that's going to take time.
13 I -- I just am looking for, from the
14 three of you, any of you, in your opinion, is
15 this really going to save our hospitals?
16 Like what can we do right now? Because
17 sometimes I feel like in Albany we use the
18 word "crisis" too much. But it is a crisis.
19 What are we going to do? What can we do?
20 MR. GRESHAM: It absolutely is a
21 crisis. And when I speak of the Black and
22 brown community, I say the low-income and
23 Black and brown community. So I feel your
24 pain. I understand what that feels like.

1 Everyone deserves good-quality
2 healthcare. And to begin, it's not hard math
3 to say we are going to pay 100 percent of
4 care. How is an institution supposed to
5 survive when they provide care and there's a
6 30 percent deduction for that cost of care?
7 How are they supposed to provide good-quality
8 care, no matter where they are?
9 CHAIRWOMAN KRUEGER: Thank you.
10 Next up, Assembly.
11 ASSEMBLYWOMAN PAULIN: Assemblymember
12 Hunter.
13 ASSEMBLYWOMAN HUNTER: Good afternoon.
14 I'm going to follow up on the question
15 that I had made to the commissioner that I
16 don't feel was answered. And so specifically
17 I painted a picture of what it looks like
18 where I live, in Central New York, with the
19 hospitals that represent my community. And I
20 do have a safety-net hospital, that it
21 is abysmal, you know, how long people wait.
22 And it is true that people are not getting
23 the care that they need.
24 And I understand that we are in a

1 staffing crisis. And it is a crisis. We can
2 keep saying the word because we need to keep
3 saying it, because it's real.
4 But knowing that, we have these
5 traveling nurses and they're talking about
6 this expense, but they can't get rid of them
7 because there aren't the backfill of staff on
8 hand.
9 So aside from staffing, because it
10 really means that a hospital has to go
11 bankrupt in order for the department to come
12 in, and then they say "Give us your books and
13 we're going to cut spending." So until you
14 get to the point -- and I have a nursing home
15 that has two days' cash on hand. I need
16 specifics. Give me something specific other
17 than staffing that says if we cut X, this
18 will save a hospital money and, P.S., main
19 point, not cut quality of care. Give me some
20 examples, please.
21 MR. RASKE: I can't give you an
22 example, except I could tell you that if you
23 adopt this budget, it's going to get worse.
24 And I'll tell you why it's going to. If you

1 take a look at the budget that was presented
2 by the Governor, you take a look at it, when
3 they got into the healthcare section it
4 happens to be -- and one of our figures, I
5 believe on page 4 of our testimony, but it's
6 irrelevant -- what you'll see is unmet need.
7 And the Governor's budget actually increased
8 this year.
9 So the safety-net money that you need
10 is actually decreasing relative to the --
11 ASSEMBLYWOMAN HUNTER: But we keep
12 hearing the conversation of cutting --
13 MR. RASKE: But they're not doing it.
14 ASSEMBLYWOMAN HUNTER: We keep hearing
15 the conversation of cutting spending, and
16 they will come -- if you get into dire enough
17 shape, they will come, they will open your
18 books, and they will say: This is where you
19 need to cut.
20 And I would like to know in advance,
21 before they come, before we are indigent,
22 before we are in a situation where somebody
23 has to stay eight hours in a hallway,
24 10 hours in a hallway, or not even get care

1 at all -- what can a hospital do today in
2 order to stop or put a little bandage on this
3 crisis that we're in right now?
4 MR. RASKE: The degradation of
5 services, Member of the Assembly, is really
6 what you're crying for. You're saying, What
7 can we do?
8 And what George and I are saying, and
9 we're pleading with you, look at them --
10 we're hitting the wall. We are hitting the
11 wall. But it's now that we can actually do
12 something about it. Let's set some
13 high-minded goals for a change. Let's not
14 deal with the Band-Aids that you're talking
15 about. Let's deal with tackling the root
16 cause of this problem. And we know what it
17 is.
18 And all we're doing is asking you to
19 help us in that journey. That's all we're
20 asking you to do. So let's work together.
21 I'd love to work with you. And George would
22 as well, and Bea as well. Lookit, we're the
23 same people. We're -- one day we're --
24 CHAIRWOMAN KRUEGER: Ken, I have to

1 cut you off.
2 MR. RASKE: One day we're going to be
3 patients.
4 CHAIRWOMAN KRUEGER: Thank you. We
5 get your point, but we're going to let
6 another question be asked. Okay?
7 Senator Webb.
8 SENATOR WEBB: Thank you.
9 Thank you, everyone on the panel, for
10 being here.
11 My question is for you, George. You
12 know, I'm looking at your testimony. One of
13 the things I wanted to lift up is the
14 proposed COLA for health and human service
15 workers. And I know this was something that
16 all of us in the Legislature were pushing for
17 more in last year's budget, and now what's
18 been proposed in this budget is 1.5. And so
19 I know in your testimony you lifted up that
20 we need to be at 3.2 percent to match
21 inflation.
22 Could you expound upon what people are
23 experiencing from what we did last year to
24 this year as it pertains to this?

1 MR. GRESHAM: Yeah. You know, one of
2 the things that we said was -- well, let me
3 go back. The Governor, when I met with her
4 and said, I want to hear it from you before I
5 put it out there: "Is there really a
6 $1.87 billion surplus?" And she acknowledged
7 that there was. And I said -- she said:
8 "But I want to save that for a rainy day."
9 Those were her words, not mine.
10 I said, I don't know what community
11 you live in, but where I live, a hurricane is
12 not a rainy day.
13 Out there, we said if that budget goes
14 through, then services will -- hospitals will
15 close. Well, Beth Israel is now closing.
16 We've seen Kings -- Kings --
17 MS. GRAUSE: Downstate.
18 MR. GRESHAM: Downstate. And Brooklyn
19 again, and part of One Brooklyn Health
20 System.
21 Kingsbrook. We've seen these
22 hospitals close as predicted. And it's only
23 going to get worse. That's the problem.
24 And we're taking a situation -- I'm

1 highly offended because I've never imagined
2 any governor would see that healthcare
3 deserves to be cut for a rainy day. If you
4 ask me what the consequences are, human
5 lives. Maybe human lives that are not as
6 valuable to some as others. And I'm not
7 going to sit here -- listen, the first nine
8 years of my life I was legally treated as a
9 second-class citizen. That's something you
10 don't forget ever in your life again.
11 And for here, in 2024, I have to
12 believe that my five grandchildren may be
13 treated the same way? I'm going to do all
14 that I can to get the elected officials that
15 understand what this is going through and how
16 cruel and how inhuman it is.
17 So what are we? Seventy percent
18 human, is that what it is? Because that's
19 all you're willing to pay for our care. And
20 we are really going to sit around -- and I'm
21 appealing to old people of good nature, this
22 is not right. And I can tell you right now,
23 if I have to lay down in the middle of the
24 street until the cows come home, I guess, I'm

1 willing to do whatever's necessary. Because
2 the lives are at stake here. This is not --
3 this is not an academic, you know, debate
4 here.
5 ASSEMBLYWOMAN PAULIN: Thank you.
6 Next is Assemblymember Latrice Walker.
7 ASSEMBLYWOMAN WALKER: Good afternoon.
8 I've heard a lot today about workforce
9 development. And one of the things that I
10 remembered about the federal Medicaid waiver
11 is that there are significant dollars which
12 get spent towards workforce development.
13 Of the $7.5 billion in the present
14 Medicaid waiver, how much of that is being
15 dedicated to workforce development?
16 MS. GRAUSE: I think it's about
17 700 million. I want to say 684. But I -- I
18 would have to check.
19 ASSEMBLYWOMAN WALKER: Okay, thank
20 you.
21 Now, with respect to the closure of
22 hospitals, whether they be safety-net
23 hospitals such as those in One Brooklyn
24 Health, or Downstate Hospital, do you know

1 how much of those resources will be going to
2 these types of safety net hospitals?
3 MR. GRESHAM: The allocation of that,
4 there's -- let me set the stage for you,
5 please. There's $550 million that are
6 available for safety-net funding. And it is
7 available, but given the varying criteria,
8 to -- basically for downstate counties. And
9 that would be Bronx, Brooklyn, Queens and
10 Westchester, interestingly enough.
11 So as a significant player and
12 important part of the healthcare community in
13 Brooklyn, One Brooklyn would be part of it,
14 part of that allocation.
15 But herein lies the part of the
16 difficulty, if I can add. You will see in
17 this budget last year's commitment for
18 safety-net hospitals of $500 million was
19 taken away. So here's what you got -- and
20 this is why I say this budget stinks. You
21 put in -- you put in 550 from the federal
22 government and then you take away 500. So
23 you tell me what the number is going to be.
24 Beats the hell out of me. I don't know.

1 ASSEMBLYWOMAN WALKER: Well, sounds
2 like the old bait-and-switch.
3 Secondly, I would also add that we
4 should look at the Medicaid reimbursement
5 rate as a public health crisis and call it
6 for what it is.
7 MR. GRESHAM: That's right.
8 ASSEMBLYWOMAN WALKER: And lastly, I
9 just would like to say, is there any sort of
10 conversation with respect to workforce
11 housing as a part of sort of workforce
12 development resources, from your
13 conversations with the second floor?
14 MS. GRAUSE: There -- there -- I'm not
15 aware of any. I do know that many hospitals
16 actually do -- have engaged in providing
17 housing for their healthcare workers.
18 MR. GRESHAM: But part of the waiver
19 is to address some of that issue, the social
20 needs, and how much of that could be diverted
21 I -- is not answerable by us.
22 But I do believe that there is some
23 attention to that within this waiver.
24 ASSEMBLYWOMAN WALKER: Thank you.

1 ASSEMBLYWOMAN PAULIN: Thank you.
2 Senator Gustavo Rivera.
3 SENATOR RIVERA: Thank you.
4 Hey, folks. It's good to see you.
5 ASSEMBLYWOMAN PAULIN: For 10 minutes.
6 Ten minutes. Thank you.
7 SENATOR RIVERA: All right. Thank you
8 for being here today. First of all, just for
9 the record, it's a battle that many of us
10 have been waging for quite a long time, the
11 notion that those institutions that serve the
12 most vulnerable are the ones that are the
13 least funded has always been the case,
14 certainly for as long as I've been here. And
15 I'm very glad to see that we're -- that we're
16 stating it clearly and that we're talking
17 about the impact that it is having on real
18 people every single day.
19 I'll also underline the utter
20 frustration that Assemblymember Hunter was
21 expressing earlier, which I share, because as
22 I've been here -- so I've been here 13 years;
23 I've been the chair for six, I believe. And
24 I have consistently gotten calls from

1 hospitals like on a rotating basis, on a
2 rolling basis, it always happens, when they
3 go like, hey, just so you know, we are six
4 months out from being in the red. Or a
5 couple of months out from being in the red.
6 And this is not something that is a surprise
7 to the state. Right?
8 And so it seems to me -- this is
9 directly to Assemblymember Hunter, just to
10 kind of let you know. It seems to me very
11 clearly that the way that this has been --
12 okay, so I do get three. Okay, what have
13 you. I'll make it quickly, because I do want
14 to ask you one question about the unallocated
15 cuts. But just to state it for the record,
16 the state unfortunately seems to operate the
17 way that they -- the way that they do this is
18 that they just let it happen. They don't
19 commit to long-term investments. Instead,
20 they just figure that they're going to have
21 expenditures eventually. You know, and oh,
22 they're going to fall off the cliff or about
23 to fall off the cliff, then we'll bring you
24 back.

1 And I'll just say -- and obviously you
2 can provide all sorts of evidence and all my
3 colleagues can do the same. And I'm telling
4 the state: Remember my list. Whether it's
5 the folks who are here or the Governor on the
6 second floor, folks, this is not the way to
7 run a healthcare system. Please, we have to
8 talk about how these places stabilize
9 themselves. I'm not even talking about
10 thriving, I'm talking about being able to
11 stabilize themselves. And if you pay them
12 accordingly to what they actually do on a
13 daily basis, they can actually stabilize
14 themselves.
15 The one question I have for you folks,
16 since I have so little time, have you ever
17 seen this whole unallocated cuts thing, this
18 notion -- and, you know, I was kind of doing
19 a little joke earlier, but this notion that
20 there is a -- that they're asking you to
21 choose which limb you're going to cut off,
22 because it's -- you're getting help. You're
23 saying, Well, we both cut it off at the same
24 time, so it hurts less.

1 Have you ever heard of that? And what
2 is your sense about what that actually means?
3 MS. GRAUSE: Well, I think they're
4 buying time.
5 So yes, I have heard of it. And I
6 think that they are -- haven't yet figured
7 that out and maybe hoping they're going to
8 get some wisdom from the one-house budgets
9 coming back from you.
10 MR. GRESHAM: You know, it's --
11 sometimes the answer is right under your
12 nose. And -- and, you know, we live in a
13 very complicated healthcare system, but
14 George and I have wanted to make this as
15 clear as possible. The solution is right
16 before you. Let's pay the cost of the care
17 and stop fooling around. That's all we're
18 asking for. Pay the price of the care that
19 we presented. And a lot of your problems
20 will go away.
21 ASSEMBLYWOMAN PAULIN: Thank you.
22 Assemblymember Ed Ra, for three
23 minutes. We all get three minutes, rules
24 change.

1 (Laughter.)
2 ASSEMBLYMAN RA: Thank you,
3 Madam Chair.
4 For HANYS, I was just looking through
5 testimony you submitted, and part of it has,
6 you know, this chart and in particular it
7 gets into, as one of the global concerns,
8 capital funding, and in particular the lack
9 of any new capital funding in this budget for
10 healthcare providers.
11 Just wondering if you can comment on
12 that and how large the need really is out
13 there for new capital dollars.
14 MS. GRAUSE: Sure, the need is
15 enormous. I think all of you understand that
16 healthcare is evolving as we speak, becoming
17 decentralized. People are getting healthcare
18 on their phones, they want healthcare in
19 their community. And those capital dollars
20 are essential as we decentralize from an
21 enterprise system that really is focused on
22 inpatient to having care out in the
23 community.
24 In addition, if you think -- if you

1 understand that patient care drives
2 everything, and as we think about our aging
3 population, we have a population that is
4 going to need more cancer care, they're going
5 to need more care for neurodegenerative
6 conditions and as such.
7 And those types of outpatient are
8 actually very resource-intensive for both
9 drugs and equipment, to care for patients
10 with chronic needs. So every hospital has a
11 need for capital, and cutting capital is a
12 step backwards.
13 ASSEMBLYMAN RA: Thank you.
14 CHAIRWOMAN KRUEGER: Senator Webb.
15 And I apologize having to run out.
16 Chairs still get 10 minutes, just -- you
17 already went? Then Senator May.
18 SENATOR MAY: Thank you. Yeah, hi,
19 everybody. And I'm sorry I missed your
20 testimony, I just came for the questions.
21 But I asked the commissioner this
22 morning about cuts to long-term care, like
23 how many -- how many beds are we going to
24 lose, how many facilities may have to close

1 down. I didn't really get an answer. But I
2 guess I want to ask you all about the jobs
3 and what is the impact, do you think, on jobs
4 in that sector from the cuts that we're
5 seeing in this budget.
6 MS. GRAUSE: It's getting more
7 difficult. As I said before, there's 5600
8 fewer nursing home beds today than there were
9 in 2019. And I think without an investment
10 in nursing home care and without a reset on
11 the regulations and the administrative
12 requirements and fines, it is going to be
13 extremely difficult for nursing homes to
14 stand up operations and keep those operations
15 up.
16 So it's going to get worse unless
17 action is taken now.
18 SENATOR MAY: And are you all tracking
19 the impact on regional economies of this kind
20 of deficit that we're running in critical
21 facilities like this?
22 MS. GRAUSE: Well, I mean, I think
23 you're obviously already paying attention to
24 that. Healthcare's 20 percent of the

1 economy, and I think an anchor to every
2 community is healthcare. And I know that
3 without -- without good healthcare, you do
4 not have businesses wanting to come in and
5 invest in those geographic areas. And that's
6 particularly, as you know, very, very
7 prevalent in upstate New York.
8 SENATOR MAY: Right. And if there
9 aren't the facilities, then -- then families
10 are stuck with doing the care a lot of the
11 time for especially older people and may have
12 to bow out of the workforce. It's --
13 MR. RASKE: Senator, if I could just
14 add -- unless, George, you want to add
15 something?
16 MR. GRESHAM: Yeah.
17 MR. RASKE: I'll defer to George
18 first.
19 MR. GRESHAM: Not only does it affect
20 the economy. I've said this to every
21 Governor that I've worked with. Healthcare
22 to New York is like the auto industry was to
23 Michigan. If we continue to allow these
24 hospitals to fail, not only are we going to

1 lose the economy that it brings in, but we're
2 going to lose the surgeons that people travel
3 from all around the world to come and get the
4 care from New York. And they're not going to
5 stay with a sinking ship. Their skills are
6 not comparable out there in the medical
7 field, and they'll leave and they'll go to
8 Cleveland Clinic, they'll go to anywhere
9 where they can continue a robust practice.
10 So we have a lot to lose, and it
11 just -- it's -- it is beyond comparison.
12 ASSEMBLYWOMAN PAULIN: Thank you.
13 SENATOR MAY: Thank you.
14 CHAIRWOMAN KRUEGER: Thank you.
15 MR. GRESHAM: You're welcome.
16 ASSEMBLYWOMAN PAULIN: Jessica
17 González-Rojas.
18 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: These
19 buttons are tricky.
20 Thank you all for being here.
21 I'm curious if the cost to emergency
22 Medicaid also experiences this 30 percent
23 gap. Do you know the state spends about
24 $500 million in emergency Medicaid for a

1 community that could be covered by the 1332
2 waiver and use federal funds to cover their
3 healthcare?
4 MR. GRESHAM: The whole healthcare
5 community supports any opportunity we have to
6 make sure that the burden of healthcare is
7 picked up appropriately by the federal
8 government.
9 And it's interesting -- and if I can
10 go back to our proposal, George's and my
11 proposal as relates to closing the gap, on
12 the hospital side of things the feds now pay
13 close to 60 percent of the bill. So the
14 investment that you make is leveraged by the
15 federal government's writ by a multiple,
16 which is really significant.
17 I think that that is -- should be part
18 of the calculus that you look at as you
19 entertain development of adopting our
20 proposal within this budget. The federal
21 money that is leveraged is high. And that's
22 not true on the nursing home side. There
23 it's back to 50/50. But the investment on
24 the hospital side is significant, if that

1 gets at some of the questions.

2 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank

3 you so much. And George, for you, I just

4 want to thank you and your union. My mom is

5 1199, now a retiree.

6 But I want you to elucidate what the

7 inequity in Medicare {sic} cost and

8 coverage -- that that 30 percent gap, what

9 does that mean for our both current workers

10 and future workers in the industry?

11 MR. GRESHAM: Well, what it means is

12 that we'll have a loss of jobs, a loss of

13 jobs as the hospital cuts services. Those

14 services were operated by staff. Cutting

15 services is cutting staff and is cutting

16 health to the community. Where the community

17 may have been a short walk up to a clinic and

18 get healthcare, now they can't, for example,

19 leave.

20 I didn't grow up welfare, I grew up

21 very poor. And so I was raised by Jacobi

22 Hospital in the Bronx, but my mother could

23 take me there for clinic appointments that

24 don't exist in a lot of safety-net

1 institutions. Until you're ill enough to go
2 to the emergency room, you are out of luck.
3 I want to apologize, too, because you
4 may see me squirming around here. It's not
5 that I want to touch somebody, it's that I am
6 suffering. If anybody ever suffered through
7 sciatica, I'm having a super attack right
8 now. But even sciatica could not -- was not
9 bad enough to stop me from coming here.
10 Because I can't look at my members, I can't
11 look at my community and say that I did all
12 that I could because I let a sciatic pain get
13 in the way of me begging you, I'm willing to
14 beg --
15 CHAIRWOMAN KRUEGER: George, I'm
16 sorry, I have to cut you off.
17 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
18 you.
19 MR. GRESHAM: I'm sorry you have to
20 cut me off too.
21 (Laughter.)
22 CHAIRWOMAN KRUEGER: I know. We can
23 agree on that.
24 Samra Brouk.

1 SENATOR BROUK: Thank you so much.
2 And thank you all for being here today.
3 I just want to start where we just cut
4 off George to say, you know, I think both
5 today and throughout the year, you and your
6 members do such a good job to describe both
7 passionately but also very effectively the
8 realities of our healthcare system. And
9 where I am in Rochester, you know, I say if
10 you've had a procedure, if you stepped into a
11 hospital or most healthcare facilities, think
12 1199 member, because the only way that gets
13 done is with you all.
14 And so really this is for the whole
15 panel, whoever wants to jump in. But when we
16 spoke with the commissioner and the Medicaid
17 director earlier today, I described to them
18 the fact that one of our hospitals in
19 Rochester saw the most patients they ever
20 have in history the other day, in one day.
21 And that they had over a hundred people who
22 were ready to be discharged but could not be
23 because there were not enough nursing home
24 beds.

1 And so we are in a crisis situation,
2 there's no question. And especially where we
3 are. And, you know, I couldn't agree more,
4 we need to be increasing our Medicaid rates.
5 I think, you know, that's been a theme for
6 some of today.
7 But what I find troubling is that
8 often what we're told by agency -- you know,
9 by DOH, by the Medicaid office, is that the
10 onus is on you all. You need to make the
11 cuts. You need to figure out how you're
12 going to recruit.
13 And so I'd love to give I guess a
14 minute and 25 seconds or so to share some of
15 the things you are doing, because I think you
16 are working within the system you have the
17 best you can, whether it's about recruitment,
18 whether it's about -- you know, locally,
19 University of Rochester has free tuition for
20 a nursing accelerator program. But I know
21 that there's things that are happening, and I
22 think we all need to get a holistic view of
23 the fact that you are implementing many of
24 these things, but that it's still not enough.

1 But what small successes have you
2 seen?
3 MS. GRAUSE: Sure. I think University
4 of Rochester, we've been working with them
5 for years, and certainly well aware how
6 challenging both it is for UR and Rochester
7 Regional in that particular area.
8 They are doing everything possible.
9 Rochester really leads the country and has
10 for decades in terms of their ability and
11 their infrastructure to work with other
12 community providers to make sure that there
13 is capacity, both pre-hospital and
14 post-hospital. So they're doing all of the
15 right things.
16 I think the challenge that they face
17 is that the demand of patients who are coming
18 into their emergency room is continuing to
19 increase with an aging -- with an aging
20 population. And then the -- in the -- in
21 particular, the nursing home shortage in the
22 Rochester area and Western New York is
23 particularly severe. I think about 2,000 of
24 those 5600 beds that I was talking about is

1 in that Rochester area. So there's a real
2 lack of capacity. And they can't just
3 materialize that capacity overnight.
4 SENATOR BROUK: Thank you.
5 CHAIRWOMAN KRUEGER: Assembly.
6 ASSEMBLYWOMAN PAULIN: Before I
7 continue, Assemblymember Meeks, welcome.
8 Jo Anne Simon is next.
9 (Off the record.)
10 ASSEMBLYWOMAN SIMON: We have these
11 new microphones, and they're sticky.
12 So thank you for your testimony and
13 for identifying some issues.
14 I have a couple of questions that I'd
15 like to ask. Do you have a sense of the
16 difference in the impact of the failure to
17 increase the Medicaid reimbursement rate, the
18 difference in how it impacts for-profit
19 versus not-for-profit nursing homes? Because
20 we're losing our not-for-profit nursing homes
21 and I know mine is really struggling
22 mightily.
23 And then the issue about this failure
24 to address the wage parity issue in a

1 constructive way could end up actually
2 leading to more people needing nursing home
3 care because the CDPAP program, if they're
4 not able to have people actually working in
5 that program, it's going to lead to more need
6 for more admissions.
7 And then also if you have data on the
8 deterioration of physical plant. We hear
9 that because there's been no money, hospitals
10 aren't able to invest. This primarily
11 affects the safety net hospitals, and how
12 that exacerbates that situation. If you have
13 a sense of that, I'd appreciate it.
14 MS. GRAUSE: I'll start with the last
15 question first.
16 I think the capital needs for
17 safety-net hospitals are, I would say, both
18 longer-standing and deeper. You know, I
19 think they need new boilers, they need -- you
20 know, they need a new water system, so they
21 need more basic infrastructure upgrades, I
22 think, than other facilities. So it's not
23 just building a new outpatient wing, for
24 example -- or outpatient clinic. So I think

1 it's a lot more basic needs on top of trying
2 to modernize their facility to meet the needs
3 of their community.
4 I think on the nursing home issue I
5 would suggest talking to Jim Clyne from
6 LeadingAge. I think they may have a better
7 answer. I don't have the distinction between
8 for-profit and not-for-profit.
9 ASSEMBLYWOMAN SIMON: Thank you.
10 MR. RASKE: Madam Chair, if I could
11 comment, please. I want to say that at a
12 recent board meeting at Greater New York
13 Hospital Association I turned to my chairman
14 and I said, "I want you to know that George
15 Gresham is my personal hero."
16 Ladies and gentlemen, you can see that
17 George is under a great deal of stress here,
18 and I think maybe this matter should come to
19 some sort of conclusion. Because I love him
20 dearly, and I don't want to see him going
21 through this pain.
22 CHAIRWOMAN KRUEGER: I believe the
23 Senate is over. Just double-checking on the
24 Assembly.

1 I'm sorry, we're not over, there's no
2 more Senators to ask questions, let me
3 clarify. We're here, we're strong, we're not
4 going anywhere.
5 ASSEMBLYWOMAN PAULIN: Assemblymember
6 Khaleel Anderson.
7 ASSEMBLYMAN ANDERSON: Thank you,
8 Chair Paulin, and thank you to all of the
9 panelists who are here today. I know I
10 missed your testimony, but I do have some
11 pointed questions to ask. Hopefully I have
12 enough time to ask them.
13 I mentioned to Commissioner McDonald
14 earlier the piece of making sure that
15 hospitals who are geographically isolated can
16 benefit from some of the positive things that
17 are in the Governor's Executive Budget as it
18 relates to the different pots of money,
19 including the 1115 waiver.
20 So I'm wondering if Greater Hospital
21 Association can answer what resourcing those
22 hospitals that are geographically isolated
23 would look like.
24 MS. GRAUSE: I'm not sure I understand

1 your question, to be honest. What do you
2 mean by geographically isolated?
3 ASSEMBLYMAN ANDERSON: So I gave -- so
4 earlier last year Commissioner McDonald
5 visited my district, and I do -- there's a
6 hospital that is in my district that is far
7 away from the main land of Queens. And so I
8 was wondering, when you have a type of
9 hospital like that, you know, there's a need
10 for more resources for that hospital because
11 it's serving a large region. So I'm
12 wondering if, you know, in these different
13 pots of money that the Governor has proposed,
14 including the 1115 waiver, is there a way
15 that that would help move some of your member
16 hospitals forward in that regard.
17 MS. GRAUSE: Yeah. I mean, I think
18 normally geographic isolation is, under
19 federal law and state law, is really -- is a
20 factor. It's certainly a factor in
21 certificate of need in terms of approving new
22 services and new funding for services.
23 So I think it's normally a factor. I
24 don't -- I'm not aware of anything in this

1 budget that addresses the particular needs of
2 geographically isolated hospitals. But Ken
3 maybe would know.
4 ASSEMBLYMAN ANDERSON: Okay. There
5 might be a way --
6 MR. RASKE: I can't add anything more
7 on that, though.
8 ASSEMBLYMAN ANDERSON: Okay. Next
9 question, really quickly. When we're dealing
10 with the distressed hospital fund, I know
11 that there was some money set aside for
12 distressed hospitals and through y'all's
13 advocacy we're seeing that slowly come to
14 fruition.
15 Is there an itemized list on what
16 projects either were eligible or had moved
17 forward from the first pot.
18 And I think the second part of that
19 question is this next cycle of money that's
20 being papered over, I'm not sure if there's a
21 target --
22 MS. GRAUSE: You mean the
23 transformation dollars, the capital dollars?
24 Are you talking about the capital --

1 ASSEMBLYMAN ANDERSON: The capital for
2 distressed -- yeah. Do we know where that
3 is?
4 MS. GRAUSE: There's a long queue. I
5 don't know personally, but --
6 MR. RASKE: The one thing that you
7 should understand is there's $1.5 billion in
8 the Governor's own budget of unmet need.
9 Unmet need. That's going to be distributed
10 across all the communities, and that's going
11 to show up on your doorstep.
12 ASSEMBLYMAN ANDERSON: Thank you.
13 And again, just thinking, as I close
14 out, in my last few seconds I want to thank
15 1199 for their advocacy. George Gresham,
16 it's good to see you here. And thank you for
17 your members being so active on the issues.
18 ASSEMBLYWOMAN PAULIN: Thank you very
19 much.
20 I think I'm the last one. I just have
21 one question. Everybody's asked so many of
22 the important questions. Thank you, really,
23 for being here and for your advocacy.
24 The Governor has a proposal on medical

1 debt. I wondered if you've had a chance to
2 review it --
3 MR. RASKE: We're evaluating it now.
4 We don't have a position on it at this point.
5 Obviously we are very concerned about -- some
6 of our hospitals actually go pretty far in
7 the forgiveness of it. But we're -- Chairman
8 Paulin, what we're trying to do is consensus
9 out of the community. So I don't have an
10 answer for you at this point. And probably
11 within a week or two I will.
12 ASSEMBLYWOMAN PAULIN: We want to
13 specifically know any financial harm that
14 might be done to any specific hospital
15 vis-a-vis any specific one of the proposals.
16 MR. RASKE: Okay. I think we'll give
17 you a written proposal that -- an analysis
18 that you can sink your teeth into. Okay?
19 ASSEMBLYWOMAN PAULIN: I think we all
20 have a desire to do something. So it would
21 be great seeing us all work together to make
22 sure that we get something done at the end of
23 the day.
24 MR. RASKE: Absolutely.

1 ASSEMBLYWOMAN PAULIN: Thank you.
2 With that, I think that's it.
3 CHAIRWOMAN KRUEGER: Thank you very
4 much. Thank you for joining us today, panel.
5 We appreciate it. Thank you.
6 We're going to ask you to leave.
7 Everyone take their conversations outside.
8 And we'll bring up the next panel, Panel B:
9 New York Health Foundation; Primary Care
10 Development Corporation; and the Community
11 Health Care Association of New York State.
12 (Off the record.)
13 ASSEMBLYWOMAN PAULIN: Thank you.
14 Who wants to go first? Proceed.
15 MR. SANDMAN: Okay, thank you for the
16 opportunity to testify. I'm David Sandman,
17 president and CEO of the New York Health
18 Foundation. We are a private, independent
19 philanthropy dedicated to improving the
20 health of all New Yorkers.
21 I've submitted testimony on two
22 crucial primary care issues: Rebalancing our
23 healthcare spending to emphasize primary
24 care, and enhancing the role of medical

1 assistants on primary care teams. So I'll
2 just hit the key points here.
3 I'd like you to imagine that you found
4 a nickel on the floor this morning on your
5 way here, and ask you if you would stop to
6 pick it up. And the answer's probably not.
7 It's too small, it's too little, it's too
8 insignificant. But that small amount is
9 exactly how we value primary care. We only
10 spend about 5 to 7 cents of every healthcare
11 dollar on primary care, and that's despite
12 the fact that primary care has the best
13 return on investment of any type of
14 healthcare service. There are mountains of
15 evidence that tell us that. It's the rare
16 win/win that's associated with both better
17 health outcomes and lower costs.
18 So New York should devote a greater
19 share of total health spending to primary and
20 preventive care. That does not require
21 spending more; it requires spending in
22 smarter and better ways. And New York is
23 behind the nation. Primary care spending is
24 less in New York than in the rest of the

1 country, and it's been decreasing over the
2 past five years.
3 At least a dozen other states have
4 rebalanced their healthcare spending to
5 emphasize primary care.
6 The Legislature gets it. Here in New
7 York both houses previously passed bills to
8 establish a primary care reform study
9 commission, but they were vetoed by the
10 Governor, who asserted then that we already
11 know we underspend on primary care. In this
12 session, Senator Rivera, Assemblymember
13 Paulin each introduced bills to require
14 healthcare plans and payers to gradually have
15 a minimum of 12.5 percent of their total
16 expenditures on physical and mental health
17 annually be for primary care.
18 Investing in primary care is the
19 fundamental way to both improve health and
20 save money.
21 Workforce. We've talked about it a
22 lot this morning. We can also improve
23 primary care access and address workforce
24 shortages by elevating the role of medical

1 assistants, or MAs. MAs generally perform
2 administrative and very limited clinical
3 duties under the direction of a physician.
4 But New York isn't making the most of
5 MAs. For example, Connecticut, New Jersey,
6 they allow MAs to administer vaccinations,
7 and that's prohibited in New York. The
8 proposed Executive Budget aims to bring us on
9 par with other states. Permitting MAs to
10 administer vaccinations under the supervision
11 of a clinician will make a big difference and
12 free up other clinicians to practice at the
13 top of their license.
14 ASSEMBLYWOMAN PAULIN: Thank you very
15 much.
16 CHAIRWOMAN KRUEGER: Thank you.
17 ASSEMBLYWOMAN PAULIN: Next.
18 MS. GOLDBERG: Thank you. Thank you
19 very much to Senator Krueger, to Chair Paulin
20 and to Chair Rivera and the rest of the
21 members of the committee for giving me the
22 opportunity to testify today.
23 My name is Jordan Goldberg, and I'm
24 the director of policy at the Primary Care

1 Development Corporation. We're a
2 nonprofit that offers capital financing,
3 expertise and policy advocacy to expand
4 access to primary care and advance health
5 equity in the communities that need it the
6 most. And I want to say we're very grateful
7 for the Legislature's support for both PCDC
8 and primary care over the years.
9 As we just heard, primary care is
10 critical. It saves lives, it improves
11 community and individual health. It's
12 critical to health equity. And it has the
13 uniqueness of being both able to lower
14 healthcare costs and decrease disparities.
15 At the same time, it gets 5 to 7 cents on
16 every healthcare dollar, which is less than
17 half of what experts think it should.
18 Many New Yorkers live in communities
19 without adequate access to primary care as a
20 result of this underinvestment. There are
21 some proposals in the Executive Budget and
22 the 1115 waiver that we think will help to
23 some degree with some of these things.
24 One particularly important proposal I

1 wanted to draw attention to is the commitment
2 New York State has made to increasing
3 Medicaid rates to 80 percent of Medicare for
4 primary care, behavioral healthcare, and
5 obstetrics care. This is critical because
6 research has shown that when you increase
7 Medicaid rates, you expand access and you
8 improve quality of care.
9 But PCDC really wants to urge the
10 Legislature to ensure that those rate
11 increases reach primary care providers -- all
12 primary care providers -- who see Medicaid
13 patients. And that -- it actually gets to
14 the practices as opposed to third parties or
15 intermediaries.
16 One of the other biggest obstacles to
17 primary care in New York is the lack of
18 access to providers. There's a shortage. We
19 all know this. About 6.5 million New Yorkers
20 live in areas where there is not enough
21 primary care, and that's expected to grow in
22 the next few years. About 50 years ago,
23 70 percent of physicians practiced in primary
24 care; now it's 30 percent. And more are

1 leaving every day. They're overwhelmed with
2 the administrative burdens, and there's not
3 enough time to see their patients. And we
4 have other healthcare workers in primary care
5 leaving as well.
6 There are a couple of workforce
7 proposals in the budget and the 1115 waiver
8 that are targeted to primary care providers
9 who work with Medicaid patients. We support
10 those. But we think that a more systemic
11 answer is necessary, and David already
12 mentioned this. We think if New York State
13 set a firm target of 12.5 percent spending on
14 primary care out of total overall healthcare
15 spending, and held private and public payers
16 to that target, we would improve the
17 situation in underserved populations.
18 Thankfully Assemblymember Paulin and
19 Senator Rivera have introduced a bill that
20 would do that, would require payers to
21 measure their spending on primary care and
22 increase it to 12.5 percent over time --
23 rebalancing, not spending more.
24 Finally, in my last few seconds I just

1 want to emphasize that PCDC is supportive of
2 all efforts to expand access to insurance
3 coverage, and particularly highlight the
4 proposal to have continuous Medicaid coverage
5 from zero to 6. These are critical times in
6 a child's life when they need ongoing
7 preventive care that will impact their entire
8 life.
9 Thank you for your time.
10 MS. DUHAN: Good afternoon. I'm Rose
11 Duhan. I'm the CEO of the Community Health
12 Care Association of New York State. We are
13 the statewide association for community
14 health centers, representing 75 member
15 organizations that serve 2.3 million
16 New Yorkers at over 800 sites statewide.
17 On behalf of our members, I want to
18 express gratitude to the Legislature for its
19 unwavering support last year to ensure health
20 center patients were protected from
21 significant loss of access to services that
22 would have resulted from the elimination of a
23 340B drug discount savings when the pharmacy
24 benefit was carved out of Medicaid managed

1 care. We understand funding is included in
2 the Governor's proposed budget, and we ask
3 the Legislature to continue to champion
4 health centers by ensuring the inclusion of
5 this critical funding.
6 The 340B funding restoration protected
7 community health centers from what would have
8 been a devastating loss of funding on top of
9 Medicaid reimbursement rates that have long
10 been inadequate to cover the costs of care
11 delivery. As a down payment towards needed
12 investment in health centers, we are
13 requesting an increase in health center
14 Medicaid rates in this year's budget. Health
15 centers have not had a significant investment
16 in their Medicaid rates since the payment
17 methodology was developed over 20 years ago,
18 longer than any other provider type.
19 We ask that you insert the language in
20 Senator Rivera's bill, S6959, and
21 Assemblywoman Paulin's bill, A7560, into your
22 budget legislation to update health center
23 reimbursement rates and reflect current
24 costs, so that community health centers can

1 meet the demands of today's care models and
2 emerging public health crises.
3 We are grateful Senator Rivera's bill
4 was reported out of the Health Committee
5 yesterday.
6 CHCANYS further requests the
7 Legislature make permanent Medicaid
8 telehealth payment authorization and make a
9 technical amendment to existing statute.
10 Under current rules, Medicaid pays health
11 centers only one-third of the in-person
12 reimbursement rate when providers and
13 patients are both outside of the health
14 center walls for a telehealth visit. Because
15 of this, health centers are at a competitive
16 disadvantage in recruiting workforce,
17 particularly for behavioral health providers
18 that can work fully remotely in Article 31
19 and 32 licensed facilities.
20 We ask the Legislature to include
21 Assembly 7316 and Senate 6733 in the final
22 budget, which would make the necessary
23 technical correction.
24 CHCANYS supports the Governor's scope

1 of practice reforms -- as has been mentioned
2 already, specifically in the Governor's
3 proposal to allow providers to direct and
4 oversee medical assistants as vaccinators.
5 Doing so will ensure health center care teams
6 can work at the top of their licenses and
7 training while expanding access to needed
8 vaccines, which will keep New Yorkers
9 protected and advance the state's public
10 health goals.
11 I refer you to our written testimony
12 for further details and additional comments.
13 Thank you for your time, and I'm happy
14 to answer any questions.
15 (Off the record.)
16 CHAIRWOMAN KRUEGER: Anybody have any
17 questions?
18 ASSEMBLYWOMAN PAULIN: Do you have
19 questions?
20 All right. Assemblymember Jensen.
21 ASSEMBLYMAN JENSEN: There we go.
22 So when we talk about community
23 health -- and I asked the question earlier of
24 the Health commissioner and the Medicaid

1 director about Medicaid reimbursement rates
2 for different areas of medical practice, and
3 certainly when you look at dental health in
4 our state.
5 How critically important is the state
6 in prioritizing coverage and proper
7 reimbursement rates across the state to
8 ensure that regardless of urban, suburban,
9 rural, New Yorkers are actually getting the
10 care they need across the continuum of care
11 to ensure that we have healthy communities
12 moving forward?
13 MS. DUHAN: Health coverage for
14 everyone is critical in terms of ensuring
15 access, and it's also critical for providers
16 in terms of ensuring that there's -- ensuring
17 their financial sustainability. So something
18 that we are certainly very supportive of is
19 expansion of coverage.
20 ASSEMBLYMAN JENSEN: Okay. And is
21 that -- when you're looking at the expansion
22 of coverage and certainly looking at -- not
23 necessarily having the state pick up the
24 entirety of that cost, but just making sure

1 that we have the access and provider base,
2 correct?
3 MR. SANDMAN: I believe you started
4 off with oral healthcare. You know, that's
5 one of the most serious shortages that we
6 have. I mean, there are counties where there
7 are virtually no dentists who accept
8 Medicaid. You know, especially pediatric
9 dentists, you know, which hasn't really been
10 talked about today. There's actually been a
11 new settlement that expands coverage for
12 dental services like bridges and dentures and
13 other interventional dentistry. The problem
14 is we have no dentists to provide those
15 services to Medicaid beneficiaries.
16 ASSEMBLYMAN JENSEN: So I guess
17 what -- and maybe this isn't your area of
18 expertise, and I apologize if it's not. But
19 when we talk about that, when we talk about
20 areas of the state where we don't have
21 practitioners, whatever the case may be, I
22 guess from your perspective -- whether it's,
23 you know, primary care physicians or other
24 community health providers -- I guess what is

1 the solution that we're working with right
2 now for those communities?
3 MR. SANDMAN: I would think it's a
4 broad public health intervention, such as
5 fluoride, hailed as one of the most important
6 public health interventions, you know, over
7 the last century by the CDC. Yet there are
8 still counties in New York State that lack
9 fluoride. And if you look at a map of
10 Medicaid expenditures on dental care in
11 counties with fluoride and those without,
12 there's a huge gap there.
13 ASSEMBLYMAN JENSEN: Okay.
14 MS. DUHAN: And I would say that the
15 workforce initiatives that the department is
16 seeking are really important in terms of
17 expanding that workforce, to make sure that
18 there are healthcare providers that can
19 provide care across the state.
20 As has been mentioned, there's a
21 severe shortage of dentists. But as has also
22 been mentioned, we've seen fewer and fewer
23 people going into primary care, and so that
24 really impacts access. When there's no

1 providers, it doesn't matter what you pay
2 them.
3 So we really want to make sure that
4 there's programs that are encouraging people
5 to go into primary care, that are encouraging
6 people to go into community dentistry, so
7 that there is a sufficient workforce.
8 ASSEMBLYMAN JENSEN: Thank you.
9 CHAIRWOMAN KRUEGER: Thank you.
10 Senator Rachel May.
11 SENATOR MAY: Thank you.
12 And thank you for your testimony.
13 I don't know if this question is
14 actually applicable, but I'm very interested
15 in school-based health centers and community
16 schools, and I'm wondering, are any of your
17 organizations involved in that? And what can
18 we do through the budget or through
19 legislation to make them stronger?
20 MS. DUHAN: Yes, absolutely,
21 school-based health centers -- most of our
22 community health centers also operate
23 school-based health centers, and it's a
24 critical point of access to care for children

1 that would otherwise not be able to perhaps
2 see a provider, have their dental care needs
3 met, have their mental health needs met.
4 So they're incredibly important in
5 terms of the role that they play in the
6 healthcare system. Continuing support for
7 school-based health centers is essential.
8 We're pleased to see that there is some
9 expansion of support for school-based health
10 centers, and we certainly support that.
11 MS. GOLDBERG: And if I could just add
12 that support for primary care across the
13 board would also support the ability to
14 school-based health centers to get the
15 providers that they need and to be able to
16 treat the patients and the kids that they
17 see. Because part of the shortage we're
18 having is people just won't go into primary
19 care anymore because of the burden on them,
20 because of the insufficient pay, because of
21 all the other issues.
22 And so even if you have a school-based
23 health center, if you can't staff it
24 properly, it's not going to be able to

1 support the schools.
2 SENATOR MAY: So are there ways to,
3 say, raise the pay for primary care doctors
4 so more people will go into that profession?
5 Is that something you're thinking about?
6 MS. GOLDBERG: What we believe is the
7 proposal that Assemblywoman Paulin and
8 Senator Rivera have offered, Assembly Bill
9 8592, Senate Bill 97 that you passed out of
10 committee yesterday, would have -- it's going
11 to have an impact over time. It's not going
12 to happen immediately.
13 But part of the -- it's been attrition
14 over time as well, as people have left the
15 profession. We need to attract people by
16 showing them that the state, that governments
17 care about them, or care and are willing to
18 put the money there.
19 MS. DUHAN: Certainly in terms of
20 community health centers, having Medicaid
21 rates be sufficient to be able to attract and
22 retain workforce really makes a difference in
23 making those providers available in community
24 settings.

1 SENATOR MAY: And then I know there's
2 at least one school in Syracuse that has a
3 health center that's not just for the kids,
4 it's for the families as well. And I'm
5 wondering if people are tracking the impact
6 of those kinds of innovations to make sure
7 that they're having the kind of impact we
8 hope they will.
9 MS. DUHAN: Yeah, that's a good
10 question. We don't have the data on those
11 community-based schools, and it's something
12 that we could look into. Although the
13 department may have some more information.
14 SENATOR MAY: Thank you.
15 CHAIRWOMAN KRUEGER: Assembly.
16 ASSEMBLYWOMAN PAULIN: (Mic issue.)
17 There's going to be a joke made about these
18 things.
19 Assemblymember Forrest.
20 ASSEMBLYWOMAN FORREST: Thank you.
21 Thank you so much for your
22 testimonies.
23 As an ambulatory care nurse, I
24 understand and I've seen in my own experience

1 the closure of diabetic clinics and then
2 replacements with bariatric surgical centers,
3 right? I've seen people go to ED and spend
4 eight hours there and then get the Band-Aid,
5 only to wait three months out. The last time
6 I was in the hospital I had to wait from July
7 to October to see a specialist for the care
8 that I needed.
9 What are some of the suggestions you
10 have on prioritizing primary care? I mean,
11 the cost savings are enormous. Bariatric
12 surgery or diabetic clinic to help you? I
13 think it's quite clear to me, as the health
14 practitioner, where the savings are. But can
15 you paint it for us as legislators what that
16 could look like?
17 MS. DUHAN: Yeah, absolutely. We
18 agree a hundred percent that it's a much
19 smarter investment to pay for prevention up
20 front than to pay for care management, so
21 that people are able to remain healthy so
22 that we can avoid that expensive emergency
23 room diversion. And they can show that
24 there's that investment in primary care that

1 is really critical, making sure there's the
2 workforce so that when people come for care
3 there's providers that can see them.
4 MR. SANDMAN: Diabetes is a manageable
5 chronic disease that if properly managed
6 should never result in an emergency
7 department visit or an admission.
8 You know, so we have to look at
9 primary healthcare and we also have to look
10 at the behavioral aspects. Access to an
11 affordable, appropriate, nutritious diet,
12 promoting food-as-medicine programs,
13 promoting opportunities for physical activity
14 are equally important to managing your
15 diabetes as being in a clinic.
16 ASSEMBLYWOMAN FORREST: And, you know,
17 just to say the days that I spend in the ICU
18 bringing down a patient's blood sugar level,
19 when that could be easily dealt with at home
20 by just taking the insulin and going to the
21 doctor, what, every three months or so? But
22 that DKA patient costs thousands of dollars
23 in the ICU setting.
24 MR. SANDMAN: Blindness, amputations

1 and worse.
2 MS. GOLDBERG: And I would just add,
3 you know, PCDC is a community development
4 entity, and one of the things we do is invest
5 in creating new points of primary care
6 access. And one of the problems in a lot of
7 places in the state is there are literally
8 no -- there's no place to go. There's one
9 clinic that's -- it's very far away.
10 And so one of the things -- this is a
11 little bit to the side, but one of the things
12 that we've encouraged is to use more of the
13 Healthcare Transformation funds for primary
14 care. They were not, like, earmarked for
15 primary care last year. And that could be
16 something that the Legislature could look at
17 for this year.
18 ASSEMBLYWOMAN FORREST: Thank you so
19 much.
20 ASSEMBLYWOMAN PAULIN: Senate.
21 CHAIRWOMAN KRUEGER: Thank you.
22 Senator Pam Helming.
23 SENATOR HELMING: Thank you,
24 Senator Krueger.

1 Thank you for your testimony this
2 afternoon. I apologize because I wasn't here
3 for the very beginning, so if you already
4 spoke about this, please cut me a little
5 slack.
6 But one of the things that I've heard
7 from one of my Federally Qualified Health
8 Centers is that in the Governor's proposed
9 budget there is an expansion of the billable
10 providers -- but that that expansion, which
11 would include like doulas, community health
12 workers, certified substance use counselors
13 and peer workers, isn't extended to the
14 community health centers.
15 Do you have any information on that or
16 any thoughts on it?
17 MS. DUHAN: Yes, that's correct.
18 Given the way that community health centers
19 are paid, there are certain billable
20 providers. And so even if health centers
21 hired doulas and community health workers,
22 which many health centers have, there's no
23 additional reimbursement for those services.
24 So really wanting to look at how can

1 we make sure that those services are really
2 adequately reimbursed to ensure that there is
3 the ability for community health centers to
4 financially sustain those services and to
5 make sure that there's access for patients.
6 SENATOR HELMING: So that would be
7 part of your advocacy, to have that included
8 in the budget?
9 MS. DUHAN: Yes, absolutely. Yes.
10 SENATOR HELMING: Thank you.
11 And then on the conversation about how
12 do we attract more primary care physicians,
13 maybe you heard me speak earlier about one
14 big topic of discussion in our rural areas.
15 In the budget proposal I noticed that
16 there is the primary care medical malpractice
17 section. And the way I interpret it, and I
18 think based on information I got this morning
19 during the hearing, it's going to increase
20 the cost of malpractice insurance for primary
21 care physicians, who already pay more than
22 anyone else in this nation. I think the
23 statistic I read was that we pay 68 percent
24 more than the second state, which is

1 Pennsylvania.
2 So given that, what are your thoughts
3 on increasing insurance costs to primary care
4 physicians? Is that going to help us attract
5 more or detract?
6 MS. DUHAN: Health centers have
7 certainly seen increases in costs across the
8 board in a number of areas, and that's one of
9 the challenges that they have in terms of
10 rates that haven't increased over time. That
11 pertains to workforce, workforce labor costs
12 that have increased, and other administrative
13 costs. So that is certainly a challenge.
14 I'm not familiar with that specific
15 proposal, so I'd have to get back to you.
16 SENATOR HELMING: Okay, thank you.
17 And just real quick, I'll toss this
18 out there. We've talked about a lot of the
19 great scope-of-practice changes that are in
20 the budget, workforce development initiatives
21 that are all great things. But to me,
22 they're long term, and we need some
23 short-term solutions.
24 But one of the things I don't think I

1 saw in the budget was anything about
2 expanding the scope for mental healthcare
3 providers, which I think is a big concern.
4 Do you have any thoughts on that?
5 MS. DUHAN: We certainly want to make
6 sure that there's access to behavioral health
7 providers in the community, and something
8 that health centers have struggled with a
9 bit. As I mentioned in terms of the
10 telehealth fix, we're looking to ensure that
11 there is access to behavioral health in
12 health centers through telehealth.
13 CHAIRWOMAN KRUEGER: Assembly.
14 ASSEMBLYWOMAN PAULIN: Thank you.
15 Assemblymember González-Rojas.
16 CHAIRWOMAN KRUEGER: These microphones
17 are a challenge.
18 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Okay,
19 got it. Thank you so much.
20 This question is for Rose and the
21 Community Health Care Association of New York
22 State.
23 So faculty at both Rutgers and
24 Columbia University published a recent study

1 of about 45,000 individuals that suggests
2 that providing insurance to immigrants costs
3 the healthcare system approximately $3,800
4 per person per year, which is less than
5 one-half of the corresponding costs for
6 U.S.-born adults, which is estimated to be
7 about $9,428 per person per year.
8 Can you tell us more about the
9 benefits of the state providing this
10 coverage? I know the community health
11 centers are the ones often absorbing the
12 community center uninsured. So can you talk
13 a little bit about that?
14 MS. DUHAN: Yes, absolutely.
15 As you noted, community health centers
16 provide care regardless of people's insurance
17 coverage or ability to pay. So when people
18 show up who are uninsured, health centers can
19 provide care and then you have to financially
20 ensure that they can cover those costs, we
21 can cover those costs.
22 The expanding coverage, we absolutely
23 support expanding coverage to all New Yorkers
24 regardless of their status. And as was noted

1 earlier, insurance coverage is a huge
2 indicator of access. Health centers,
3 especially in certain areas, have seen a huge
4 increase influx of migrants, people who have
5 come up from Texas and from crossing the
6 border.
7 And as was mentioned earlier, people
8 have different status in terms of what
9 they're eligible for, but for the most part
10 those individuals do not have coverage. And
11 they have experienced significant trauma,
12 they have significant needs. Many people
13 have not ever seen a doctor or a provider or
14 nurse practitioner.
15 And so there's a lot of needs that
16 they have, significant mental health needs.
17 And in terms of children, providing vaccines,
18 making sure they're ready for school. So
19 it's incredibly important that they can get
20 access to care.
21 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
22 you so much.
23 CHAIRWOMAN KRUEGER: Thank you.
24 I'm going to get us all those little

1 balls that help strengthen your hands for the
2 budget hearings.
3 (Laughter.)
4 CHAIRWOMAN KRUEGER: Sorry.
5 So on this question, a variation was
6 asked. So since people don't want to seem to
7 go into primary care medicine for a variety
8 of reasons, do you think we should be
9 expanding the scope of practice for
10 physicians assistants and nurse practitioners
11 to be able to ensure that they're both
12 trained and licensed correctly to provide
13 primary care in settings where they really
14 don't have the doctors?
15 MS. DUHAN: We believe that it's going
16 to expand the primary care workforce. We
17 support it, because the workforce shortage is
18 so critical. We would like to see more
19 enhancement of primary care physicians. We
20 also think that physicians assistants can
21 serve at the top of their scope, and nurse
22 practitioners have been incredibly valuable
23 at health centers, so we certainly support
24 those.

1 MR. SANDMAN: Yeah, I would add that I
2 don't think that they're substitutes for
3 physicians, but everybody supports the notion
4 that everybody should practice at the top of
5 their license. Doctors should do what only
6 doctors are trained and ready to do. Nurses
7 should do what only nurses are trained and
8 ready to do. The same for PAs. The same for
9 medical assistants, of course.
10 Provider after provider in the field
11 has said if the medical assistants could have
12 just done immunizations, vaccines during
13 COVID, it would have been a lifesaver. I had
14 my director of nursing doing vaccines all
15 day. That's not the best or appropriate use
16 of my director of nursing.
17 You know, this is -- scope of practice
18 has historically been a third-rail issue here
19 in Albany. But, you know, a crisis is a bad
20 thing to waste, and I think there's a
21 receptivity, you know, to visiting those
22 issues. And there are some very intriguing
23 proposals in the budget this year.
24 MS. GOLDBERG: I would also just add

1 that almost all primary care providers,
2 whether they're PAs, NPs, physicians, RNs,
3 they're all burnt out because the structure
4 of the system is not supporting them. And
5 what we really need to do is rebalance the
6 way we're paying for the care so we can have
7 full teams with community health workers,
8 with medical assistants who can do things
9 like vaccines but also with care
10 coordinators. Which you can't pay for the
11 way that we pay for primary care today.
12 If we move towards value-based payment
13 and we had team-based care, all of the people
14 who are providing the care would be less
15 under stress.
16 So I worry that if we just point to
17 scope of practice and think that it's just a
18 solution to just add more of one kind of
19 provider, we're missing the picture that the
20 whole system is under too much stress.
21 CHAIRWOMAN KRUEGER: And yet the
22 shortage of people to work in the system
23 certainly adds to the stress. And I think I
24 heard the answer before, people just don't

1 want to even go into primary care medicine.
2 Although I think the medical schools
3 will be testifying later, and I believe at
4 least one or two of the medical schools
5 downstate had said they were opening up
6 separate medical schools with a shorter time
7 frame specifically for primary care doctors.
8 Do you know whether any of those got
9 off the ground?
10 MS. GOLDBERG: I don't actually know.
11 I'd love to find out more, though.
12 CHAIRWOMAN KRUEGER: Okay. Stick
13 around, because they'll be on another panel.
14 Okay, thank you very much.
15 Anyone else?
16 ASSEMBLYWOMAN PAULIN: Just me.
17 Just one quick question to Rose.
18 The capital needs of the community
19 health centers, neighborhood health centers,
20 talk about that. Talk about what's in the
21 budget, what's not in the budget, what the
22 needs are out there, and what you're seeing.
23 MS. DUHAN: Sure. Significant capital
24 needs. Many aging facilities, in terms of

1 needed investment in IT and other kinds of
2 technology. Significant infrastructure
3 needs.
4 As Jordan said, we would love to see a
5 set-aside in future capital or in current
6 capital allocations set aside for community
7 health. That was not in the most recent
8 appropriation of that.
9 But it's really a need that we see in
10 terms of health centers wanting to expand.
11 They know that there's more need out there
12 than they're meeting now, and a lot of health
13 centers are looking at some places where
14 there are some primary care deserts and
15 looking to expand. But that capital need is
16 critical to make sure they can build those
17 facilities.
18 ASSEMBLYWOMAN PAULIN: Thank you.
19 That's it.
20 CHAIRWOMAN KRUEGER: Well, then, thank
21 you very much for your time and your
22 testimony today. Appreciate it.
23 PANEL MEMBERS: Thank you.
24 CHAIRWOMAN KRUEGER: Thank you.

1 And as --
2 ASSEMBLYWOMAN PAULIN: Panel C.
3 CHAIRWOMAN KRUEGER: Yes. Panel C,
4 for people who are following along with their
5 TV Guide sheet: The New York Health Plan
6 Association; the New York State Coalition of
7 Public Health Plans; and Health Care for All
8 New York.
9 Oh, yeah, we have those ropes making
10 it an extra challenge. Sorry about that.
11 And I feel that many people did take
12 me up on my earlier statement that if you
13 really need to get on a train and not stay
14 here all night, you should just let us know,
15 and we have your testimony.
16 Maybe just everybody's taking a break
17 outside.
18 Okay, shall we start with Eric Linzer,
19 then go to Erin Drinkwater, then to
20 Mia Wagner? Okay. Eric?
21 MR. LINZER: Great. Thank you.
22 Thank you for the opportunity to
23 testify on several provisions related to
24 healthcare in the proposed FY '25 Executive

1 Budget. I'm Eric Linzer, president and CEO
2 of the New York Health Plan Association.
3 I'd like to highlight three items from
4 our written testimony. First, our opposition
5 to the health plan rate cuts in Part H.
6 Second, our request to restore the funding
7 for the Medicaid Quality Incentive Program
8 that the Executive eliminated. And third,
9 our opposition to the Medicaid managed care
10 procurement in Part H.
11 With regards to the health plan cut,
12 Part H of the Executive Budget includes a
13 provision to eliminate the 1 percent
14 across-the-board administrative rate increase
15 provided to Medicaid managed care plans in
16 the current year. This would result in a cut
17 to plan rates of more than $400 million in
18 the upcoming fiscal year. And while we
19 recognize that the budget challenges facing
20 the state are significant, this is a
21 significant cut that will make it more
22 difficult for plans to make the investments
23 necessary to fulfill the goals envisioned in
24 the recently approved 1115 waiver that was

1 discussed earlier today.
2 Next, the Executive Budget would
3 completely eliminate the Quality Incentive
4 funding, totaling more than $223 million.
5 The QI program is an essential tool in
6 advancing quality for New York in Medicaid.
7 Health plans only receive this funding for
8 achieving results that meet or exceed state
9 metrics, and the funding helps to support a
10 broad range of programs that health plans
11 partner with providers and community
12 organizations to improve health outcomes for
13 underserved populations.
14 Combined, these cuts total over
15 $600 million and counter the efforts to
16 advance health equity, reduce health
17 disparities, and enhance coordination in
18 New York, and we urge you to restore these
19 cuts.
20 With regard to the managed Medicaid
21 procurement in Part H, this would direct the
22 Department of Health to choose no fewer than
23 two plans per product line in each region,
24 with an effective date of October 1st of next

1 year. This year will effectively result in
2 the elimination of health plans from the
3 program, taking away options and disrupting
4 provider relationships for more than
5 5 million New Yorkers who rely on these plans
6 for their care.
7 And many of these individuals have
8 multiple health conditions that require
9 coordination of numerous services, including
10 both physical health, mental healthcare, as
11 well as help coordinating social services
12 such as housing, employment, education, and
13 food services.
14 It's important to recognize that this
15 procurement would take place in the midst of
16 both the recertification of the public health
17 emergency unwind as well as the significant
18 investments the state's going to need to make
19 related to the 1115 waiver. And it's also
20 important to note that two years ago the
21 Legislature rejected this proposal, in large
22 part because of the disruption that this
23 would have for low-income Medicaid members in
24 New York.

1 For all these reasons, we hope that
2 you'll reject this, and certainly appreciate
3 the opportunity to testify.
4 CHAIRWOMAN KRUEGER: Thank you. Wow,
5 perfect. That was good.
6 Can you beat him?
7 (Laughter.)
8 MS. DRINKWATER: Good afternoon.
9 thank you for the opportunity to testify on
10 behalf of the Coalition of New York State
11 Public Health Plans, also known as the PHP
12 Coalition, and the New York State Coalition
13 of Managed Long Term Care Plans.
14 My name is Erin Drinkwater, and I'm
15 the chief of government relations at
16 MetroPlusHealth, a not-for-profit health plan
17 fully owned by New York City Health +
18 Hospitals, with more than 700,000 members in
19 New York City.
20 The PHP Coalition represents seven
21 plans that collectively serve more than
22 5.5 million New Yorkers enrolled in the
23 state's government-sponsored healthcare
24 programs.

1 The MLTC coalition includes 11 plans
2 serving approximately 165,000 individuals
3 with long-term-care needs in New York's
4 managed-care long-term-care partial
5 capitation program and the Medicaid Advantage
6 Plus program.
7 The coalition plans are committed
8 state partners. Over the past year we played
9 and continue to play an important role in
10 helping New Yorkers maintain their healthcare
11 coverage as the COVID-19 public health
12 emergency ended. This involved close
13 partnership with the Department of Health to
14 support the redetermination of all Medicaid
15 enrollees' eligibility and assist with
16 changes in coverage.
17 We look forward to continuing to work
18 with the Department on the implementation of
19 the state's 1115 waiver program to support
20 the delivery of services addressing
21 health-related social needs or social
22 determinants of health.
23 For all these reasons, we strongly
24 support the Governor's efforts to provide

1 continuous eligibility in Medicaid and CHP
2 for children zero to 6. We are similarly
3 supportive of proposals to enhance
4 affordability of coverage in the Essential
5 Plan and Qualified Health Plan programs, as
6 well as much-needed investments in mental
7 health and maternal health.
8 Coalition plans are eager to do more
9 in these areas, but we need the resources to
10 do so. To date, plans have largely relied on
11 quality funding they receive when they meet
12 certain metrics. These programs, called the
13 Medicare Managed Care and MLTC Quality
14 Incentive programs, have been critical to
15 funding investments in provider quality and
16 community-based initiatives, initiatives that
17 we know improve health outcomes for
18 New York's most vulnerable populations.
19 But these funds are at risk. Despite
20 the positive impact, significant value
21 created by the Medicaid Managed Care Quality
22 Incentive Programs, and the Governor's own
23 stated priorities to improve health and
24 well-being of vulnerable populations and

1 reduce health disparities, the state fiscal
2 year '25 Executive Budget proposed
3 eliminating all Medicaid quality funds.
4 Coalition plans are also concerned
5 about the Executive proposal to procure the
6 state's Medicaid Managed Care programs. This
7 proposal, which was put forward and rejected
8 by both houses in the FY '23 budget, could
9 reduce plan choice for low-income New Yorkers
10 and significantly disrupt enrollee coverage
11 and care -- a risk that should not be taken
12 lightly, given how vulnerable some of our
13 enrollees are -- as well as negatively impact
14 local economies, where plans and our provider
15 partners are key employers.
16 There's also a concern that the
17 procurement can have unintended consequences
18 for nonprofit plans leaving the market.
19 Thank you for the opportunity to
20 testify.
21 CHAIRWOMAN KRUEGER: You only got half
22 a letter breakoff for going --
23 (Laughter.)
24 CHAIRWOMAN KRUEGER: How about you?

1 Good afternoon.
2 MS. WAGNER: Good afternoon. My name
3 is Mia Wagner. I'm here today to represent
4 Health Care for All New York, a statewide
5 campaign of over 170 organizations dedicated
6 to achieving quality affordable health
7 coverage for all New Yorkers.
8 The Executive Budget includes many
9 positive proposals that will help protect
10 consumers from medical debt and enhance their
11 ability to access affordable healthcare. The
12 campaign urges the Legislature to adopt said
13 proposals in the budget and include reforms
14 in five key issue areas.
15 First, the Executive Budget includes
16 several provisions to better protect
17 New Yorkers from medical debt, including
18 expansion of eligibility for hospital
19 financial assistance up to 400 percent of the
20 federal poverty level. The coalition urges
21 the Legislature to go further and expand
22 eligibility up to 600 percent, as well as
23 incorporate time-limited debt repayment plans
24 as would occur if the Ounce of Prevention

1 Act, S1366B and A6027A, were enacted.
2 The Executive Budget prohibits
3 hospitals from suing patients with incomes
4 below 400 percent of the federal poverty
5 level. We strongly support this prohibition
6 and urge the Legislature to additionally
7 prohibit state-operated hospitals from suing
8 patients for medical debt by adopting the
9 provisions of the Stop SUNY Suing bill, A8170
10 and S7778.
11 Second, the Governor has included a
12 nation-leading proposal to eliminate
13 cost-sharing for insulin for state-regulated
14 health plans. According to the DOH,
15 1.6 million New Yorkers have diabetes, of
16 whom 538,000 use insulin. The coalition
17 strongly supports this proposal, as research
18 shows that eliminating cost-sharing for
19 chronic illnesses results in increased
20 medicine adherence and overall healthcare
21 system savings.
22 Further, there are significant racial
23 disparities and prevalence of mortality of
24 diabetes in New York. Improving access to

1 insulin is an important step towards
2 improving health equity.
3 Third, the Executive Budget includes
4 guaranteed continuous public insurance
5 coverage for children up to age 6, a proposal
6 we strongly support.
7 Fourth, the Executive Budget includes
8 premium and cost-sharing subsidies for
9 qualified health plans using 1332 waiver
10 pass-through funds. We strongly encourage
11 the Legislature to authorize these premium
12 subsidies, in addition to using their
13 remaining surplus funds to offer coverage to
14 up to 150,000 low-income immigrants who are
15 otherwise ineligible.
16 The Governor's proposed cost-sharing
17 subsidies will cost around $1.4 billion and
18 coverage for low-income immigrants would cost
19 an estimated $4.9 billion. Together these
20 provisions total $6.35 billion out of a
21 $7.1 billion five-year surplus fund, leaving
22 $790 million in surplus funding to spare.
23 There are sufficient federal funds to cover
24 both programs.

1 Lastly, the Community Health Advocates
2 program helps New Yorkers navigate the
3 complex healthcare system by providing
4 individual assistance, outreach and education
5 to communities throughout the state. In
6 fiscal year '23, their helpline experienced a
7 172 percent increase in calls. However, the
8 program received an unexpected $468,000
9 funding cut last year.
10 The Governor's budget includes
11 $3.5 million, and we urge the Legislature to
12 allocate an additional $2 million to fully
13 restore the program's funding to
14 $5.5 million.
15 Thank you again for the opportunity to
16 testify.
17 CHAIRWOMAN KRUEGER: (Mic off.)
18 Assembly.
19 ASSEMBLYWOMAN PAULIN: Do you have a
20 question?
21 ASSEMBLYMAN JENSEN: Yes.
22 All right, thank you, Madam Chair.
23 Mr. Linzer, I just want to follow up
24 with something you talked about when you

1 brought up the Medicaid managed care
2 procurement proposal.
3 How would a competitive bid process
4 impact the managed care marketplace?
5 MR. LINZER: Well, I think, you know,
6 a couple of ways.
7 You know, first, you know, there's the
8 potential that you could have plans that are
9 not chosen end up no longer being able to
10 participate in the program. You know, that
11 would have a significant impact on the
12 individual plan members, who would then have
13 to choose a different plan.
14 It's terribly disruptive when a plan
15 ends up leaving the market or no longer is
16 able to operate in the state. And I wouldn't
17 want to understate the significant disruption
18 that that would cause for patients,
19 particularly having to choose a new plan and
20 whether or not that would then, you know,
21 change relationships that they may have with
22 particular providers.
23 Second, from the delivery system, you
24 know, that likewise is going to be very

1 disruptive for hospitals, physicians, you
2 know, other providers, if -- you know, if a
3 plan is not chosen.
4 And I think the third piece is that,
5 you know, as I mentioned in my testimony, at
6 a time when the state needs to make
7 significant investments both in continuing
8 the recertification as a result of the public
9 health unwind, and investments around the
10 1115 waiver, having to undergo a
11 procurement -- which is time-consuming,
12 costly for both the state as well as for
13 market participants -- you know, is not
14 really the right investments that we ought to
15 be making when we've got, you know, much
16 bigger and much more significant challenges
17 and investments that need to be made.
18 ASSEMBLYMAN JENSEN: So I'm going to
19 take a guess at what the answer is, but do
20 you agree with the Executive Budget proposal
21 on what the projected saving estimate would
22 be as a result of this proposal?
23 MR. LINZER: I mean, I think, you
24 know, that's really to be determined. I

1 think the important thing to recognize is
2 that, you know, in a year when policymakers
3 such as yourselves are grappling with really
4 big challenges around potential, you know,
5 cuts to services, you know, not just for
6 health plans but certainly throughout the
7 delivery system, this proposal doesn't
8 generate any savings in the upcoming fiscal
9 year but is going to require significant
10 investments among market participants to be
11 prepared when an RFP or a procurement goes
12 out into the market.
13 ASSEMBLYMAN JENSEN: And very quickly,
14 you kind of touched on this, but how would
15 care be impacted for the Medicaid members if
16 this moves forward?
17 MR. LINZER: So, you know, you
18 potentially have, you know, individuals who
19 are in one plan and if their plan is not an
20 entity that's picked, they have to transition
21 to another plan. And these are individuals,
22 as I mentioned, who have, you know,
23 complex -- oftentimes complex medical
24 conditions. Having to coordinate not just

1 their care but social services and other
2 supports, you know, would require significant
3 undertaking for the provider, the plan, and
4 the patient.
5 ASSEMBLYWOMAN PAULIN: Thank you.
6 CHAIRWOMAN KRUEGER: Assembly.
7 ASSEMBLYWOMAN PAULIN: You have no
8 more?
9 CHAIRWOMAN KRUEGER: No, the Senate
10 said no thank you.
11 ASSEMBLYWOMAN PAULIN: Okay, we have a
12 few.
13 Assemblymember Weprin.
14 ASSEMBLYMAN WEPRIN: Thank you all for
15 your testimony and your work all year.
16 What -- I'll address this to
17 Ms. Drinkwater. What type of work would be
18 prevented, you know, by some of these cuts
19 that are currently, you know, provided by
20 MetroPlus and other companies along those
21 lines? What types of specific services would
22 be directly affected?
23 MS. DRINKWATER: Thank you for that
24 question, Assemblymember.

1 One of the things that I'd like to
2 highlight in regards to the Quality funds is
3 some of the work that we do at MetroPlus
4 that's critical for closing health
5 disparities and closing outcome gaps. These
6 dollars are used for our providers and
7 community based work, and one of the areas
8 that we are focused on at MetroPlus is really
9 using those dollars to address housing
10 insecurity.
11 We worked directly with Health +
12 Hospitals, the Department of Homeless
13 Services, and community-based providers in
14 New York City with members of ours that are
15 experiencing homelessness, to work with them
16 to get them connected to housing and really
17 follow them on that housing process, from
18 completing their application, whether that be
19 a supportive housing application or an
20 affordable housing application, and then
21 ultimately seeing that member get into
22 housing.
23 And the elimination of the Quality
24 funds in the Governor's budget is very

1 concerning. We appreciate the Legislature's
2 restoration last year. But each year coming
3 hat in hand for those dollars creates a lot
4 of instability in the program for our
5 providers and community-based organizations
6 who are trying to do this work to close those
7 outcome gaps for individuals who are on the
8 Medicaid plans.
9 ASSEMBLYMAN WEPRIN: Okay, well, we'll
10 be working on trying to do that again this
11 year, I suspect.
12 MS. DRINKWATER: We appreciate it.
13 ASSEMBLYMAN WEPRIN: But don't go
14 away. Don't go on vacation.
15 ASSEMBLYWOMAN PAULIN: Assemblymember
16 Gandalfo.
17 ASSEMBLYMAN GANDOLFO: Thank you,
18 Chairwoman, and thank you all for your
19 testimony.
20 My questions are going to be for
21 Mr. Linzer.
22 In regard to the proposed 1 percent
23 rate cut for plans that participate in
24 Medicaid, how will that translate? How will

1 services be impacted by a $400 million cut?
2 MR. LINZER: I mean, I think the
3 biggest thing has to do with similar to the
4 cuts that we're seeing in the QI program, are
5 the investments that plans are going to make
6 for things that might be beyond the typical
7 benefit. So things like, you know, social
8 supports, transportation, you know, outreach.
9 You know, things that you would typically
10 need some dollars to able to invest in just
11 wouldn't be -- you know, aren't going to be
12 possible as a result of that.
13 And again, at a time when, you know,
14 the focus and much of the conversation today
15 from the state has been around steps that
16 they want to take to, you know, address that
17 equity, eliminate disparities in care -- much
18 of this work, you know, gets done through
19 health plans as partners with the state. But
20 with that -- you know, without sufficient
21 dollars it makes it really difficult to make
22 the necessary investments that will have a
23 meaningful impact for providers and patients.
24 ASSEMBLYMAN GANDOLFO: Thank you.

1 And with regard to the QI program,
2 what do plans currently spend on Quality pool
3 dollars now?
4 MR. LINZER: The total amount's about
5 $223 million. You know, full funding would
6 be about 268 million.
7 As Erin mentioned, you know, this is
8 something, you know, every year the Executive
9 either reduces or eliminates. We appreciate
10 the fact that the Legislature has made -- you
11 know, has supported this is on an ongoing
12 basis.
13 But, you know, the types of things
14 that get funded through the QI program, you
15 know, things that we want to see happen even
16 in the Medicaid program, you know, beyond
17 sort of just going to the doctor. But we're
18 talking about things like preventative
19 visits, you know, wellness checks. You know,
20 in the MLTC program, going into members'
21 houses, making sure that they get, you know,
22 their flu and pneumonia vaccines.
23 But also, you know, other things. You
24 know, we've got programs in the upstate

1 region where we're working toward -- you
2 know, we've got plans and community partners
3 working to address housing insecurity, we've
4 got programs out on Long Island, plans and
5 providers and partnering to extend office
6 hours so that patients can get, you know, get
7 in and get the care that they need.
8 So there's a wide array of different
9 programs that are going on across the state
10 that only happen because of the QI dollars.
11 And as Erin pointed out, it makes it really
12 hard to have to -- you know, to do any kind
13 of meaningful long-term planning. If each
14 year what you're facing is the prospect of
15 cuts, what's the incentive for community
16 groups and providers to want to partner on a
17 long-term basis?
18 ASSEMBLYMAN GANDOLFO: All right.
19 Thank you very much.
20 ASSEMBLYWOMAN PAULIN: Assemblymember
21 Jessica González-Rojas.
22 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: So I
23 want to thank you all for your support of
24 coverage for all. And thank you, Mia, for

1 talking about it. I will ask a different
2 question.
3 Erin, I appreciate your support,
4 MetroPlus's support of the zero to 6 proposal
5 of continual enrollment. I have a bill,
6 8146, and the Executive's proposal would
7 provide continual coverage for children in
8 Medicaid or who are enrolled in SCHP, not
9 just Medicaid. Medicaid or SCHP, not just
10 Medicaid.
11 So can you -- can you share like
12 what's the benefit of having just Medicaid or
13 the Medicaid and SCHP option and why that's
14 important?
15 MS. DRINKWATER: Thank you for the
16 question. We're, you know, very pleased to
17 support this. MetroPlus spoke a couple of
18 weeks ago at your press conference, both for
19 the Medicaid and CHP continuous coverage zero
20 to 6.
21 The benefits, there's a handful. And
22 I think we learned from the COVID pandemic
23 some real lessons in terms of the easements
24 that were made as it related to the necessity

1 for people to redetermine their eligibility
2 during the pandemic. We saw, you know,
3 increased rates of coverage, we saw decreased
4 burden on individuals. And the reason for
5 that was because we knew that medical care
6 and coverage was so necessary during that
7 pandemic. And it would be a shame for us to
8 take those lessons and turn our back on that.
9 So knowing that children zero to 6
10 are, you know, some of our most vulnerable
11 New Yorkers, access to school-based care,
12 vaccines, early interventions are all very
13 important. But it's not just for the child,
14 their family, their caregiver, it also
15 relates to the benefits to the state as it
16 relates to the burden that this churn
17 presents and related to administrative costs
18 for the state, for the local social service
19 departments, as well as the plans.
20 So the benefits really far outweigh
21 the cost, and we hope that we can get this
22 across the finish line.
23 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Okay.
24 Thank you so much.

1 ASSEMBLYWOMAN PAULIN: I believe
2 that's it. So thank you very much, Panel C.
3 CHAIRWOMAN KRUEGER: Thank you,
4 Panel C.
5 ASSEMBLYWOMAN PAULIN: We're up to
6 Panel D.
7 CHAIRWOMAN KRUEGER: Yes. So Empire
8 Center, LeadingAge New York, Housing Works,
9 and the Center for Elder Law & Justice. A
10 nice, diverse set of topics.
11 (Off the record.)
12 CHAIRWOMAN KRUEGER: And you need a
13 very strong finger to press for red to green,
14 just letting you know.
15 And so let's just go down with
16 Bill Hammond first, then Jim Clyne, then
17 Charles King, then Lindsay Heckler.
18 Hi, everyone.
19 MR. HAMMOND: So good afternoon. I
20 don't have to tell you, you've heard a lot of
21 talk about crisis in New York State's
22 healthcare system. One witness after another
23 has testified they're critically short of
24 money, desperately short of staff, and they

1 want Medicaid to come to the rescue.
2 I'm a data guy, so I feel like my
3 value added is to put some of that in
4 perspective. I'll start with a statistic
5 you've probably heard before. We spend more
6 per capita on Medicaid than any other state
7 in the country -- 70 percent more than the
8 national average. And that number has been
9 growing pretty rapidly in the last few years:
10 62 percent in three years. That's probably
11 an unprecedented amount for three years in
12 New York's Medicaid program.
13 We also spend more per capita on
14 healthcare generally, public and private.
15 And so if you think about it, the U.S. spends
16 more than the rest of the world, this is
17 probably one of the very richest healthcare
18 systems there is.
19 And then finally I'll just add that
20 our healthcare workforce is bigger than it's
21 ever been, and we have more healthcare
22 workers per capita than any other state.
23 So we have a lot of resources
24 available to us, so the issue seems to be if

1 there are shortages -- and I believe that
2 there shortages -- the issue seems to be a
3 question of allocation. As David Sandman
4 said before, we should be spending smarter.
5 It's a tight budget year, so this is a
6 good time to think through those things, to
7 look for, to squeeze waste out of the system,
8 to spend not -- to spend smarter, not bigger,
9 and to reinvest savings where you'll get the
10 most bang for the buck.
11 One area that I would really like to
12 highlight, where I do think there is a very
13 small investment that can get great returns,
14 and that would be creating a pandemic
15 investigation commission.
16 There's a bill introduced by
17 Assemblymember González-Rojas and Senator
18 Salazar, I think it's an excellent bill and I
19 think you should pass it. And it would do an
20 investigation of the pandemic so we can learn
21 lessons and improve our public health
22 response. And it would also -- it would need
23 some small amount of funding to operate. I
24 think that should be in the budget.

1 If you're looking for other examples
2 of places where you might find savings, I
3 guess I have to be the skunk in the room and
4 point to the funding for distressed
5 hospitals. Because some of these hospitals,
6 if you were assured that a few years of extra
7 help would turn them around and they'd stand
8 on their own feet, that would be one thing.
9 But some of these hospitals have been getting
10 hundreds of millions of dollars a year, year
11 after year, and they're not becoming any more
12 financially viable.
13 And that's money -- that's healthcare
14 dollars that should be going to pay for care
15 for patients and not going to subsidize an
16 underutilized facility.
17 So I know that's a very politically
18 difficult subject, but that's an example of
19 the kind of hard thinking that I think our
20 healthcare system needs.
21 So thank you.
22 CHAIRWOMAN KRUEGER: Thank you.
23 Okay, next is Jim Clyne.
24 MR. CLYNE: Thank you.

1 I represent over 400 not-for-profit
2 and government long-term-care providers
3 across New York State.
4 Although the Governor acknowledges New
5 York's growing older population and rising
6 need for long-term care, her budget fails to
7 make the investment to address the dire need.
8 Not only does the budget proposal fail to
9 invest in desperately needed funds to ensure
10 access to care for older New Yorkers, it
11 imposes significant cuts.
12 Even worse, only older adults and
13 others who need long-term care are targeted
14 for these deep cuts in the Governor's budget.
15 The Executive Budget demands that
16 older adults in long-term care bear the brunt
17 of the Medicaid cuts. In fact, the Executive
18 Budget's Medicaid Scorecard shows 633 million
19 state share reduction in Medicaid for
20 long-term-care services. The rest of the
21 Medicaid budget only has a $112 million
22 reduction.
23 This is at a time when nursing homes
24 are being paid 74 cents on the dollar for

1 care. We've done the math; the state does
2 not dispute this. They know that they are
3 underfunding, yet they include no new dollars
4 for staff in nursing homes.
5 At the same time, we're being faced
6 with penalties for not having enough staff.
7 The result is my members have closed beds and
8 closed units. That's why, in the Rochester
9 press, as the elected officials have already
10 noted, there were 110 patients in one
11 hospital waiting for nursing home care.
12 I'd just like to touch on the VAPAP
13 program. It was interesting that the
14 department said that it wasn't needed. The
15 only reason it's not needed is because they
16 haven't used it. Just in the last three
17 years there's been 11 nursing homes that have
18 closed; nine are not-for-profit. And this is
19 at the same time that the hospitals are
20 desperate to get people discharged.
21 I'm not going to be redundant on the
22 long-term-care procurement process, but we've
23 seen what happens when a long-term-care plan
24 goes out of business -- just one plan going

1 out of business -- and the resulting
2 difficulty in placing the people that they
3 serve. Doing a procurement where you could
4 have 100,000 people with disabilities being
5 disrupted from their provider makes no sense
6 to us.
7 And finally I just want to note that
8 on the adult day healthcare program, as a
9 result of the pandemic there are 115 that we
10 had in the state; they are now -- most of
11 them were shut down. There's only 55 that
12 are open. In the borough of the Bronx there
13 is one medical adult day program operating.
14 This is a community program that helps people
15 stay out of nursing homes, and something the
16 state needs to invest in.
17 Thanks.
18 CHAIRWOMAN KRUEGER: Thank you.
19 Next, Charles King.
20 MR. KING: Thank you, Senator Krueger
21 and Senator Rivera and Assemblymember Paulin,
22 for inviting my testimony today.
23 On a positive note, I want to commend
24 the Governor for including in her budget a

1 proposal that would streamline testing,
2 opt-out testing for HIV in emergency rooms
3 and primary care centers. This is a really
4 critical step.
5 And I want to acknowledge
6 Assemblymember Paulin, who introduced a bill
7 almost identical to what's in the budget in
8 the Assembly that passed in the Assembly
9 yesterday. We're looking forward to seeing
10 similar activity in the Senate.
11 I want to speak to expanding enhanced
12 rental assistance to people living with HIV
13 outside of New York City. There are some
14 2,500 households outside of New York City
15 living with HIV who are presently homeless or
16 unstably housed. You can't take medication
17 and adhere to treatment if you're unstably
18 housed or homeless. You all have passed a
19 bill that the Governor has put forward five
20 years in a row that has not housed a single
21 household. It's time to do something
22 different. We have repeatedly proposed --
23 put forward a proposal that would ensure that
24 everyone who is homeless living with HIV has

1 access to rental assistance.
2 I also want to commend you for your
3 comments throughout the day around universal
4 coverage, particularly for undocumented
5 immigrants. You all have noted the savings
6 to the state. I want to emphasize the impact
7 on consumers who are presently uninsured.
8 So right now in New York State one out
9 of five people is diagnosed with HIV
10 simultaneous with receiving a diagnosis of
11 AIDS. That percentage is actually
12 significantly higher for undocumented
13 immigrants. Why? Because they don't go to
14 primary care because they don't have health
15 insurance. They only go into a medical
16 facility if they need urgent care. They are
17 not being tested, and consequently they only
18 get tested for HIV when they have an
19 AIDS-defining illness that takes them into
20 the emergency room.
21 Similarly, they are not getting tested
22 or treated for hepatitis C at the same rates
23 as many other people.
24 And then lastly, with my time running

1 out, I urge your support for overdose
2 prevention centers. We have reduced deaths
3 significantly from HIV for people who use
4 drugs, but we now have over 5,000 people
5 dying of drug overdoses in this state every
6 year.
7 Thank you.
8 CHAIRWOMAN KRUEGER: Thank you.
9 Next.
10 MS. HECKLER: So thank you for the
11 opportunity to be here today. I'm with the
12 Center for Elder Law & Justice. We are a
13 civil legal services organization that
14 provides legal representation to older adults
15 in Western New York.
16 We were quite a bit disappointed, to
17 put it mildly, at this budget. With all of
18 the work currently going on with the Master
19 Plan for Aging and the soon-to-be-released-
20 at-some-point Olmstead Plan, there is no
21 investment in aging services and supports in
22 this budget to help older adults age in place
23 in their homes, which is the least
24 integrative setting possible.

1 Other groups later on are going to
2 talk about home and community based services.
3 I wanted to use my time to briefly touch upon
4 assisted living residences and nursing homes.
5 The Governor again is proposing
6 quality measures for assisted living
7 residences. We're not necessarily against
8 that. We just think it needs to be expanded
9 across all types of adult-care facilities.
10 So your adult homes, your enriched housing
11 programs, your Medicaid ALPs. Each level of
12 care has its own services, needs and
13 requirements and needs to have their own
14 metrics.
15 Along those lines, we really urge the
16 Legislature to push strongly by mandating
17 inspection reports of assisted living and
18 adult care facilities to be published online.
19 One proposal we are strongly against
20 is the Governor's proposal to allow assisted
21 living residences to attain accreditation,
22 and so long as they have that accreditation
23 they do not have to be inspected by the
24 Department of Health. Accreditation must

1 never be a substitute for oversight.
2 So with that, Assemblymember Paulin,
3 you have an amended bill out there that we
4 would support that language over the
5 Executive's.
6 As my time runs out, I do want to
7 touch upon the Governor's proposal to stop
8 the EQUAL program. So we strongly oppose
9 this proposal to discontinue the EQUAL
10 program, because it does not make sense that
11 the state would subsidize the cost for
12 persons with dementia to remain in their
13 special needs ALR -- which we fully support,
14 it's aging in place -- but then pull away
15 money to help the other older adults who are
16 lower-income to have access to services and
17 activities in their home, in adult homes.
18 It's a bit ridiculous.
19 Lastly, with the time, I do want to
20 put out there we need to increase the
21 personal needs allowance for persons living
22 in nursing homes. Fifty dollars a month?
23 That is ridiculous. What can you buy for $50
24 a month? I know that's not a hot topic in

1 this year's budget, but if we're talking
2 about helping to empower older adults'
3 quality of life, increase that $50 to at
4 least $150.
5 Thank you.
6 CHAIRWOMAN KRUEGER: Thank you.
7 Questions? Well, I do, so I'll start,
8 thank you.
9 I guess Bill Hammond.
10 MR. HAMMOND: Yes.
11 CHAIRWOMAN KRUEGER: So when you talk
12 about that we spend so much more money than
13 anyone else and yet you also agree we don't
14 have enough workers in various categories,
15 what are we spending the money on? Are we
16 just spending it wrong?
17 MR. HAMMOND: Well, we have quite a
18 few workers statewide, but it's -- again,
19 it's not allocated as evenly as you would
20 want it in an ideal world. Downstate has way
21 more workers per capita than upstate.
22 And some industries -- so Jim's
23 industry is still way down in terms of
24 employment since the pandemic. Home care is

1 way up. Hospitals are a little bit up. So
2 it's uneven.
3 Home care is the number-one example I
4 would give of an area where we spend a lot of
5 money. I quote this statistic a lot: We
6 spend as much -- as of a few years ago we
7 were spending as much on home care through
8 Medicaid almost as the other 49 states
9 combined. So we have 6 percent of the
10 population, and we have 45 plus percent of
11 the Medicaid home care spending.
12 Now, I --
13 CHAIRWOMAN KRUEGER: I'm assuming --
14 okay, I have to be quick. So I'm assuming
15 you were listening when DOH was getting all
16 kinds of questions from many of us, including
17 on home care issues and the cost.
18 Do you agree with a number of people
19 who argue we're putting a lot of money in
20 home care into the administration through
21 middle people, as opposed to actually
22 spending it to pay workers to provide care?
23 Have you done any work on that?
24 MR. HAMMOND: There is definitely

1 money that goes into administration. And I
2 have to say it doesn't seem like -- if that
3 spending on administration was helping to
4 contain the costs, if it was helping to slow
5 the enrollment, it would be -- it would be
6 earning its keep. But it doesn't seem like
7 that's what's happening.
8 CHAIRWOMAN KRUEGER: Thank you.
9 And then very quickly, Lindsay, about
10 care and quality of care in nursing homes and
11 assisted living. So I'm writing a bill --
12 that probably everyone will yell at me
13 about -- to add them to the Justice Center
14 portfolio so that when there are complaints,
15 that somebody is actually looking at them, as
16 opposed to this sort of voluntary ombudsman
17 system, which clearly doesn't have the
18 authority or the teeth to do anything when
19 they're discovering problems.
20 Do you have an opinion about that?
21 MS. HECKLER: I think it's an
22 intriguing idea because I like pulling the
23 potential civil action outside of the
24 Department of Health because it's

1 investigating its own policies, if you will.
2 I do caution, even though I don't have
3 a lot of experience with the Justice Center,
4 I have been hearing, with my colleagues who
5 work with residents within the OPWDD system,
6 that the Justice Center is not living up to
7 its full potential.
8 So I like the idea, but we need to
9 make sure the Justice Center is doing what it
10 needs to be doing as well.
11 CHAIRWOMAN KRUEGER: Thank you.
12 Thank you.
13 ASSEMBLYWOMAN PAULIN: Assemblymember
14 Jensen.
15 ASSEMBLYMAN JENSEN: Thank you,
16 Chairwoman.
17 Mr. Clyne, you brought up the VAPAP
18 program. Is the cut to VAPAP, is that
19 included in the $200 million cut to the
20 Medicaid long-term care?
21 MR. CLYNE: No, that's on top of it.
22 ASSEMBLYMAN JENSEN: So it's multiple
23 cuts, not --
24 MR. CLYNE: Yeah. There's a

1 10 percent cut to capital, there's a
2 VAPAP cut, and then another $200 million on
3 top of it.
4 ASSEMBLYMAN JENSEN: So what -- in
5 your understanding, what's the total cut?
6 MR. CLYNE: To long-term care, not
7 to --
8 ASSEMBLYMAN JENSEN: Yeah.
9 MR. CLYNE: It's over $622 million
10 state share.
11 ASSEMBLYMAN JENSEN: Okay.
12 MR. CLYNE: So over a billion dollars
13 cut out of long-term care.
14 ASSEMBLYMAN JENSEN: I asked the
15 commissioner, and I don't remember if it was
16 the commissioner or the Medicaid director who
17 answered the question, but in fiscal year '23
18 in the enacted budget, $187 million in
19 staffing assistance was allocated. They
20 believe that that money is going out the
21 door.
22 For your 400-plus members in
23 LeadingAge, is that an accurate statement?
24 MR. CLYNE: Well, there's three pots

1 of money. There was originally $120 million
2 for staffing; none of that was spent.
3 The next fiscal year there was
4 $187 million for staffing. The last bit of
5 that money was just allocated.
6 The next year there was $187 million
7 that had been appropriated the previous year.
8 That money got wrapped into the increase to
9 the rate last year. So that money never
10 existed and they never spent it.
11 ASSEMBLYMAN JENSEN: So as nursing
12 homes are complying with the state's safe
13 staffing mandates that were put in place,
14 what is the current situation with your
15 membership as it pertains to being able to
16 meet those mandated numbers? Kind of
17 referencing to what Mr. Hammond said where
18 you see upstate nursing home employment
19 numbers lagging behind downstate.
20 MR. CLYNE: Yeah, the -- if you look
21 at the two mandates that the Legislature
22 passed, one was so we spend 70 percent of our
23 funds on patient-facing care. Forty percent
24 of that had to be on direct care staff.

1 Ninety-seven percent of my members meet that
2 standard. So they're meeting the 70/40.
3 Only -- only 44 percent of them can
4 meet the 3.5 hour mandate. We are spending
5 the money where you have told us to spend it.
6 It's just not enough money.
7 ASSEMBLYMAN JENSEN: So of the
8 facilities that are meeting the 3.5,
9 ballpark, how many do it through the use of
10 agency staff rather than their own organic
11 staff?
12 MR. CLYNE: Well, the ones that can
13 pay better because they have more private
14 pay, and maybe they have a higher case mix --
15 those are the really only two things that
16 change the rate -- they can afford to pay the
17 staff more. So they're actually using less
18 agency staff.
19 ASSEMBLYMAN JENSEN: But that's
20 ensuring that the ones that have a higher
21 Medicaid population in their census are
22 paying a greater share --
23 MR. CLYNE: Exactly.
24 ASSEMBLYMAN JENSEN: -- but getting

1 less reimbursement from the state.
2 MR. CLYNE: Yeah. Exactly.
3 ASSEMBLYMAN JENSEN: And has the state
4 done anything to alleviate the administrative
5 burden through the HERDS survey requirements?
6 MR. CLYNE: They did a brief relief.
7 But if you ask my members, it's not much,
8 because it's still 19 questions that give --
9 junk data to them.
10 ASSEMBLYMAN JENSEN: Thank you.
11 CHAIRWOMAN KRUEGER: Thank you.
12 Senator Gustavo Rivera.
13 SENATOR RIVERA: Bill, so you're
14 suggesting -- and I want to dig a little bit
15 deeper. You are a data guy. And I
16 certainly -- and I certainly know that you --
17 that you come from a perspective that -- of a
18 fiscally conservative mindset. And I get
19 that. But you're suggesting that we should
20 spend less in institutions that are falling
21 apart, in many instances.
22 In this case, for example, let's say
23 St. Barnabas hospital. St. Barnabas Health
24 System is in the middle of Bronx, just south

1 of my district. It used to be in the core,
2 but now it's just south of my district.
3 Ninety-five percent of the people are
4 Medicaid patients, so they basically lose
5 money every time somebody goes there. And
6 they have all sorts of capital improvements
7 that they're lagging behind, you know. And
8 this is a story just -- all around the state.
9 So -- and they have to keep up their
10 operational costs, because obviously they
11 have employees that they have to pay,
12 contracts that they have to meet, and they
13 have capital needs consistently, many of
14 them -- like, for example, an emergency room
15 right now that is like out of date by more
16 than a decade. And that's a story of one
17 institution. We have many institutions
18 around the state.
19 It seems nonsensical to me what you're
20 saying. Not from the perspective of being
21 a -- of this whole conservative person, which
22 obviously you are, so you just believe
23 spending less money is better. But what
24 we're trying to say, and certainly what I've

1 been saying for a long time, is that given
2 the -- paying them better, as far as the
3 Medicaid rate is concerned, means that they
4 don't have to come to the state when they're
5 going off a cliff. Which happens constantly.
6 And we spend more money when they're almost
7 off a cliff. And that's a constant thing.
8 So help me understand what you're
9 suggesting that we do here to fix this.
10 MR. HAMMOND: I would agree with you
11 that the situation is nonsensical, in the
12 sense that the numbers -- I'm not making
13 these numbers up. These -- these --
14 SENATOR RIVERA: And I'm not saying
15 you are. I'm not saying you are.
16 MR. HAMMOND: These are the dollar
17 amounts that we're spending, and this is the
18 size of our population. And yet -- I'm not
19 familiar with the details at St. Barnabas,
20 but I am familiar with the fact that we have
21 some of the worst average hospital quality
22 ratings in the country. We're, you know,
23 consistently at the bottom of all the report
24 cards.

1 And we have other problems such as the
2 ones you outlined. I don't know whether
3 St. Barnabas is getting the operating
4 subsidies. I don't know what their -- what
5 percentage of capacity they're operating at.
6 One kind of structural thing that
7 would help is if you had more people who
8 weren't on Medicaid, more people who were in
9 commercial insurance. Which, as everybody
10 knows, pays higher rates.
11 We've had a policy in this state for a
12 generation now of expanding Medicaid further
13 and further up the income chain. More than
14 half of the people on Medicaid right now live
15 above the poverty level. That's -- I mean,
16 it was originally designed to be a safety net
17 for a relatively small --
18 SENATOR RIVERA: A later conversation,
19 because there's two seconds. We need to pass
20 the New York Health Act. That's it. That's
21 the basic fix.
22 MR. HAMMOND: My time has --
23 SENATOR RIVERA: But we'll debate some
24 more.

1 ASSEMBLYWOMAN PAULIN: Yes, Assembly.
2 Assemblymember Bores.
3 ASSEMBLYMAN BORES: Thank you,
4 Madam Chair.
5 Bill, in your testimony in 2022 and in
6 2023 you talked about spending that you did
7 like, which was on public health and
8 preventing pandemics at the Wadsworth Center.
9 Do you stand by that? Do you think
10 there's more spending needed there?
11 MR. HAMMOND: I don't feel like we
12 have a good handle on what our public health
13 budget is. It's such an afterthought. It's
14 not even lined out in the --
15 ASSEMBLYMAN BORES: Let's say
16 Wadsworth in particular, in that lab.
17 MR. HAMMOND: I'm sorry?
18 ASSEMBLYMAN BORES: Wadsworth in
19 particular, in that lab.
20 MR. HAMMOND: You know, I haven't had
21 a chance to look at what their number is this
22 year. They're about to put a lot of money
23 into capital at the Wadsworth Lab. I think
24 it's over a billion dollars.

1 But if -- I looked at the staffing in
2 this year's budget, and it was flat.
3 ASSEMBLYMAN BORES: Okay. Get back
4 with your opinion on that. We'd love that.
5 And then Lindsay, in your written
6 testimony you mentioned the problem with
7 discontinuing wage parity. And you didn't
8 really get to do that in your verbal, but I'd
9 love to -- if you could just talk about it.
10 I know that's not directly related, but since
11 you brought it up, what you think the impact
12 of that could be.
13 MS. HECKLER: Yeah, that impacts
14 downstate New York, not Western New York.
15 ASSEMBLYMAN BORES: Totally.
16 MS. HECKLER: It just does not seem to
17 make sense. It seems to take away wage
18 increases that were hard fought for. And
19 quite frankly the only way to rectify that
20 would be to pass Fair Pay for Home Care.
21 ASSEMBLYMAN BORES: Great. Thank you.
22 CHAIRWOMAN KRUEGER: Senator Rachel
23 May.
24 SENATOR MAY: Yeah, thank you.

1 Lindsay, I just wanted to ask you a
2 little bit because you didn't say anything
3 about racial disparities in care, in
4 long-term care. And I'm just wondering what
5 the data are showing. Are any of the
6 measures we have taken up until this point
7 making a difference? Is this something we
8 can do more?
9 MS. HECKLER: I think it's definitely
10 something we can do more.
11 In a very small study done with our
12 office, so it's not published, our hypothesis
13 that persons of color were more going to be
14 admitted and resident in sub -- extremely
15 subpar nursing homes was accurate. And these
16 certain nursing homes in Erie County are the
17 ones that have been bought out from
18 out-of-state operators who made active
19 determinations to not invest. They've been
20 underperforming for years, and nothing has
21 changed.
22 So something needs to be done to do
23 targeted investments to make sure these
24 individuals, these people, are getting access

1 to safe and quality care and, quite frankly,
2 getting back out into the community. Because
3 we have a lot of folks that I have seen
4 personally in nursing homes in these
5 underperforming facilities who don't need to
6 be there. But they don't have access to the
7 services to get them out.
8 I think the state could be doing more
9 datawise, looking at race, ethnicity,
10 disability status in the nursing home data
11 and see who is coming into these specific
12 facilities.
13 Along those lines, some operators are
14 doing the right thing by not continuing to
15 admit more residents when they're
16 short-staffed.
17 But these nursing homes, from my
18 observations, continue to admit more
19 residents and more residents. That's a
20 problem, and there needs to be targeted
21 investigations and actions on those
22 operators.
23 SENATOR MAY: Thank you.
24 And for Charles, also about how well

1 we are doing or badly we are doing about
2 public health in senior housing and whether
3 it's lead exposure -- I know that's -- we
4 don't worry about that as much with seniors.
5 But some of the other -- the water quality
6 issues, a number of other things about that
7 housing, the healthiness of housing for our
8 seniors.
9 MR. KING: So, I'm sorry, we don't do
10 senior housing per se. We primarily focus on
11 housing people with HIV and very low-income
12 housing.
13 I will say that there is a growing
14 need for senior supported housing for people
15 who are living with HIV. More than
16 50 percent -- actually, more than 60 percent
17 of the population is now over 50.
18 SENATOR MAY: Okay. Thank you. I
19 apologize.
20 MR. KING: That's all right.
21 CHAIRWOMAN KRUEGER: Thank you.
22 Assembly.
23 ASSEMBLYWOMAN PAULIN: Before we go
24 on, I'm just going to announce we have one

1 special guest that I just want to bring
2 everyone's attention to, and that is former
3 Mets pitcher Bartolo Colon is right to my
4 right, your left. You can wave.
5 (Applause.)
6 ASSEMBLYWOMAN PAULIN: I won't
7 mention, because it's a hearing, what your
8 nickname is.
9 (Laughter.)
10 ASSEMBLYWOMAN PAULIN: And joined by
11 Assemblymember Amanda Septimo.
12 So if anybody wants a photo, they can
13 sneak out to that side for a few minutes.
14 And I assume there's -- bring your cellphone,
15 I don't know if there's a cameraman out
16 there, camerawoman.
17 And the next question person is --
18 Assembly side, right? Did we do Democrat or
19 Republican last? Ah. So then it's
20 Assemblyman Gandolfo.
21 ASSEMBLYMAN GANDOLFO: Thank you,
22 Chairwoman.
23 Mr. Hammond, I am very happy that you
24 brought up the need to investigate and

1 analyze New York's pandemic response. I seem
2 to remember that the Governor announced that
3 there was an ongoing review and investigation
4 of New York's pandemic response. Are you
5 aware if that has produced any public
6 results?
7 MR. HAMMOND: We're still waiting for
8 a report back. It was assigned to a
9 consulting group called the Olson Group out
10 of suburban Washington, D.C. I think it's
11 4-something million dollars. And it was
12 going to take a year, and it started -- I
13 think we might be -- I've lost track of when
14 it's due.
15 My point about that would be that
16 this -- this group is answerable to the
17 Governor and to her cabinet, not directly to
18 the public. This group does not have special
19 subpoena power, so it doesn't have guaranteed
20 access to witnesses or documents. And it has
21 no mechanism for having a public hearing.
22 I think this was the worst natural
23 disaster in modern history in New York State.
24 It deserves -- and the state mechanisms that

1 were supposed to be protecting us had a lot
2 of trouble managing. And by some measures,
3 we had the worst outcomes during that first
4 six weeks of anywhere in the world.
5 So I think it warrants the whole
6 government to get involved, the public to get
7 involved. It warrants bringing in outside
8 experts. And that's what
9 Ms. González-Rojas's bill would do.
10 ASSEMBLYMAN GANDOLFO: And just
11 building off of that, I know the legislation,
12 it brought a response, which is the
13 Reimagining Long Term Care Task Force.
14 To date, are you aware if that task
15 force has met?
16 MR. HAMMOND: No, I'm sorry, I'm not
17 aware.
18 ASSEMBLYMAN GANDOLFO: Yeah, as far as
19 I know, that task force still has not met,
20 and it was the purported response to --
21 MR. HAMMOND: There is a long-term-
22 care panel that is meeting, though, right?
23 MR. CLYNE: Yeah, the Master Plan on
24 Aging process is going through. But that has

1 been so far an unsuccessful process, we
2 think.
3 ASSEMBLYMAN GANDOLFO: Okay.
4 Appreciate it. And I have to agree, we need
5 a full and thorough review with subpoena
6 power that is not tainted by potential
7 conflicts of interest.
8 So thank you very much.
9 CHAIRWOMAN KRUEGER: Thank you.
10 Assemblywoman González-Rojas. Perfect
11 timing for you.
12 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Okay.
13 Thank you so much.
14 Thank you, Mr. Hammond, for raising
15 the COVID-19 Commission bill. Assemblymember
16 Gandolfo just kind of stole my thunder, but I
17 did want you to underscore, really, the
18 differences between the study that was
19 commissioned by the Governor's team and the
20 bill, if you could just make those
21 {inaudible} -- point out the differences.
22 MR. HAMMOND: I'm sort of interested
23 to see what this consulting group comes up
24 with, but it's a consulting group. We -- the

1 state commissions reports like this all the
2 time, and they end up in a drawer. I'm
3 hoping this is something more than that.
4 But as I say, they -- they don't have
5 subpoena power so if -- say, for example, a
6 former governor or somebody like that doesn't
7 want to cooperate, they're not going to be
8 able to force that.
9 They -- it doesn't have a mechanism
10 for holding public hearings, so it can't
11 solicit public input. But also it can't like
12 report directly to the public. It's going to
13 submit the report to I believe the Emergency
14 Services commissioner. The Governor says
15 she'll make it public, but often reports get
16 massaged before they come out.
17 I just think this needs to be much
18 more transparent, it needs to be more
19 powerful, more persuasive. And that's not to
20 say I think the Health Department and the
21 rest of the administration needs to be
22 involved. They need to buy into it. And I
23 don't -- I also -- I don't think it should be
24 about blaming. I think it should be about

1 being constructive and finding systemic
2 reforms that will protect the public health.
3 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Great.
4 Thank you for your partnership on this.
5 And Mr. King, I do want to thank you
6 for humanizing the people who are impacted by
7 HIV and AIDS and the undocumented community
8 that is disproportionately impacted often
9 without that care. So thank you for raising
10 that.
11 I do want to ask you about
12 rest-of-state housing. Besides funding, what
13 else can we do? We are in a housing crisis.
14 There's urgency. But if you can share in
15 50 seconds any other steps we can do towards
16 achieving rest-of-state housing.
17 MR. KING: So, you know, right now
18 Enhanced Rental Assistance outside of
19 New York for people with HIV is capped at
20 $480. You tell me where in New York State
21 someone can find an apartment for $480.
22 What our proposal would do is it would
23 cap rental assistance at 110 percent of the
24 fair market rent for any particular

1 jurisdiction.
2 Localities do not like having to
3 contribute to this. The state's -- the bill
4 that has been passed five times over requires
5 them to pay half the cost. This would put
6 the full cost on the state, capping the
7 tenant's contribution at 30 percent of their
8 income.
9 This has been very successful, housing
10 37,000 households in New York City. We just
11 need to house 2,500 households in the rest of
12 the state.
13 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
14 you.
15 CHAIRWOMAN KRUEGER: Thank you.
16 ASSEMBLYWOMAN PAULIN: Yes, thank you.
17 Next is Assemblymember Ra.
18 ASSEMBLYMAN RA: Thank you,
19 Madam Chair.
20 Mr. Hammond, I'm just wondering if you
21 have any thoughts on the procurement, the
22 managed care procurement proposal in the
23 Executive Budget.
24 MR. HAMMOND: I mean, I've heard both

1 pros and cons. I'm still trying to figure
2 out exactly how it would work and what it
3 would mean.
4 I mean, in principle it's always good
5 when the state can be careful about how it
6 purchases things and contracts out. I was
7 starting to read the report that was done
8 which indicated that the market seems to be
9 over-fragmented. There's a few plans that
10 are really small, and maybe it would be
11 better if we didn't have those.
12 But I don't have a strong position on
13 it.
14 ASSEMBLYMAN RA: Thank you.
15 Yeah, we're all trying to digest the
16 report. Obviously it's difficult when it
17 comes out so close to the hearing. I think
18 you have a little experience with that --
19 with that particular agency, though.
20 So thank you for being here, and thank
21 all of you for coming today.
22 ASSEMBLYWOMAN PAULIN: Okay, we have
23 two more -- well, three more.
24 Assemblymember Jo Anne Simon.

1 ASSEMBLYWOMAN SIMON: There we go.
2 So, Mr. Clyne, I had a question that I
3 had asked an earlier witness -- I don't know
4 whether you heard that question, but I'll
5 sort of repeat it. And that is the failure
6 to increase Medicaid reimbursement rates
7 affects both for-profit and not-for-profit
8 nursing homes.
9 My question is, what is that
10 differential in impact? It seems to me it
11 might affect the not-for-profits more
12 significantly.
13 MR. CLYNE: Well, I think it affects
14 both. But I can tell you what's happening to
15 not-for-profit and government facilities, and
16 that's 75 of them have closed or been sold in
17 the last nine years.
18 So we used to have over 250
19 not-for-profit and government nursing homes,
20 and they have closed or sold to a for-profit.
21 ASSEMBLYWOMAN SIMON: And the other
22 question that I had asked, because -- about
23 this issue about the unallocated subsidies.
24 And I had asked why were they unallocated,

1 and he didn't seem to have an answer for
2 that.
3 So my question is, do you know why
4 they have been unallocated? Is it something
5 in an application process that becomes a
6 barrier? And/or, if you know, where's the
7 money?
8 MR. CLYNE: Well, there's an
9 application process and many of my members
10 have gone through it. Sometimes they don't
11 hear anything and they're still waiting. And
12 I know some cases where applications have
13 been not approved. Including one in
14 Rochester, which made no sense to me. We've
15 been talking about the inability to get
16 people discharged out of a hospital in
17 Rochester, but the department did not want to
18 help a not-for-profit merge with another
19 not-for-profit in Monroe County.
20 Yeah, I don't know why. It made no
21 sense to us.
22 The process is very opaque. We
23 don't -- we can't really see into it. We
24 just know members are applying and not

1 hearing about it.
2 ASSEMBLYWOMAN SIMON: Do you get some
3 sort of response telling you why it didn't
4 get approved?
5 MR. CLYNE: You get a response
6 sometimes. But again, we have many
7 applications that people are just waiting on.
8 Which is why it's strange they're saying
9 they're cutting it because it's not being
10 used. But it's not being used because
11 they're not using it.
12 And as I just said, 75 places have
13 closed or been sold. You know, they could
14 have used some of that money for that.
15 ASSEMBLYWOMAN SIMON: Do you know what
16 the average time is before you hear back
17 after making an application for those funds?
18 MR. CLYNE: I don't think there is an
19 average time. Again, it's all anecdotal.
20 Sometimes they -- I'll give them
21 credit, there's a few times they've acted
22 fast when I think they saw an emergency.
23 Maybe they thought it was a political issue
24 or something.

1 But in general, it's been quite a
2 lengthy process.
3 ASSEMBLYWOMAN SIMON: Okay. Thank you
4 very much.
5 ASSEMBLYWOMAN PAULIN: Yes.
6 Assemblymember Forrest.
7 ASSEMBLYWOMAN FORREST: (Inaudible.)
8 ASSEMBLYWOMAN SIMON: Oh, thank you.
9 Then me. So -- unless there's somebody else
10 that I didn't recognize.
11 Okay, I have a question for Jim and
12 one for Lindsay.
13 So for Jim, what would you recommend
14 for this year's budget in order to address
15 some of the concerns that you have talked
16 about?
17 MR. CLYNE: We are seeking a two-year
18 phase-in to fill the gap. It's $810 million.
19 We are looking for 510 million this year.
20 We appreciate the add that happened
21 last year. It was a large add. But the
22 reality of the market is it had a very
23 limited impact. Four hundred beds came back
24 online as a result, and you still saw places

1 closing.
2 One facility in Jamestown that's been
3 serving people for over a hundred years
4 closed -- or put in an application, they
5 haven't actually closed yet.
6 So there needs to be a substantial
7 investment or you're going to see more
8 problems like you're seeing in Rochester
9 right now, which is they can't discharge
10 people and the ERs are backing up.
11 I just spent -- my -- I had a relative
12 36 hours in an ER here in the Capital
13 District. It's just -- all the facilities do
14 not have enough -- the ability to discharge
15 people.
16 ASSEMBLYWOMAN PAULIN: Thank you.
17 And Lindsay, what specifically would
18 you recommend for investment in aging
19 services?
20 MS. HECKLER: It has to be
21 multipronged. First, we need to really
22 support our caregivers, both informal -- so
23 your family caregivers -- but also your paid.
24 Because without a workforce that's paid a

1 living wage so they can actually own their
2 home, buy their groceries, pay for gas,
3 vehicles, you're not going to have any
4 workers.
5 We have had clients who have been
6 denied for increased hours or had their home
7 care hours cut who told us, Don't pursue the
8 case because, well, at least someone shows up
9 for five hours a week.
10 We need strong investment in the
11 workforce and the housing, quite frankly.
12 ASSEMBLYWOMAN PAULIN: Since I have a
13 little time, Bill. So what is the -- you're
14 saying we are -- we are spending so much more
15 than other places. Is it labor costs? Is
16 it, as you pointed out, you know, workers in
17 some areas but not others?
18 Like what is your, you know, in
19 31 seconds or less, you know, what -- what is
20 the problem that you see?
21 MR. HAMMOND: With respect to
22 Medicaid?
23 ASSEMBLYWOMAN PAULIN: Mm-hmm.
24 MR. HAMMOND: Well, we have high

1 enrollment and we have high -- we have a
2 broad array of benefits and we have high
3 spending per enrollee. So it's the
4 combination of all those three.
5 ASSEMBLYWOMAN PAULIN: So what would
6 you eliminate?
7 MR. HAMMOND: I mean, as I said
8 before, I think one goal should be to shrink
9 the rolls. We'd like to have more people in
10 commercial insurance self-supporting.
11 ASSEMBLYWOMAN PAULIN: That's it.
12 CHAIRWOMAN KRUEGER: Actually we had
13 one more Senator slide in, sorry.
14 Senator Ashby.
15 SENATOR ASHBY: Thank you,
16 Madam Chair.
17 Mr. Clyne, in regards to the stopgap
18 increase, a topic that's been coming up over
19 the last year, and really for I think the
20 greater part of a decade, is rebasing. And,
21 you know, we see this push for it each year
22 and then we see it put out of the limelight.
23 And then it comes up again.
24 Does this concern you at all? Do you

1 think this is something that we should -- we
2 need to continue to strive for? Do you think
3 that it would be a longer-term solution than
4 just continuously fighting for an increase
5 each year?
6 MR. CLYNE: Well, the system should be
7 rebased, because then the money would be
8 going to the places that have the cost. And
9 the state, in discussions with them, they are
10 talking about rebasing and moving to a new
11 system of how you review the needs of the
12 residents that we serve.
13 The problem is you can rebase with no
14 money. If you rebase and don't put money
15 into the system, all you're going to do is
16 move the money around the system. There's
17 still going to be a giant deficit.
18 So they need to rebase so the money
19 goes to the right places, but they have to
20 add money to the system. New dollars have to
21 go in.
22 SENATOR ASHBY: Would you see that as
23 an investment that could potentially save
24 money?

1 MR. CLYNE: State -- it'll be matched
2 by the federal government, so -- through the
3 Medicaid system.
4 SENATOR ASHBY: So when we talk about
5 long-term reducing the costs and scale of
6 Medicaid, it could potentially do so.
7 MR. CLYNE: Well, no, it'll cost a
8 little bit more. But, you know, my members
9 work all the time to get people out of
10 nursing homes and there's lots of
11 alternatives in New York on the
12 community-based side to get people
13 discharged. But there is a group of people
14 that need to have nursing home care; it's
15 just unavoidable.
16 And as far as the costs of care, I
17 mean the one thing that we see on the nursing
18 home side is it's expensive to do business
19 downstate, everything is more expensive down
20 there. And the workforce is completely
21 unionized. So that's the difference between
22 us and other states on the nursing home side.
23 If you go to some of those other
24 states, it's way cheaper to do business and

1 they don't have a unionized workforce.
2 SENATOR ASHBY: And they usually have
3 a cost to where they rebase every three to
4 five years.
5 MR. CLYNE: Most states rebase every
6 couple of years, yes. We are definitely an
7 outlier. We haven't rebased since 2007.
8 SENATOR ASHBY: Correct. Thanks.
9 CHAIRWOMAN KRUEGER: Thank you.
10 I think that's the last of the
11 questions for this panel. Thank you very
12 much for being here with us.
13 MR. CLYNE: Thank you.
14 CHAIRWOMAN KRUEGER: Appreciate it.
15 And our next panel is Panel E:
16 New York State Association of County Health
17 Officials; New York State Health Facilities
18 Association; Community Pharmacy Association;
19 and the Nassau Health Care Corporation.
20 E So let's just go down as you were
21 listed on the sheet. So first, Dr. Irina
22 Gelman, then Stephan Hanse, then Michael
23 Duteau, and then Megan Ryan.
24 Good after -- it's still afternoon,

1 right? Yes, still afternoon. Good
2 afternoon.
3 DR. GELMAN: Thank you very much.
4 Good afternoon and thank you for this
5 opportunity to present testimony today.
6 My name is Dr. Irina Gelman, and I
7 serve as the commissioner of the Nassau
8 County Department of Health. I am here today
9 testifying as president of the New York State
10 Association of County Health Officials, which
11 represents all 58 local health departments in
12 New York State.
13 Public health officials understand
14 that lean times require strict application of
15 two key budgeting measures: Impact and
16 value. We must ask, Where will our
17 investment of limited public funds be most
18 impactful? And how can we ensure the
19 taxpayer is getting value from that
20 investment?
21 Every dollar we invest in public
22 health has an extraordinary impact on
23 preventing illnesses and reducing
24 expenditures associated with the medical and

1 clinical necessary to treat those illnesses.
2 Evidence clearly shows an ounce of prevention
3 is worth a pound of cure. Local Health
4 Departments serve as the first line of
5 defense for population-based prevention
6 strategies, including communicable and
7 chronic disease response, community outreach,
8 food and water safety, environmental health
9 services, emergency preparedness, and so much
10 more.
11 Our challenges in public health are
12 considerable. Key among our issues is the
13 ongoing historic depletion of our public
14 health workforce. Many elements within the
15 proposed budget would exacerbate this crisis
16 by reducing funding in key public health
17 programs and increasing statutory obligations
18 that are not funded. More unfunded mandates.
19 There are several elements of the
20 executive proposal that we support, including
21 to changes to how we combat hepatitis B and
22 C, HIV and syphilis; expansion of
23 professional immunizers; new tools to address
24 infant mortality; and efforts to address the

1 overdose epidemic.
2 Other elements of the Executive
3 proposal will further strain local public
4 health infrastructure and must be
5 reconsidered. Those include inadequate
6 funding provided to implement our lead
7 poisoning prevention laws. Funds to fight
8 rabies and tick-borne illnesses have been
9 completely eliminated from the budget.
10 Funding for HIV/AIDS prevention, cancer
11 screenings, tobacco prevention and other
12 programs are also reduced.
13 The Governor's initiative to expand
14 access to swimming does not fund local health
15 departments who in most cases are directly
16 responsible for ensuring the safety of these
17 facilities. We urge the Legislature to
18 restore these programs.
19 Further, we hope the state will
20 embrace the goals of the 1115 waiver by
21 finding ways to better partner with local
22 Health Departments to achieve our collective
23 goals around health equity and reducing
24 health disparities.

1 The Early Intervention program for
2 children with special health needs has been
3 challenged by provider shortages, growing
4 provider waitlists, and underfunding. While
5 we support the provider rate increase
6 outlined in this proposal, this solution is
7 not enough to truly help the families
8 impacted by this program. We urge the
9 Legislature to help us by ensuring funds owed
10 to counties through the Early Intervention
11 covered lives assessment enacted in 2021 are
12 released to us as intended in the original
13 legislation.
14 There's more details available in my
15 written testimony. I thank you.
16 MR. HANSE: Good afternoon. My name
17 is Stephen Hanse, and I have the privilege of
18 serving as president and CEO of the New York
19 State Health Facilities Association and the
20 New York State Center for Assisted Living.
21 The theme of my written testimony is
22 where have we been, where are we now, and
23 where are we going.
24 Starting with where we have been, for

1 the past 15 years the State of New York has
2 disinvested in the most vulnerable
3 population, the seniors who rely on Medicaid
4 for their long-term-care needs. These past
5 years of disinvestment, coupled with the
6 statewide healthcare staffing shortages and
7 unrealistic 3.5 hour staffing mandate, have
8 led to a long-term-care crisis. New York's
9 long-term-care crisis is rippling across the
10 healthcare continuum, contributing to backups
11 in hospital discharges to nursing homes and
12 compromising access to essential care.
13 Where are we now? Today the statewide
14 average Medicaid reimbursement rate covers
15 only 74 percent of costs, resulting in a
16 reimbursement rate of $11.45 per hour for
17 24-hour skilled nursing care. This rate is
18 well below the state's minimum wage,
19 resulting in the ability of providers to
20 compete in today's labor market for essential
21 direct care workers.
22 Moreover, nursing homes are now faced
23 with the unrealistic requirements of the
24 3.5-hour staffing mandate. A staggering 478

1 out of 610 nursing homes statewide are
2 currently unable to comply with the state's
3 unrealistic 3.5-hour staffing mandate due to
4 severe labor shortages.
5 The Executive Budget proposes to cut
6 the capital component of the Medicaid rate
7 for skilled nursing facilities by 10 percent.
8 The Executive Budget also seeks to cut at
9 least 200 million from the long-term-care
10 sector, reversing most of last year's
11 progress on top of the VAPAP cuts.
12 What we need now are not cuts but a
13 commitment by the state to stop the failed
14 Medicaid disinvestment policies of the past
15 and fully cover the costs of Medicaid
16 residents in nursing homes and assisted
17 living facilities. To this end, it is
18 critical that the state include a 510 million
19 state-share investment in this year's
20 State Budget and set in motion efforts to
21 invest and rebase the nursing home Medicaid
22 rate to truly effectuate the state's
23 commitment to high-quality nursing home care
24 and jobs.

1 NYSHFA|NYSCAL strongly supports the
2 Governor's proposal to authorize medication
3 aides in nursing homes.
4 Where are we going? The
5 long-term-care crisis in New York we are
6 facing can be understood looking backwards,
7 but it must be addressed going forward. We
8 must act in the present. We must aspire to
9 make decisions guided by the adage "To care
10 for those who once cared for us is one of
11 life's greatest honors." To this end,
12 New York must cover the full Medicaid cost of
13 residents in nursing homes and assisted
14 living facilities to fulfill its commitment
15 to serve the state's growing aging
16 population.
17 Thank you.
18 CHAIRWOMAN KRUEGER: Thank you.
19 Next?
20 MR. DUTEAU: Good afternoon, honorable
21 chairs and members of the committees. I'm
22 Mike Duteau. I'm a licensed pharmacist, and
23 I'm president of the Community Pharmacy
24 Association.

1 Thank you for the opportunity to
2 testify today and for your strong past
3 support of local community pharmacies.
4 I will summarize our positions
5 regarding the proposed health budget.
6 First and foremost, we oppose the
7 Department of Health's proposal to require
8 pharmacies in Medicaid to submit annual cost
9 reports. Currently 46 states, including
10 New York, utilize NADAC, or national average
11 drug acquisition cost, for Medicaid pricing,
12 and approximately 95 percent of covered
13 outpatient medications have NADAC values.
14 NADAC is a federal CMS survey that
15 collects data from 60,000 pharmacies across
16 the country, and the prices are updated
17 weekly. For any drugs that do lack a NADAC
18 value, New York uses another nationally
19 recognized benchmark known as WAC, or
20 wholesale acquisition cost. All covered
21 outpatient prescription drugs currently have
22 a WAC value.
23 For pharmacies to take this on, for
24 something that we already provide at a

1 national level and is supplied to Medicaid,
2 would be a huge undertaking. It would be
3 unnecessary, it would be duplicative, and it
4 would be extremely labor-intensive.
5 While discussing Medicaid, there's
6 also an urgent need to include New York State
7 OMIG audit reform in this budget. For too
8 long OMIG's practices have been threatening
9 the financial viability of providers and
10 programs serving those enrolled in Medicaid.
11 Most often these practices are not targeting
12 fraud, waste or abuse but, rather, clerical
13 errors.
14 So, for example, a real-life current
15 pharmacy was actually filling a prescription
16 for a new patient. Everything was correct.
17 At the very end, the pharmacist had to
18 manually enter an NPI number and incorrectly
19 entered the last two digits of the NPI.
20 Everything else was correct. The right
21 patient received the right medication at the
22 right time. Unfortunately, OMIG was able to
23 extrapolate that into a six-figure
24 recoupment.

1 That's not fraud, waste or abuse.
2 That's something that should be correctable.
3 We need this audit reform reintroduced in
4 this budget.
5 We also support the proposal to make
6 pharmacist COVID-19 and flu testing
7 permanent. We also recommend expansion of
8 the testing. Senator Rivera and
9 Assemblymember McDonald have introduced a
10 bill that would do just that and include new
11 tasks like RSV, strep A and hepatitis C.
12 Finally, we support the proposal to
13 expand pharmacist vaccine administration to
14 include Mpox. That just makes sense in our
15 current environment. Pharmacists are able to
16 administer all CDC-recommended vaccinations
17 for adults.
18 We also support the proposal to allow
19 unlicensed personnel like medical assistants
20 and EMTs to give vaccines. Currently today,
21 under the PREP Act, pharmacy technicians can
22 do this also. We need to be included.
23 Thank you for your consideration.
24 MS. RYAN: Good afternoon. I'm

1 Meg Ryan, interim CEO and chief legal officer
2 of Nassau Health Care Corporation. Thank you
3 for your time.
4 Nassau Health Care Corporation is the
5 public benefit corporation that was
6 established in 1999 by New York State
7 statute. It oversees Nassau University
8 Medical Center, NUMC, the only public
9 safety-net hospital in Nassau County, that
10 has 530 beds, is designated as a Level I
11 trauma center, home of Long Island's only
12 multichamber hyperbaric, and is a designated
13 overflow center during natural disasters. We
14 also house the county's MedCom, EMS and
15 Fire/Police Academy.
16 NHCC also oversees A. Holly Patterson,
17 the skilled nursing home and rehabilitation
18 facility, the only public nursing and rehab
19 facility in Nassau County, which has 580
20 beds. NUMC oversees the inmate healthcare at
21 Nassau's correctional facility, with two
22 infirmaries. Additionally, NHCC runs an
23 ACGME residency program with 350 residents,
24 educating our future medical professionals,

1 which there is a global demand for.
2 NHCC co-operates federally qualified
3 health centers as well, as well as
4 school-based clinics. Our employees are
5 New York State employees. We currently have
6 3,640 employees: 66 percent of our staff are
7 female, 70 percent are minority. We have
8 1,500 retirees enrolled in the New York State
9 Pension System currently.
10 NUMC and A. Holly Patterson render
11 high-quality healthcare to all, regardless of
12 a patient's legal status or their ability to
13 pay.
14 Our payer mix is 90 percent, it's
15 90 percent Medicare/Medicaid, which means we
16 are set up to have losses, and those losses
17 must be offset by state funding.
18 Sixty-five percent of our patients are
19 minority and female. NHCC serves nearly
20 260,000 patients annually, including 67,000
21 emergency department patients. NHCC is the
22 only medical facility that provides quality
23 healthcare to Nassau County's underserved
24 communities.

1 NHCC was created by state statute for
2 the benefit of Nassau County and its
3 residents, and it has relied upon New York
4 State funding since its creation in 1999.
5 NHCC has lost New York State funding in the
6 total amount of $267,647,382 since 2020.
7 There's been a steady decline in funding year
8 after year. We have submitted sustainability
9 plans, multiyear cash projections, and
10 applied for grants, including VAPAPs, to
11 New York State.
12 I am respectfully requesting the
13 restoration of funding for 2024 to ensure
14 that we may continue providing the necessary
15 healthcare our surrounding communities rely
16 upon and deserve.
17 Thank you for the committee's time
18 today. I appreciate it. Thank you.
19 (Inaudible discussion.)
20 SENATOR RHOADS: Thank you so much,
21 Madam Chair.
22 First question is for Ms. Ryan. I
23 know you indicated that the hospital, or
24 NuHealth, has actually lost $267 million

1 since 2020 in funding. What type of funding
2 was that?
3 MS. RYAN: Sure. That was through
4 DSRIP, through Essential Healthcare Provider
5 Support, statewide healthcare facility
6 transformation grants, grants, funding. Also
7 VBP QIP grants. And there's different grants
8 throughout the state.
9 SENATOR RHOADS: Was there any
10 explanation given as to why the hospital's
11 been losing so much of the state funds that
12 it relied upon since 1999?
13 MS. RYAN: We have not had a
14 discussion as to why we had lost these funds.
15 We are under NIFA control, and we are in
16 constant communication with New York State
17 DOH and NIFA weekly. We have submitted our
18 cash projections. And, you know, our
19 patients don't pay. They're Medicaid and
20 Medicare.
21 SENATOR RHOADS: Right. And I notice
22 that in the Governor's proposal there are a
23 number of medical debt proposals that she's
24 put out, including expanding -- including

1 expanding the financial assistance program to
2 400 percent of the FPL.
3 Is there any idea of what an expansion
4 like that would actually cost Nassau
5 University Medical Center?
6 MS. RYAN: We have not been in
7 discussions regarding that.
8 SENATOR RHOADS: Okay. And I know
9 that you indicated that the hospital's
10 applied for VAPAP --
11 MS. RYAN: Correct.
12 SENATOR RHOADS: -- funding. When did
13 that application go in?
14 MS. RYAN: Sure. We started
15 submitting last March. We've submitted three
16 VAPAP applications: One for NUMC, in the
17 amount of $120 million; a separate one for
18 A. Holly Patterson, the nursing home, in the
19 amount of 40 million; and then a special
20 projects VAPAP in the amount of $46 million.
21 SENATOR RHOADS: We did have the
22 Health commissioner here earlier, and we
23 asked him about funding specifically for
24 NUMC. He said, "All they have to do is

1 apply." Well, you did apply.
2 MS. RYAN: We've applied, we've had
3 discussions regarding the NUMC VAPAP where
4 they have asked us for more information. But
5 as of yet we have not had any discussions
6 regarding any amount of funding being given
7 to NHCC, NUMC or A. Holly Patterson.
8 SENATOR RHOADS: And that first
9 application went in --
10 MS. RYAN: March of 2023.
11 SENATOR RHOADS: So last March.
12 MS. RYAN: Yes.
13 SENATOR RHOADS: Okay.
14 Thank you.
15 CHAIRWOMAN KRUEGER: Thank you.
16 Assembly.
17 ASSEMBLYWOMAN PAULIN: Yes.
18 Assemblymember Jensen.
19 ASSEMBLYMAN JENSEN: Thank you,
20 Madam Chair.
21 This is for Mr. Hanse.
22 The Health commissioner talked about
23 how their enforcement of the safe staffing
24 mandate is now in effect, and penalties will

1 start to be, um, adjudicated, for lack of a
2 better word. Has there been any clarity that
3 you or your membership have received about
4 how these penalty fines may or may not be
5 reinvested into nursing homes or the nursing
6 home workforce?
7 MR. HANSE: To date, no.
8 So the state has finished the second
9 quarter of 2022. As I indicated, 478 of the
10 610 nursing homes cannot meet that staffing
11 requirement due to the workforce crisis. The
12 Department of Health has the authority to
13 issue a $2,000 per day fine. We have
14 requested of the Governor that any fines --
15 first of all, fines shouldn't be issued to
16 providers who have done everything they can.
17 And the commissioner of Health has
18 declared for 2022 all 62 counties of the
19 State of New York are facing a healthcare
20 workforce crisis.
21 But we have requested of the Governor
22 that if any fines are issued, they be totally
23 redirected back into workforce recruitment
24 efforts at nursing homes.

1 ASSEMBLYMAN JENSEN: Okay. So how are
2 long-term-care providers currently handling
3 their worker shortage? And where are you
4 seeing and hearing from your membership the
5 shortage is most being felt? You know, is it
6 RNs, LPNs, CNAs, other support staff?
7 MR. HANSE: Sure. We're seeing it
8 across the state. We're seeing significant
9 shortages upstate. You heard earlier talking
10 about Rochester, Western New York, the
11 Adirondacks. But we're seeing it throughout
12 the state.
13 And what we're seeing are LPNs leaving
14 skilled nursing and going to hospitals.
15 Hospitals can always pay more than nursing
16 homes. With 74 percent of our payer mix
17 Medicaid, we can't afford to compete against
18 the hospitals for those LPNs. So what
19 nursing homes are doing, they are limited
20 admissions, they are closing units, they are
21 hiring agency staff at exorbitant rates that
22 are unsustainable.
23 So that's where they are right now.
24 ASSEMBLYMAN JENSEN: So with any

1 increase in Medicaid funding for long-term
2 care, what's your belief on how that -- those
3 dollars should be divvied up to the
4 providers? Is it based on geography, case
5 mix, quality levels?
6 MR. HANSE: What we're proposing is
7 for the $510 million state share for this, to
8 bridge us to rebasing, that would allocate
9 $44 per provider per Medicaid day across the
10 state. So depending on what your Medicaid
11 rate is, it would be an equitable increase,
12 be a bigger percent. If you had a lower
13 Medicaid rate, it would be less if you had
14 more.
15 So basically it's a uniform across the
16 state.
17 ASSEMBLYMAN JENSEN: Thank you.
18 ASSEMBLYWOMAN PAULIN: Thank you.
19 CHAIRWOMAN KRUEGER: Assembly.
20 ASSEMBLYWOMAN PAULIN: Assembly.
21 The next one is Nikki Lucas. And
22 welcome to the hearing.
23 ASSEMBLYWOMAN LUCAS: Good afternoon,
24 or good evening to everyone.

1 I think this one is for Mr. Hanse.
2 Could you share with me how much do
3 NAMI deductions contribute to nursing home
4 revenue?
5 MR. HANSE: I'm sorry? Could you say
6 that again?
7 ASSEMBLYWOMAN LUCAS: The net
8 available monthly income that's deducted from
9 patients at nursing homes.
10 MR. HANSE: Oh, the NAMI, the net
11 available --
12 ASSEMBLYWOMAN LUCAS: Yes.
13 MR. HANSE: How much it's --
14 ASSEMBLYWOMAN LUCAS: How much does
15 that contribute to the overall nursing home
16 revenue? How does that contribute to overall
17 revenue?
18 MR. HANSE: Sure. That helps offset
19 the cost of a Medicaid resident in a nursing
20 home.
21 ASSEMBLYWOMAN LUCAS: And what
22 percentage would you say contributes to the
23 overall revenue?
24 MR. HANSE: I would have to -- I would

1 have -- I'll circle back with you,
2 Assemblymember, and get you that number.
3 ASSEMBLYWOMAN LUCAS: Would you say
4 that that is significant to the overall
5 revenue? Because that should actually be
6 included in --
7 MR. HANSE: I would not say it was
8 significant. I would say it's not
9 significant. But I'm going to go back and
10 get that data for you.
11 ASSEMBLYWOMAN LUCAS: Okay. I just
12 thought, as part of the testimony, it should
13 definitely be included, because it is part of
14 revenue for the nursing homes.
15 MR. HANSE: Correct.
16 ASSEMBLYWOMAN LUCAS: And there has
17 been some significant concerns around the
18 calculations -- some being too high, some
19 being too low. But I'd be interested in
20 making sure that that's included in the
21 conversation and in the testimonies moving
22 forward as well.
23 But if you could get that information
24 back to me, I'd greatly appreciate it.

1 MR. HANSE: Sure. We run into
2 situations actually where unscrupulous family
3 members don't allow that money.
4 So I'll get you all the information.
5 ASSEMBLYWOMAN LUCAS: Thank you. I
6 appreciate it.
7 MR. HANSE: Sure.
8 ASSEMBLYWOMAN PAULIN: Yes,
9 Assemblymember Mikulin.
10 ASSEMBLYMAN MIKULIN: Thank you so
11 very much.
12 These questions are going to be for
13 Ms. Ryan.
14 We were speaking regarding NUMC
15 beforehand. Can you just explain to me -- we
16 were talking about the VAPAP. Now you have
17 applied, correct?
18 MS. RYAN: Yes, correct.
19 ASSEMBLYMAN MIKULIN: What has the
20 process been like?
21 MS. RYAN: We had to file a state
22 application. We had to go back and forth,
23 and they had more data that they requested.
24 We submitted that, we had -- on the NUMC side

1 we did have I think it was two phone calls
2 already, and that's on the NUMC side.
3 On A. Holly Patterson, they requested
4 more data. To my knowledge, we have not had
5 a discussion regarding the A. Holly Patterson
6 application.
7 ASSEMBLYMAN MIKULIN: And how has the
8 response been from the Department of Health
9 from the state?
10 MS. RYAN: Well, we are cooperating
11 with them. And from my knowledge we are told
12 that there are other hospitals that are in
13 the same or worse situation, so it does not
14 look hopeful on our side.
15 ASSEMBLYMAN MIKULIN: So there are
16 many hospitals.
17 Now, how many people do you serve in
18 Nassau County?
19 MS. RYAN: We have 260,000 visits,
20 outpatient visits annually. We have 67,000
21 emergency visits annually. We have 480
22 residents in our nursing home right now. We
23 have 345 patients in the hospital right now.
24 ASSEMBLYMAN MIKULIN: And if you do

1 not receive this money, what would you say
2 would happen?
3 MS. RYAN: It's going to impact our
4 operations. We're not going to be able to
5 continue our operations and continue to
6 provide this necessary healthcare to our
7 county residents.
8 ASSEMBLYMAN MIKULIN: And is there any
9 other revenue streams? Because you said most
10 of it's from Medicare, Medicaid.
11 MS. RYAN: Well, we do collect that,
12 and we are increasing our net collection
13 patient revenue each month. We brought in --
14 we've done a whole bunch of financial reforms
15 since September. We hired a consultant. So
16 we are seeing an increase in the net patient
17 collections. But again, the majority of our
18 patients are uninsured and are not commercial
19 payers. So it's a payer mix.
20 ASSEMBLYMAN MIKULIN: So without state
21 funding it's going to be extremely difficult
22 in order for you to continue what --
23 MS. RYAN: It's a healthcare crisis
24 without the state funding. In Nassau.

1 ASSEMBLYMAN MIKULIN: So now we have
2 many employees and we have many people
3 served. About how many people come in and,
4 let's say, are migrants or are people that
5 you have to serve but you don't receive any
6 money from the government for?
7 MS. RYAN: Well, 90 percent of our
8 patients. We do not turn anyone away,
9 regardless of their ability to pay or their
10 legal status. That's our mission.
11 ASSEMBLYMAN MIKULIN: So there are
12 people that come in that you will receive
13 absolutely nothing for.
14 MS. RYAN: Correct. Correct.
15 ASSEMBLYMAN MIKULIN: And what is the
16 projection -- so explain a little bit more
17 how it's going to affect services. What is
18 it that you believe that you're going to have
19 to cut?
20 MS. RYAN: So we're a Level I trauma
21 center, we have first responders coming in
22 all the time. We are -- we have the burn
23 unit, we have --
24 ASSEMBLYWOMAN PAULIN: Thank you.

1 ASSEMBLYMAN MIKULIN: Time's up, but
2 thank you very much.
3 ASSEMBLYWOMAN PAULIN: The Assembly
4 can continue. I think that's me.
5 So I have some questions about Nassau
6 as well, just to drill down just a little
7 bit.
8 MS. RYAN: Sure.
9 ASSEMBLYWOMAN PAULIN: So I know that
10 the county pays for your non-federal share of
11 DSH and that the state is paying off some of
12 your pension payment. You didn't refer to
13 that. Is that steady?
14 MS. RYAN: So the -- from my knowledge
15 the county does not -- does not pay our DSH
16 payment. We put up our DSH payment, which
17 we're waiting for the DSH to come in --
18 usually it's the end of January. So we are
19 awaiting that. And that money will go to our
20 pension payment that's due February 1st.
21 ASSEMBLYWOMAN PAULIN: So is that a
22 change? Did Nassau stop paying your
23 non-federal share of DSH?
24 MS. RYAN: It's -- it has decreased

1 since -- from federal cuts. And again, in
2 1999 we became a state entity.
3 ASSEMBLYWOMAN PAULIN: So part of this
4 is a county problem, right?
5 MS. RYAN: No, I believe it's a state
6 problem. I think it's everyone's problem.
7 (Overtalk.)
8 ASSEMBLYWOMAN PAULIN: No, I
9 understand. I understand.
10 But in terms of the absolute dollars,
11 part of the decrease is because of the
12 county's not paying the --
13 MS. RYAN: The data reflects it's
14 definitely due to the state funding. We
15 receive $40 million from the county every
16 year.
17 ASSEMBLYWOMAN PAULIN: So what -- I
18 don't want -- I just want to understand it so
19 we know how to help. Right?
20 MS. RYAN: Sure. Thank you.
21 ASSEMBLYWOMAN PAULIN: So the -- the
22 VAPAP money, is that -- is that what you're
23 worried about? Like I'm not sure exactly
24 what funding source specifically is being cut

1 at the state level.
2 MS. RYAN: All of them.
3 ASSEMBLYWOMAN PAULIN: No, no, I
4 said -- if you could just name them and give
5 me the amounts?
6 MS. RYAN: Sure.
7 ASSEMBLYWOMAN PAULIN: Yeah.
8 MS. RYAN: Yeah. I mean, I submitted
9 this, it's my Exhibit A. Yes, our DSH
10 funding has been cut --
11 ASSEMBLYWOMAN PAULIN: DSH is not from
12 the state, though. That's from the county.
13 So --
14 MS. RYAN: The DSRIP funding has been
15 cut from the state since 2017. Our CREP, the
16 CREP funding from New York State has been
17 cut. The Essential Healthcare Provider
18 Support Program has been cut.
19 ASSEMBLYWOMAN PAULIN: So is that in
20 this year's budget? Or you're saying that in
21 the past few years --
22 MS. RYAN: I'm going back every year
23 since 2017, every year. In 2021, 2022 and
24 2023, DSRIP and CREP just went away

1 completely. So --
2 ASSEMBLYWOMAN PAULIN: So I guess what
3 I'm asking is in this budget, what's
4 different and changed that you're advocating
5 for for this budget? I get that you've been
6 cut, as everybody else, right?
7 You know, so what is in this budget
8 that we would need to restore to bring you
9 back into last year's level?
10 MS. RYAN: Right. I think we need a
11 line item on the budget for Nassau Health
12 Care Corporation as a New York State public
13 benefit corporation, whether that's in
14 conjunction with the other two public benefit
15 healthcare corporations, Erie County Medical
16 Center and Westchester Medical Center, which
17 we have been in discussions with at, you
18 know, local levels and above, at the state
19 level.
20 So that would be helpful, as also a
21 determination of our VAPAP applications with
22 funding from either of those avenues. But I
23 think we need to go on the budget as a line
24 item. I think the county deserves it.

1 ASSEMBLYWOMAN PAULIN: Thank you. I
2 just wanted to really understand it. Thank
3 you.
4 MS. RYAN: Thank you.
5 CHAIRWOMAN KRUEGER: Thank you.
6 Anyone else? Anyone else?
7 ASSEMBLYWOMAN PAULIN: Anna Kelles.
8 ASSEMBLYWOMAN KELLES: Thank you so
9 much for being here. And my apologies if
10 this has been asked before.
11 I was specifically interested --
12 Michael, I'm -- yeah, thank you. Could you
13 talk to me a bit about the fiscal impact for
14 you from pharmacy benefit managers?
15 MR. DUTEAU: Yeah, absolutely.
16 So we fully support PBM reform. You
17 know, I think an easy way to quantify it
18 right here is what happened with Medicaid,
19 where we moved from managed care to
20 fee-for-service. And just by removing the
21 pharmacy benefit managers from that process,
22 pharmacies were losing much less money.
23 ASSEMBLYWOMAN KELLES: Like what
24 percentage saved do you expect that we would

1 see if we did this across the board?
2 MR. DUTEAU: That's hard to quantify.
3 I can get back to you with some real numbers.
4 But I know when we looked at the regulations
5 that were originally introduced, there would
6 be substantial positive impact for the
7 pharmacy industry and, more importantly, for
8 our patients. Everywhere from a
9 reimbursement standpoint, at point of sale,
10 to copay management and prior authorization
11 management on the patient side.
12 ASSEMBLYWOMAN KELLES: And I've heard
13 some concerns that the profit motives and
14 priorities of the pharmacy benefit managers
15 has led to crises for a lot of pharmacies
16 staying open. There's been closures. I've
17 seen many in my district.
18 I'm curious what -- if you could tell
19 us a little bit about that.
20 MR. DUTEAU: Yeah, that is absolutely
21 accurate.
22 So there are numerous levers that the
23 PBMs have been pulling that negatively
24 financially impact pharmacies. Medicare,

1 which is a little bit outside of this
2 conversation, but they have DIR fees which
3 have been retroactive clawbacks. They've had
4 other programs with similar levers where
5 pharmacies have actually filled the
6 prescription and then several months later
7 learned that they actually lost money -- on
8 not just the first fill, but each subsequent
9 refill.
10 ASSEMBLYWOMAN KELLES: If -- you know,
11 of the reforms that you've seen, what do you
12 think are the most effective ones, if you
13 were going to make specific recommendations?
14 MR. DUTEAU: So I think obviously we
15 need to start with, you know, licensure,
16 registration, make sure that we have parity.
17 Health plans are licensed, pharmacies are
18 licensed, health systems are licensed. The
19 PBMs haven't been. They've been able to
20 operate behind this curtain that makes it
21 hard not only to detect what's going on, but
22 also to regulate and enforce those
23 regulations. So that's the starting point.
24 And from there you look at fair market

1 practices. You know, what -- what's in the
2 best interests of the patient that allows the
3 pharmacist and other providers to really care
4 for that patient in a way that doesn't
5 negatively financially impact them.
6 ASSEMBLYWOMAN KELLES: Great. Thank
7 you so much.
8 MR. DUTEAU: Thank you.
9 CHAIRWOMAN KRUEGER: (Mic off) -- and
10 release you, so to speak. Of course you can
11 stay and listen to more.
12 And we are jumping to Panel F:
13 Agencies for Children's Therapy Services;
14 Children's Health home of Upstate New York;
15 The Children's Agenda; 13thirty Cancer
16 Connect; and Alliance of New York State
17 YMCAs.
18 We might need a fifth chair, someone.
19 Oh, thank you, Ian.
20 Okay, why don't we just go in the
21 order I just read your names under: Agencies
22 for Children's Therapy first, Scott Mesh.
23 You have to press the button down hard
24 until you see the green light go on. Push

1 harder. It requires serious pushing.
2 (Off the record.)
3 CHAIRWOMAN KRUEGER: There we go.
4 Strong fingers, good.
5 MR. MESH: So sorry.
6 CHAIRWOMAN KRUEGER: That's okay. If
7 you need a little time, we can jump to
8 someone else and come back.
9 MR. MESH: I am ready.
10 CHAIRWOMAN KRUEGER: Okay, good.
11 MR. MESH: Thank you, Chairs Gustavo
12 Rivera, Krueger, Weinstein, Paulin and
13 committee members, for allowing me to testify
14 today on behalf of the Agencies for
15 Children's Therapy Services, ACTS, an
16 association of 31 agencies providing Early
17 Intervention services to 25,000 children,
18 over a third of the EI children in New York
19 State. Members also provide pre-K, special
20 ed and school-age special ed services.
21 I'm Scott Mesh, an ACTS board member.
22 For the last 25 years I have co-owned and
23 operated an Early Intervention agency, Los
24 Niños Services, with Edita Diaz, school

1 psychologist, serving New York City and
2 Westchester.
3 We thank you so much and are so
4 grateful to Senator Gustavo Rivera and
5 supporters for approving a Senate bill
6 yesterday to increase EI services 11 percent,
7 finally. Please keep this simple and support
8 Senator Gustavo Rivera's bill. It's critical
9 and urgent to get the overdue increase this
10 year to avoid devastation of the EI program.
11 Kids are not getting services, agencies are
12 closing. Perhaps these points will help
13 secure increased reimbursement this year.
14 My overall message is simple:
15 Houston -- I mean Albany -- we have a
16 problem. EI's been decimated, especially in
17 recent years. Two thousand teachers and
18 therapists have left EI just in recent years.
19 Over 50 percent of children don't get any or
20 all EI services, according to a Comptroller's
21 report two years ago. And the situation is
22 worse.
23 Commissioner McDonald commented this
24 morning that many families get no services at

1 all. Commissioner McDonald gets it. And as
2 he said, the low rate of pay to therapists
3 due to the low EI reimbursement rates,
4 without significant increases for many years,
5 is the main reason providers have left EI in
6 droves.
7 One of the largest agencies in
8 New York State that has operated for
9 30 years, has now closed in Westchester all
10 Early Intervention services, just in the last
11 couple of months. That same agency has
12 closed most of New York City services. Our
13 own program, serving 2,000 infants and
14 toddlers, is now at financial risk. Finally,
15 a niece of ours, who graduated as a speech
16 pathologist, was with us two years, and she
17 just left us to earn $20,000 more at a
18 hospital. Preschool and special ed schools,
19 clinics and hospitals pay much more.
20 CHAIRWOMAN KRUEGER: Thank you. I
21 have to cut you off.
22 MR. MESH: Thank you so much.
23 CHAIRWOMAN KRUEGER: Thank you. We
24 have everyone's full written testimony, even

1 if you can't speed-read it.
2 Next?
3 MS. BRYL: All right. Good afternoon.
4 I'm Nicole Bryl, CEO of the Children's Health
5 Home of Upstate New York. We also refer to
6 ourselves as CHHUNY.
7 I would like to thank the members of
8 the Senate and Assembly for the opportunity
9 to provide testimony today.
10 I am here for one reason, and that is
11 to request that the children's health homes
12 be exempt from the proposed health home
13 restructuring cost savings of $125 million.
14 A cost savings of this magnitude, in addition
15 to the $100 million in last year's enacted
16 budget, will end the health home program for
17 children in New York State. We are confused
18 as to what 30,000 children and families will
19 do when these services go away.
20 CHHUNY is a health home designated to
21 serve only children and youth under the age
22 of 21. Our health home serves over 12,000
23 members each month in 55 upstate counties
24 through a network of over 80 care management

1 agencies.
2 The population we serve primarily
3 consists of children and adolescents with
4 mental health conditions. We also serve
5 children with developmental disabilities,
6 medical complexities, and social care needs.
7 We understand that there is a
8 significant Medicaid budget gap that needs to
9 be addressed, but decimating our program's
10 funding without any plan in place is
11 irrational, and the unintended consequences
12 will result in more costly alternatives.
13 A full year of health home services
14 for a child and family is far cheaper than an
15 average four-day hospital stay, a 60-day
16 residential program placement, foster care
17 placement, or a permanent placement in a
18 long-term-care facility for our medically
19 complex children. Not to mention these
20 systems are already taxed in that capacity,
21 as we've heard today.
22 Preventative care is more
23 cost-effective and provides better outcomes
24 for children and families.

1 Over the last seven years, care
2 management services for children have been
3 consolidated under the health home model to
4 streamline and simplify the children's system
5 of care. OMH targeted case management in
6 2016, and then in 2019 six state waivers
7 through OMH, OCFS and OPWDD all consolidated
8 under the health home model.
9 We are the pathway to HCBS and CFTSS
10 services for children with serious emotional
11 disturbance. We are the Early Intervention
12 ongoing service coordinator for children who
13 require the children's waiver and Early
14 Intervention services. And most recently we
15 are the solution for OPWDD for children under
16 the age of five, as it has become
17 increasingly difficult to qualify for those
18 services.
19 For our members, ED visits have
20 decreased and patient stays have decreased,
21 primary care visits and annual dental visits
22 have increased. We have worked closely with
23 our managed care plans to close gaps in care
24 and have been so successful that CHHUNY is

1 the first health home to engage in a
2 risk-based contract for value-based care.
3 Without a plan in place at DOH to
4 implement this cost savings, we question how
5 the integration of health home services
6 within the overall children's system of care
7 will be addressed. The result would not be a
8 restructuring but, rather, complete
9 destruction of a program and infrastructure
10 we have worked so hard to optimize.
11 Thank you for your time.
12 ASSEMBLYWOMAN PAULIN: Thank you very
13 much.
14 Next. Children's Agenda?
15 MS. HURLEY: Thank you. Sorry.
16 Hi. I apologize for that. I wasn't
17 tracking what order we were going in.
18 So I'm Brigit Hurley from
19 The Children's Agenda and the Kids Can't Wait
20 Coalition. I thank you for the opportunity
21 to speak with you today.
22 As you know, across the state infants
23 and toddlers with developmental delays and
24 disabilities are languishing, they're

1 regressing, as they wait for EI services that
2 an evaluation has determined they need and
3 federal law says they have a right to. They
4 wait and sometimes, as you've heard, don't
5 ever receive their services and they age out
6 of the program.
7 I'd like to share a few parent
8 testimonials with you. A mother of a
9 3-year-old who waited months and months for
10 EI services and only got one of the several
11 that he was supposed to receive says:
12 "Developmental milestones could have been met
13 if the services were met in a timely manner.
14 It's a federal right for services to be met
15 in 30 days, so I don't understand why this
16 isn't happening. I just ask you and urge you
17 to think of my son when he wasn't able to get
18 his services for Early Intervention, and also
19 countless other families in New York State
20 who are still waiting for these crucial
21 services, and how agonizing and frustrating
22 it is when these are not able to be met."
23 A mother of 5-year-old twins who
24 benefited from Early Intervention services

1 says: "I am so passionate about these
2 services and fervently believe that my twins
3 are doing as well as they are because of the
4 work that their therapist did with them from
5 when they were only a couple of months old
6 all the way through when they were three. We
7 put in the work. We worked with the
8 therapists, and the twins are doing just
9 exceptionally, exceptionally well. I can't
10 imagine how it would have looked different if
11 we had had to wait any longer than we did."
12 There's plenty of evidence that
13 New York State's Early Intervention program
14 is in dire need of significant investments.
15 A couple of pieces of evidence: The most
16 common EI services are reimbursed now at a
17 rate that is lower than they were in 1994.
18 The percentage of families receiving services
19 on time has dropped from 78.3 percent in 2014
20 to 53.9 percent in 2022. As of August 2023,
21 at least 7,360 children were waiting for
22 services, reflecting a 28 percent increase
23 since 2022 and a 500 percent increase since
24 2020.

1 The Kids Can't Wait Coalition is
2 pleased with the Executive Budget, that
3 includes a 5 percent rate increase for
4 in-person services and a 4 percent modifier
5 for services delivered in rural and
6 underserved areas. It's a good start, but
7 it's not enough.
8 ASSEMBLYWOMAN PAULIN: Thank you so
9 much.
10 Next is Lauren Spiker.
11 MS. SPIKER: Good evening, and thank
12 you for your continued attention after this
13 very long day. Today I actually hope to
14 generate more questions than I have answers
15 for. I am Lauren Spiker, the founder of
16 13thirty Cancer Connect, a nonprofit based in
17 Rochester, New York, representing the 90,000
18 teens and young adults who are diagnosed each
19 year with cancer in the United States.
20 There's one young person every 6
21 minutes who hears the words: You have
22 cancer. Every 6 minutes a young life is
23 interrupted, and for far too many that
24 interruption is forever.

1 Twenty-three years ago our 19-year-old
2 daughter Melissa was one of those young
3 people. Yesterday was her birthday. Despite
4 two years of aggressive treatment, Melissa
5 lived an extraordinary albeit far too short
6 life. I don't have nearly time enough to
7 describe her, so I'll skip ahead to just
8 three nights before she died.
9 Late that night I told her how proud I
10 was of her and thanked her for all I had
11 learned from her. In response, she issued me
12 a challenge which brings me here before you
13 today: "If you learned anything from me
14 through all of this," she said, "do something
15 with it, something to make a difference, to
16 make things better."
17 I founded 13thirty Cancer Connect to
18 keep the promise I made that night. And we
19 are making a difference. With two physical
20 centers in Rochester and Syracuse, we help
21 AYAs -- adolescents and young adults --
22 between the ages of 13 and 39 develop a new
23 peer community of others who understand, who
24 get it, something Melissa never had. Our

1 mobile wellness apps and virtual programs
2 help AYAs across the globe better manage the
3 debilitating effects of their cancer. Our
4 clinician and educator workshops help
5 providers deliver more effective care, and
6 our advocate efforts heighten awareness of
7 the unique challenges facing this group.
8 But much more needs to be done, as the
9 incidence of early onset cancer is projected
10 to rise by 31 percent by 2030.
11 Today, on behalf of the over 5500
12 teens and young adults diagnosed each year in
13 New York, I ask you to allocate funds to
14 bridge the gap into which AYAs still fall.
15 Specifically, funding is needed for AYA
16 research, widespread public awareness
17 campaigns, more effective continuity of care
18 protocols, and additional community-based
19 support services like those provided by
20 13thirty.
21 I urge consideration for changes
22 regarding insurance coverage and
23 reimbursement, educational and employment
24 protections, expanded tax credits, and

1 perhaps new health-related incentives.
2 For my organization, I ask for funding
3 for a project that we are in the middle of
4 coordinating services in our community.
5 ASSEMBLYWOMAN PAULIN: Thank you very
6 much.
7 (Overtalk.)
8 MS. SPIKER: You're welcome.
9 ASSEMBLYWOMAN PAULIN: Thank you.
10 Maggie Dickson?
11 MS. DICKSON: Good evening,
12 Chairs Krueger, Paulin, and Rivera and
13 esteemed members of the Legislature. Thank
14 you for the opportunity to testify before you
15 today.
16 My name is Maggie Dickson, and I am
17 the director of public policy at the Alliance
18 of New York State YMCAs. We represent
19 36 YMCA associations and 140 YMCA branches
20 across the state, to provide Ys with the
21 resources necessary to make the greatest
22 impact on their communities. At the heart of
23 community, you'll find your Y.
24 We focus on empowering young people,

1 improving health and well-being, and
2 inspiring action in and across communities.
3 The Y has a long history of deploying
4 programs and services to meet the needs of
5 communities, including childcare, afterschool
6 and out-of-school programs such as camp and
7 swim, sports and play opportunities, housing
8 for low-income individuals, and
9 evidence-based health interventions.
10 The primary purpose of our testimony
11 today is to highlight the role YMCAs play as
12 a community-based partner. In proposals
13 included in the Executive Budget such as
14 New York Swims and school-based mental health
15 clinics, we emphasize the role YMCAs could
16 play in robust implementation of the
17 Governor's proposals. CBOs would help to
18 ensure every child has year-round access to
19 programs.
20 We are grateful to the Legislature for
21 the $1 million line item we receive every
22 year, which enables Ys to continue their
23 community-based programs including childcare,
24 water safety and public health initiatives.

1 This year we are requesting a $4 million
2 increase for a total of $5 million to ensure
3 Ys can continue to support communities across
4 New York State.
5 Finally, previous panels have
6 discussed the cost of chronic disease and the
7 overwhelm hospitals are facing. YMCAs
8 implement evidence-based chronic disease
9 prevention and health management programs --
10 which are listed in my written testimony --
11 and we look forward to partnering with other
12 CBOs and assisting with social care service
13 navigation and health-related social needs,
14 in accordance with the 1115 Medicaid waiver,
15 to achieve collective goals to reduce health
16 disparities and improve health equity.
17 The alliance appreciates the support
18 of the New York State Legislature and looks
19 forward to continuing to act as a partner.
20 Thank you.
21 CHAIRWOMAN KRUEGER: (Mic off.) We
22 have Senator Samra Brouk.
23 SENATOR BROUK: Great. Is it evening?
24 Good evening. Thank you all for your

1 patience today.
2 I just -- you know, my Rochester folks
3 here, I have to just give a shout out and say
4 Lauren, you did an amazing job and I think we
5 all agree that your daughter would be very,
6 very proud of the way you represented that.
7 And I think it's a lot that we need to think
8 about in terms of where we can put some more
9 priorities and allocate some more funding
10 especially for our young people. So I just
11 wanted to say thank you so much for making
12 the trip.
13 I also wanted to ask a question around
14 the Early Intervention. So I think I saw
15 some of you in the audience; you spent some
16 time listening today. And, you know, when we
17 brought this up to the DOH commissioner, he
18 said we're lucky that there's an increase at
19 all in a year like this year.
20 And of course the first thing I
21 thought of was, well, I don't know if we're
22 lucky, because it's not exactly what we need.
23 I think there needs to be more of a
24 reimbursement rate increase. But also

1 there's the lack of consideration of what
2 this will cost down the line when we fail to
3 offer these Early Intervention services.
4 So I would love for you -- and I open
5 this up to anyone up here around
6 Early Intervention -- to talk about the costs
7 that we end up inevitably incurring later
8 down the line when we fail to actually
9 provide these services to young people when
10 they need them.
11 MS. HURLEY: So I don't have the
12 numbers in front of me right now, but could
13 get those to you around the cost of preschool
14 special education and then K-12 special
15 education. But I can say that it's far more
16 than the cost of a year or six months of EI
17 that might prevent a child from needing those
18 services.
19 And I think we also need to take into
20 account what I'm hearing from preschool
21 teachers and preschool special education
22 teachers, is that children are coming to them
23 with much greater needs, many of them because
24 they have not had sufficient EI services. So

1 they're needing even more resources than they
2 might normally. So we're -- it is
3 penny-wise, pound-foolish to not be funding
4 these services fully.
5 SENATOR BROUK: Thank you.
6 Want to add?
7 MR. MESH: If I could just add, we pay
8 now or we pay much more later.
9 I don't have stats to give you, but
10 I'm a psychologist and I've evaluated many,
11 many children. I can think about one child
12 who was severely autistic at age two and a
13 half, and when the mom called me three years
14 later, there were no signs of autism. Kids
15 do get better, and they can get a lot better
16 with the help early.
17 SENATOR BROUK: Thank you all.
18 I'll give you those 20 seconds back.
19 ASSEMBLYWOMAN PAULIN: Thank you.
20 Assemblymember Rodneyse Bichotte
21 Hermelyn.
22 ASSEMBLYWOMAN BICHOTTE HERMELYN:
23 Hello. Thank you all for coming here today
24 to testify and advocating on behalf of all of

1 our children. Thank you so much.
2 I am a new mom and I've also had
3 concerns in terms of the resources as it
4 relates to Early Intervention. You know,
5 very often all of us, when we -- you know,
6 we've borne children into this world,
7 hospitals and then trying to get them
8 childcare, we just don't know what stage
9 they're in. We don't even know where to get
10 the resources, because the topic of
11 Early Intervention is just not mentioned at
12 all.
13 And as we're talking about
14 reimbursement, and my colleague Senator Brouk
15 mentioned addressing the vital concerns about
16 that, I had a question about the racial and
17 geographic disparities as it relates to, you
18 know, Early Intervention reimbursement and
19 services.
20 Can you tell us a little bit more
21 about that? I know for me, literally I'm
22 having my child be evaluated and I didn't
23 even know to do or how to do it, it was just
24 a referral.

1 And so in my community, which is a
2 community that's majority Black and brown,
3 low income, the vast majority of the members
4 of my community just don't know anything
5 about Early Intervention. So can you tell us
6 a little bit more about the racial
7 disparities as it relates to the
8 reimbursement?
9 MS. HURLEY: Yes. The Bureau of
10 Early Intervention released a report in
11 August of 2021 that described the data they
12 had collected on racial disparities, and
13 children of color are referred at lower rates
14 and wait longer for services and are more
15 likely to not receive services.
16 So it's an area of great concern of
17 ours. One of the things that we want to make
18 sure is that the services are delivered
19 in-person whenever that is appropriate for
20 the child, which is most of the time. And
21 right now there are a lot of children,
22 particularly children in certain areas of our
23 metro areas, that have no opportunity to
24 receive services in-person. They're only

1 offered telehealth, and part of that is
2 because providers, you know, preferring to
3 provide telehealth rather than travel into
4 some of the neighborhoods. So there's
5 definitely disparities.
6 We are happy to see that the Executive
7 Budget includes a rate modifier that would
8 incentivize providers an additional 4 percent
9 on top of the 5 percent for underserved areas
10 and rural areas, and we think that that will
11 help.
12 ASSEMBLYWOMAN BICHOTTE HERMELYN:
13 Thank you.
14 ASSEMBLYWOMAN PAULIN: Assemblymember
15 Gandolfo.
16 ASSEMBLYMAN GANDOLFO: Thank you all
17 for your testimony.
18 And Ms. Spiker, I thank you for
19 sharing your story and what you're doing to
20 honor your daughter's memory and your
21 advocacy. You know, we've seen in many
22 different areas that the peer-to-peer kind of
23 connection really does help people get
24 through some tough times.

1 You were cut off a little bit during
2 your testimony about the capital -- some of
3 your capital needs. Can you expand on that a
4 little bit, how we might be able to help?
5 MS. SPIKER: Thank you for giving me a
6 few extra seconds.
7 One of the biggest problems that we
8 see with the kids we serve is their
9 challenges are so unique and they cross so
10 many important transitions in their lifetime
11 that services and programs for them are not
12 coordinated. They fall into lots of siloed
13 pockets, and nobody really understands what
14 their very unique challenges are, especially
15 as they transition from pediatric to adult
16 care.
17 So one of the projects we are
18 currently working on, in collaboration with
19 University of Rochester Medical Center and
20 Rochester Regional Health System, is to build
21 a coordinated and comprehensive delivery of
22 care service by which our AYAs and their
23 caregivers would have access to providers who
24 understand their very specific challenges.

1 And for that, we have just started a
2 preliminary needs assessment, but I think
3 that is the biggest thing that I would ask
4 for from this body, is to help us fund a
5 widespread needs assessment. Because we
6 really don't know what the unmet needs of our
7 adolescents and young adults in our
8 communities are, because we just have never
9 studied that.
10 So this pilot program that we're
11 starting in Rochester, I would love further
12 support for.
13 ASSEMBLYMAN GANDOLFO: Thank you very
14 much.
15 ASSEMBLYWOMAN PAULIN: Senator Cooney.
16 SENATOR COONEY: (Mic problems.)
17 There we go. There you go. Thank you.
18 Brigit, thanks so much for making the
19 trek here, and we appreciate all the work
20 that The Children's Agenda has been doing.
21 Wanted to focus in, of course, on my passion,
22 which is the Child Tax Credit. Last year we
23 finally made that sensible change to make
24 sure that children under the age of 4 were

1 included in the tax credit.
2 We're starting to hear some positive
3 things on the federal side. We'll see. But
4 hopefully you could share with us the impact
5 in upstate cities specifically, if we were
6 able to increase that benefit to families
7 with one or more children, what that would
8 look like in terms of their quality of life
9 in reducing poverty rates across the state.
10 MS. HURLEY: Sure. So we are -- The
11 Children's Agenda is supporting the -- the
12 broader tax credit that's now been introduced
13 and are hoping that implementation of that
14 will produce the effects that we've seen over
15 and over again, both in Rochester and around
16 the country and the world in terms of the
17 increase in family well-being when they have
18 an increase in income.
19 So that's going to affect children's
20 health, children's social-emotional
21 well-being, and we are very hopeful that this
22 year we'll be able to get even more
23 significant gains in the tax credit for
24 children and families.

1 SENATOR COONEY: And have there been
2 studies that have shown how families have
3 utilized those dollars? I know that it's a
4 little bit awkward in terms of the fact that
5 it comes from a tax credit side versus, you
6 know, cash flow throughout the course of the
7 year. But have you done research in terms of
8 how families have utilized that money? Is it
9 for rent stabilization, is it for healthcare
10 needs? Could you comment on that briefly?
11 MS. HURLEY: Right, sure.
12 So we had our own little experiment,
13 really, in the United States, right, with the
14 pandemic and the increase in the Child Tax
15 Credit. And what we know from that is that
16 it was spent on food, it was spent on
17 housing, it was spent on enrichment
18 activities for children.
19 So it's exactly what you would imagine
20 if you were given -- if you had a child and
21 were given money for -- you know, to invest
22 in your family. Families invest it in what's
23 best for their long-term health, the
24 long-term health of their children. So ...

1 SENATOR COONEY: Well, we're certainly
2 hoping that New York families will have that
3 opportunity this year. So we thank you for
4 your support.
5 I yield back my time, Chair.
6 ASSEMBLYWOMAN PAULIN: Thank you very
7 much.
8 Assemblymember Kelles. Oh, Josh, I
9 keep looking at you -- sorry.
10 ASSEMBLYMAN JENSEN: It's all right.
11 ASSEMBLYWOMAN PAULIN: Assemblymember
12 Jensen. I keep skipping him.
13 ASSEMBLYWOMAN KELLES: We look very
14 similar.
15 (Laughter.)
16 ASSEMBLYMAN JENSEN: Yeah, very
17 similar.
18 ASSEMBLYWOMAN PAULIN: At this hour,
19 you do.
20 (Laughter.)
21 ASSEMBLYMAN JENSEN: My question is
22 for Ms. Spiker. In your oral testimony you
23 talked about seeing an increased incidence of
24 cancer for the AYA population. What are the

1 causes for that increase? And what can be
2 done to mitigate those risks?
3 MS. SPIKER: The first part to that
4 question is we really don't even have a clear
5 idea of what causes adolescent and young
6 adult cancer to begin with.
7 As for the increased incidence which
8 is projected, most of it is lifestyle causes,
9 diet, sedentary lifestyle, perhaps,
10 environmental exposures. Some of that
11 projected increase could be because we have
12 done a better job of early screening, so
13 perhaps we are identifying some cancers
14 earlier.
15 But within those suspected causes
16 there are lots of opportunities for public
17 awareness, for the folks in our age group to
18 be more aware of those kinds of challenges,
19 for primary care physicians to better
20 understand some of the late effects that
21 challenge our kids even post-treatment. So
22 there are opportunities with regard to
23 primary prevention, early detection, and then
24 also survivorship issues that would hopefully

1 try to mitigate some of those risks.
2 ASSEMBLYMAN JENSEN: I know in
3 previous conversations you and I have had,
4 when we look at the care continuum and where
5 medical research is being conducted, there's
6 a focus on the youngest ages, the middle
7 ages, and elders, but yet there's a dearth of
8 medical research going on with the AYA
9 population.
10 Is that something that -- whether it's
11 at the state level or working with our
12 federal partners -- we should be encouraging
13 greater amounts of research, especially as we
14 see the increased incidence?
15 MS. SPIKER: Yeah, absolutely. It
16 wasn't until not too long ago that we thought
17 about teenagers as being different from young
18 children and young adults as being different
19 from older adults. So there's been very
20 limited research with regard to the cancers
21 that our kids get.
22 So there are great opportunities. For
23 us as a community-based organization, to
24 partner with our academic research partners

1 really I think has the best hope for us to
2 really get at what are some of the issues and
3 how can we best support this group.
4 So we would love support for
5 AYA-targeted research.
6 ASSEMBLYMAN JENSEN: And certainly
7 right now your organization doesn't receive
8 any state funding for any of your operations.
9 Would even a little bit of allocation help to
10 not just meet the needs of this population in
11 Rochester and Syracuse but also set new
12 goalposts for how we can affect this
13 population for the better statewide?
14 MS. SPIKER: Yeah, absolutely. I'm
15 really new to this whole state funding
16 process, so yeah, a little bit would go a
17 long way. Thank you.
18 ASSEMBLYMAN JENSEN: Thank you,
19 Lauren.
20 ASSEMBLYWOMAN PAULIN: Now
21 Assemblymember Anna Kelles.
22 ASSEMBLYWOMAN KELLES: Thank you.
23 Thank you so much for all of the work
24 that all of you are doing. This is so

1 important.

2 EI I am particularly passionate about

3 because we do know, of course, child

4 development, brain development during the

5 first three years of life is -- you know,

6 sets the stage for the rest of our lives,

7 because that's when a lot of the synaptic

8 connections are being built, in that

9 zero-to-three period. So, you know,

10 incredibly important. So thank you so much

11 for that.

12 One of the concerns that I have --

13 well, two things. One, do we have a

14 geographic layout of where kids are being

15 served and where there are the greatest gaps

16 in those who need it who are not currently

17 being served who would be eligible for EI?

18 Do you know, does that exist? Has that map

19 been created?

20 MS. HURLEY: I believe that exists

21 within the Bureau of Early Intervention in

22 the Department of Health. It's not publicly

23 available, because we asked for it.

24 ASSEMBLYWOMAN KELLES: That's why we

1 haven't seen it.
2 MS. HURLEY: Yes. Yeah.
3 ASSEMBLYWOMAN KELLES: All right, I
4 will ask for that.
5 That was one question that would give
6 a really good sense of how to target.
7 My second question is actually
8 continuity of care. What I am seeing in my
9 district, there was a case that was just
10 brought to me recently that was very
11 disturbing, which is that even if kids are
12 able to get EI, because of the different ways
13 in which they are funded once they hit pre-K,
14 because the EI is state but pre-K then shifts
15 into both district and county -- and if it's
16 just county, then the providers can't provide
17 if they are in the school. And in rural
18 areas, they don't exist outside of the
19 school. So you end up with a tremendous lack
20 of continuity of care.
21 Have you seen -- with all of the
22 children that you have in EI, have you been
23 able to create a transition for them, or
24 continuity of care? Or are you seeing, as

1 well as I am in my district, particularly in
2 rural areas, a tremendous disconnect where a
3 lot of them fall off, even of those who do
4 get EI? So it's an extension question.
5 MS. HURLEY: Right.
6 I don't want to speak as if I'm
7 knowledgeable about different areas of the
8 state and how those transitions happen. I
9 can tell you that there are -- there is an
10 issue, and I speak with families all the time
11 who have trouble making the transition
12 because you're going through the Department
13 of Health to state to the education system.
14 And there are families who have just, as you
15 said, don't make it through. Because you
16 have to have an entire new evaluation
17 addressing that.
18 So there's -- yes, there's definitely
19 an issue of transition, yeah.
20 ASSEMBLYWOMAN KELLES: I don't know if
21 you had anything to add.
22 MR. MESH: The answer is yes, there's
23 a lot of issues with transition, where
24 New York City and Westchester absolutely

1 needs more to be done to smooth them out.
2 All over the state.
3 ASSEMBLYWOMAN KELLES: Great. Thank
4 you.
5 CHAIRWOMAN KRUEGER: Anyone else?
6 ASSEMBLYWOMAN PAULIN: Yes.
7 Assemblymember Ra.
8 ASSEMBLYMAN RA: Thank you. Thank you
9 all for your advocacy on behalf of our
10 state's children.
11 Ms. Spiker, I just -- you started to
12 get into this with Mr. Gandolfo a little bit.
13 But just, you know, the continuum of needs
14 that this -- you know, a population like
15 young adults with cancer have in terms of,
16 you know, their education and their
17 development socially, I'm sure mental health.
18 So what can the state be doing to help
19 make sure that those needs are met with that
20 population, in addition to obviously the
21 obvious treating the illness, but there's all
22 these other things that I'm sure they're
23 missing in their development.
24 MS. SPIKER: One primary solution that

1 would definitely help would be provider
2 education. If we could do a better job of
3 educating the primary care physicians, both
4 pediatric and at the PCP level on the adult
5 side, of the very unique challenges facing
6 our teens and young adults, that would go a
7 long way to help as they transition through
8 different levels of care.
9 With regard to mental health in
10 particular, I oftentimes will have, whenever
11 our members say, you know, I really need some
12 help because this is really hard -- and it's
13 really hard when you're this age. You know,
14 you haven't got your life figured out to
15 begin with, and everything gets turned
16 upside-down and interrupted.
17 I would like to be able to refer,
18 through some sort of a coordinated network,
19 as I spoke about earlier -- I would like to
20 be able to refer our kids -- they're always
21 kids to me -- to a mental health counselor
22 who understood that kid's unique challenges.
23 I would like to refer them to a primary care
24 physician as a transition into survivorship

1 care, to someone who is aware of the late
2 effects that they might suffer.
3 So provider education is one very,
4 very big area of need.
5 ASSEMBLYMAN RA: In your written
6 testimony you talked about there's a I guess
7 increased likelihood for secondary cancers in
8 this population. So where -- what is the
9 kind of -- like how should we be approaching
10 that? Is -- does there have to be more clear
11 guidelines of what else these patients should
12 be screened for after a certain amount of
13 time, and --
14 MS. SPIKER: Yes. And yes.
15 There needs to be guidelines, there
16 needs to be standards of care. Like I said,
17 until recently we really hadn't even -- there
18 wasn't even a discipline called AYA oncology.
19 So we really need to start from ground zero.
20 Especially at the New York State level, we
21 could really kind of set the pace for trying
22 to identify and assess what are the needs and
23 what should we be doing.
24 So that task force that I suggested

1 before would be a really great start.
2 ASSEMBLYMAN RA: Thank you.
3 CHAIRWOMAN KRUEGER: Any other
4 Assemblymembers? Senators?
5 Okay, then we want to thank you very
6 much for being with us today.
7 Next is Panel G: Medical Society of
8 the State of New York; New York State Nurses
9 Association; New York Society of PAs,
10 physician assistants; Associated Medical
11 Schools of New York; and CWA District 1.
12 So I think we do have five chairs.
13 We'll let everybody get here. And we will go
14 in the order that we have called you up in.
15 (Off the record.)
16 CHAIRWOMAN KRUEGER: And then for
17 people who are still here to testify at the
18 panel after this, Panel H, you might want to
19 head down towards the front so we'll just
20 move things along.
21 Good evening, everyone. And I guess
22 we're calling on the Medical Society of
23 New York first, Dr. Jerome Cohen.
24 DR. COHEN: Thank you.

1 Good afternoon. I am Dr. Jerome
2 Cohen, senior attending gastroenterologist
3 for the Bassett Healthcare Network in
4 Cooperstown. I am also president-elect for
5 MSSNY, which advocates for more than 20,000
6 physicians practicing across New York. Thank
7 you for the opportunity to testify.
8 Our written testimony highlights
9 several positive items in the budget to
10 expand access to care, including investments
11 in the patient-centered medical home program,
12 further medical student loan repayment,
13 telehealth payment parity, and expanded
14 health insurance subsidies.
15 However, our testimony also reflects
16 strong concerns with other proposals
17 counterproductive to maintaining patient
18 access to community-based physician care,
19 including eliminating MSSNY's Committee for
20 Physicians' Health program, imposing
21 $40 million in new costs on physicians for
22 Excess Medical Liability Insurance coverage,
23 and a series of proposals to remove physician
24 oversight and collaboration.

1 Some of these proposals will actually
2 make it harder for physicians to remain in
3 practice to deliver patient care.
4 At a time when physician burnout is
5 continuing to rise, it is senseless to repeal
6 the Committee for Physicians' Health program.
7 This longstanding program has helped
8 thousands of physicians suffering from
9 behavioral health challenges or addiction,
10 and has been routinely extended by the
11 Legislature in five-year increments over the
12 last several decades, including last year's
13 extension of the program until 2028. In
14 fact, the Governor's initial budget proposal
15 last year was for a 10-year extension.
16 It is important to note that CPH is
17 not funded from general appropriations but by
18 a $30 surcharge paid by physicians themselves
19 in their biennial registration fee.
20 We also urge the Legislature to again
21 reject the proposed requirement that the
22 15,000 physicians enrolled in the excess
23 medical malpractice insurance program bear 50
24 percent of the cost of these policies. This

1 would thrust nearly $40 million of new costs
2 on the backs of our community-based
3 physicians, many of whom are struggling to
4 stay in practice to deliver needed care, at a
5 time when they already face staggeringly high
6 liability premiums.
7 The end result is that many physicians
8 will simply forgo this coverage in order to
9 avoid these new costs.
10 This proposal has been rejected in
11 previous budgets because of its adverse
12 impact on the patients who are ultimately the
13 beneficiaries of this program.
14 Again, there are numerous concerning
15 items in this budget that will reduce patient
16 access to community-based physician care and
17 remove important oversight and collaboration
18 provided by physicians that better ensures
19 patient safety. We urge you to prioritize
20 expanding access to skilled primary and
21 specialty-care physicians instead of
22 imperfect solutions that seek to replace
23 them.
24 Thank you. Those are my remarks.

1 Thank you.
2 CHAIRWOMAN KRUEGER: (Mic off;
3 inaudible.)
4 MR. BELL: Thank you. Thank you for
5 the opportunity today to weigh in on the
6 budget.
7 NYSNA has three or four priorities in
8 terms of the budget: Obviously, addressing
9 equity issues; expanding coverage; addressing
10 the funding problems, especially of
11 safety-net providers; and of course
12 addressing the staffing crisis.
13 The budget has a lot of measures that
14 take steps, positive steps in addressing some
15 of those core concerns for NYSNA, but it
16 doesn't go far enough. Obviously we join in
17 with the other unions and other providers who
18 testified very eloquently and forcefully
19 today about the need to increase -- to deal
20 with the Medicaid gap, for example,
21 particularly for safety nets.
22 But I want to focus -- you know, and
23 there are some positive measures to expand
24 coverage. Again, it doesn't go far enough.

1 We would advocate that the state consider the
2 New York Health Act, which would address, I
3 think, not only universal coverage but also
4 quality of care and also the funding
5 problems.
6 But I want to spend the last minute
7 and a half that I have left focusing on the
8 staffing shortage issue. And I want to
9 clarify right at the beginning that New York
10 does not have, when it comes to RNs -- but I
11 think this applies more broadly -- New York
12 does not have a shortage of RNs.
13 What we have is a shortage of RNs who
14 are willing to put up with the atrocious
15 working conditions -- the lack of pay, the
16 lack of respect, the mistreatment that they
17 face on a daily basis, and the frustration
18 that they can't do their jobs properly
19 because they're understaffed.
20 And I think the data is pretty clear
21 on this. And, you know, when you look, for
22 example, at the number of active RN licenses
23 in New York, in 19 -- I'm sorry, in 2018
24 there are 305,000. In July of 2023, there

1 are 394,000. That's a 30 percent increase in
2 active licenses over the last four or five
3 years.
4 The workforce, though, is pretty
5 stagnant. It's only gone up by about
6 4 percent. So what that tells us is that
7 nurses are coming in, they're getting
8 licensed, we have licensed nurses, but as
9 soon as they come into the workforce they go
10 out the back door because they -- the high
11 turnover rates, high levels of frustration,
12 poor pay and benefits are all contributing to
13 this.
14 And, you know, at the end of the day
15 the proposals, the two proposals that the
16 Governor aims to address the issue, one is
17 the Interstate Compact, which we've already
18 been doing it for the last three years and it
19 had absolutely no effect on the nursing
20 workforce, right, during all the
21 suspensions -- (time clock beeping).
22 CHAIRWOMAN KRUEGER: Sorry, we're
23 going to move on. Thank you.
24 Next we have Edward Mathes.

1 MR. MATHES: I'm just going to break
2 away for a moment and echo what this
3 gentleman had to say. My wife is a nurse,
4 and this is what I hear every day when she
5 comes home.
6 Good afternoon. Thank you for having
7 me today. My name is Ed Mathes. I'm a
8 practicing PA in Rochester, New York, and I
9 currently serve as president of the New York
10 State Society of PAs.
11 I would like to address the pressing
12 issue, as everyone else has today, of the
13 workforce shortage, but also advocate for
14 crucial reforms that will enhance the role of
15 PAs in addressing the challenge.
16 Governor Hochul, recognizing the vital
17 roles PAs play in healthcare delivery,
18 included provisions in her HMH bill that will
19 allow PAs who have met a high standard of
20 education, training and experience, to opt
21 into -- not required, opt into working
22 without the administrative construct of
23 physician supervision in primary care
24 settings and Article 28 facilities.

1 It would also remove limitations on
2 the number of PAs a physician can supervise
3 in certain settings and clarify prescription
4 privileges and allow school districts to hire
5 PAs as directors of school health services.
6 The shortage of primary care
7 clinicians adversely affects patients
8 statewide, but it is felt more acutely in the
9 rural and marginalized communities of our
10 state. PAs offer a valuable and readily
11 available source of highly educated
12 clinicians with a long history of serving in
13 these communities. Under the auspices of
14 Executive Orders 202 and 4, which removed
15 physician supervision during the course of
16 the pandemic, PAs showcased their ability to
17 practice at the highest level, collaborating
18 seamlessly with the entire healthcare team,
19 including our physician colleagues. This
20 flexibility empowered PAs to meet challenges
21 and provide high-quality, safe patient care
22 in diverse settings under extreme conditions.
23 It also allowed healthcare systems to more
24 efficiently and effectively deploy PAs where

1 they were needed the most, without the
2 administrative burdens associated with
3 identifying a supervising physician.
4 With the expiration of EO 4 in July,
5 all those obstacles were reinstated, creating
6 challenges for patients, PAs, and healthcare
7 institutions. The number of phone calls I
8 get a week from PAs out in practice who are
9 meeting these is tremendous.
10 New York hosts 30 PA programs and
11 faces challenges in retaining graduates.
12 Removing administrative barriers and allowing
13 PAs to practice unencumbered by
14 administrative rules that have not kept pace
15 with the PA's evolving role in healthcare is
16 crucial for recruitment and retention.
17 In conclusion, Governor Hochul,
18 recognizing the vital roles of PAs in
19 healthcare, proposed reforms in her fiscal
20 year 2024 budget that would remove barriers
21 to providing safe, efficient and
22 cost-effective care to New York's --
23 ASSEMBLYWOMAN PAULIN: Thank you very
24 much.

1 MR. MATHES: Thank you.
2 ASSEMBLYWOMAN PAULIN: Next is Medical
3 Schools.
4 MR. TEYAN: Good evening to the chairs
5 and members. Thank you for the opportunity
6 to testify this evening.
7 My name is Jonathan Teyan. I'm the
8 CEO of the Associated Medical Schools of
9 New York and our sister organization, the
10 New York State Academic Dental Centers.
11 Collectively these two organizations
12 represent and work on behalf of the medical
13 and dental schools in the state.
14 I really wanted to focus on two areas
15 with my comments, one having to do with our
16 physician workforce and the other having to
17 do with our scientific workforce.
18 We had a lot of very good conversation
19 today about health equity and addressing
20 health disparities, and I think rightly so.
21 This is clearly an area, particularly coming
22 out of the pandemic, which really uncovered
23 and highlighted for many folks the need to
24 address, you know, health disparities and the

1 sort of uneven and unequal kinds of care that
2 many communities get.
3 And so I really wanted to focus on one
4 program that has worked exceptionally well in
5 helping to address this for many decades, and
6 that's the Diversity in Medicine Program.
7 This program's now -- we're in our 33rd year.
8 And I was really pleased to see that the
9 Executive, Governor Hochul, in her budget
10 proposal has allocated $3.6 million for the
11 Diversity in Medicine Program. This is level
12 funding from last year, but actually
13 represents, over the last two years,
14 effectively tripling the state's investment
15 in this.
16 And what these programs do is really
17 provide a pathway for really talented
18 students who have faced adversity on the path
19 to medical school. And so, you know, this
20 may be socioeconomic disadvantage, this may
21 be having come up through underresourced
22 school districts, they may be
23 first-generation college-goers, but they need
24 supports. And so these programs -- we now

1 have 19 programs around the state supporting
2 more than 950 students to come into medical
3 school and eventually graduate and practice
4 medicine in New York State.
5 The Legislature has also been -- taken
6 the lead on funding the scholarship,
7 Diversity in Medicine Scholarship Program,
8 and increased funding last year to a
9 million dollars. We are now supporting
10 33 students with the equivalent of SUNY
11 Medical School tuition.
12 So we really just want to personally
13 thank the Governor for her investment and
14 urge the Legislature to continue to invest in
15 these programs.
16 And very briefly, with my 15 seconds,
17 I would just highlight the importance of,
18 again, our scientific workforce. The
19 Executive Budget actually did propose to
20 eliminate the Empire Clinical Research
21 Investigator Program, ECRIP. We think it's a
22 very valuable program which we'd like to see
23 included in the enacted budget.
24 ASSEMBLYWOMAN PAULIN: Thank you very

1 much.
2 CHAIRWOMAN KRUEGER: Thank you.
3 CWA?
4 ASSEMBLYWOMAN PAULIN: Last but not
5 least.
6 MS. MILLER: Hi, everyone. Good
7 evening. Good to see all of you. Thank you
8 so much for the opportunity to testify this
9 evening. And going on over eight hours, I
10 appreciate your attention.
11 My name is Rebecca Miller, I'm the
12 New York State legislative and political
13 director, and I am here on behalf of the
14 15,000 healthcare workers that we represent
15 in New York State, 65,000 members overall.
16 Primarily in Western New York is our
17 healthcare membership. We're the largest
18 union in Western New York, healthcare union.
19 I'm here today -- we've heard about a
20 number of issues, many of which are
21 intersecting. There's two I want to focus
22 on. The first is the significant
23 underfunding of our hospitals. I think we've
24 heard it all day: The healthcare system is

1 broken, we need additional funding. This is
2 true. We agree. But I want to come at it
3 from the perspective of the workforce.
4 And I want to echo my colleague from
5 NYSNA. We are not dealing with a workforce
6 shortage. We don't have a lack of bodies.
7 If you can get a traveler in for three times
8 the pay, a body is available. But people
9 don't want these permanent jobs. They are
10 not willing to stay in these conditions
11 because the jobs are very difficult. They
12 cause moral injury. And it is extraordinary
13 that we have a healthcare workforce in
14 existence at all, given the conditions our
15 members are forced to work in day after day.
16 So when we talk about a workforce
17 shortage, we often focus on the fact that
18 there are vacancies, which leads us to think
19 that these are hard-to-fill positions and
20 that there are not enough workers. But I
21 want us to switch the framework to understand
22 the conditions we're asking our healthcare
23 workforce to work under, and think about what
24 we can do there.

1 This is a circular problem. The
2 number-one issue forcing healthcare workers
3 away from the bedside, a job that folks go
4 into because they care and because they love
5 it -- is short-staffing. And it's circular.
6 The more short-staffing, the less staff; the
7 less staff, the more short-staffing. And so
8 there needs to be an immediate infusion of
9 cash to stabilize the workforce.
10 Unfortunately, the proposals needed
11 are not included in the budget this year.
12 There have been many attempts over the past
13 few years to increase the workforce pipeline.
14 This is great, we should keep investing in
15 those programs -- loan forgiveness, for
16 example. But we need to add an immediate
17 infusion to stabilize this workforce or
18 you're going to continue to see that spiral
19 downward.
20 Part of this is driven by an economic
21 incentive of hospitals that are not being
22 reimbursed for care. So if they don't have
23 enough funding -- you heard it all day long.
24 What did they say was the biggest cost?

1 Labor. So the incentive is to continue to
2 reduce labor, which reduces care. Not good.
3 So what I would like to suggest today
4 is of course the full funding of Medicaid.
5 That 30 percent gap -- it needs to be closed.
6 It is the way to structurally fix this for
7 the long term so you're not constantly
8 putting in these one-time buckets of cash
9 like VAPAP. Right? These are things that
10 are one-time infusions of cash. We need
11 something stable.
12 In addition, there needs to be
13 additional proposals that will work for the
14 workforce. Lots of ideas on this, but I only
15 have seven seconds, so we could talk about it
16 offline. But thank you all so much.
17 CHAIRWOMAN KRUEGER: Thank you very
18 much.
19 Any Senators like to ask questions?
20 Yes, I see an arm down there. Is that
21 Zellnor Myrie?
22 SENATOR MYRIE: Thank you,
23 Madam Chair.
24 And thank you to the panel for your

1 patience and endurance. I know that it is
2 not easy to have the uncertainty of waiting
3 for many hours, so thank you for that.
4 I wanted to ask the medical schools --
5 but firstly, thank you for the support of the
6 Diversity in Medicine Program. I will give a
7 shout out to my brother Senator Bailey, who
8 has been a champion on this issue in our
9 conference.
10 I wonder if you have heard or if you
11 personally hold any concerns about what we
12 have seen out of the Supreme Court of the
13 United States, and whether that will have any
14 implication for the program, and subsequently
15 if we should be acting as a result.
16 MR. TEYAN: Yeah, thank you for that,
17 Senator. So right, the Supreme Court
18 decision in June of 2023 really changed the
19 landscape for admissions in higher education.
20 A little bit less concerning on the medical
21 school side, because medical school
22 admissions has really focused on holistic
23 review for more than a decade now, which is
24 looking at the totality of applicants and

1 relying less on sort of checkbox kinds of
2 information.
3 But I will say that we have been
4 looking and working on this intently for the
5 last six, seven months, on making sure that
6 the way we approach our Diversity in Medicine
7 programs and the way I think we collectively
8 approach making sure that we're providing
9 pathways for all sorts of folks into medical
10 school is that we are being holistic, and
11 we're looking at larger factors. We're not
12 simply looking at things like race and
13 ethnicity, but we're considering the
14 entire -- you know, the obstacles that
15 students have overcome. We're really looking
16 for resilient students who have faced
17 obstacles. And that resiliency really is
18 going to impact how they practice medicine.
19 So we've been working on that
20 intently. And I would say also that we have
21 seen other states begin to scale back similar
22 sorts of initiatives. And I think we have an
23 opportunity in New York to really sort of,
24 you know, galvanize our position. That we

1 think that this is important, because this
2 really does result in better health outcomes
3 for New Yorkers when we have a diverse
4 physician and healthcare workforce.
5 SENATOR MYRIE: Thank you for that.
6 And I know I'm going to sound like a broken
7 record, but certainly SUNY Downstate in
8 Brooklyn that produces the most medical
9 professionals of color in the entire City of
10 New York -- there's no other institution that
11 trains more. And so I think it's just
12 incredibly important that we keep that
13 context in mind.
14 And thank you again to the panel for
15 your patience today.
16 CHAIRWOMAN KRUEGER: Thank you.
17 Assembly?
18 ASSEMBLYWOMAN PAULIN: Assemblyman Ed
19 Ra.
20 ASSEMBLYMAN RA: Good evening. Thank
21 you guys for waiting around.
22 On the Diversity in Medicine
23 Scholarship, you know, you talked about that
24 million dollars providing -- I think you said

1 33 students?
2 MR. TEYAN: Correct, yes.
3 ASSEMBLYMAN RA: So, you know, based
4 on your experience in this program over the
5 years, you know, what does that mean? You
6 know, what types of things and where are
7 these students practicing? I'm sure they're
8 having a great impact on, you know, our
9 state.
10 MR. TEYAN: Yeah. So, you know, we
11 have some data. The program was actually
12 launched in 2018, so many of the students are
13 either in medical school or they're in
14 residency, and so they're not -- we have a
15 few students who are now -- well, they're not
16 students anymore, but they're out practicing
17 medicine.
18 But there's a commitment by everyone
19 who receives this scholarship to stay in
20 New York for at least two years and practice
21 medicine in an underserved area.
22 And so we think this is really
23 important. The longer people stay in an area
24 and -- you know, they start to put down

1 roots. Our goal here is we look at students
2 who are New Yorkers, they're domiciled in
3 New York. We want students who are obviously
4 in medical school in New York. We like them
5 to do residency in New York and then stay and
6 do this service commitment and then really
7 put down roots.
8 So our long-term goal with this
9 program is that we are -- we're taking care
10 of kind of the debt obligation that looms
11 over so many students and affects their
12 career decisions, and we're providing them
13 with an opportunity to practice in shortage
14 areas. So we think this is a long-term
15 investment in a home-grown physician
16 workforce.
17 ASSEMBLYMAN RA: Excellent. And you
18 got into, right at the end, the Empire
19 Clinical Research Investigator Program. So
20 if you can give us just a little bit
21 more of -- you know, more about the program,
22 the benefits that it provides and the reasons
23 why we should be restoring it.
24 MR. TEYAN: Yeah. So the ECRIP

1 program, it supports young, early-career
2 physician scientists and gives them an
3 opportunity to really get, you know, deep
4 experience doing clinical research. We think
5 that this has a long-term benefit in their
6 development.
7 We -- you know, we see many physicians
8 who both practice, who do clinical work, but
9 they're also doing research throughout their
10 careers. And we think this has a tremendous
11 benefit. And we heard earlier the importance
12 of having a, you know, scientific workforce
13 in New York to address issues like cancer.
14 You know, having a robust, you know,
15 scientific workforce, you know, leads to
16 better health outcomes, provides access to
17 clinical trials for New Yorkers.
18 So this program is fairly small,
19 $3.5 million, but very targeted, and we think
20 is an important way of growing our scientific
21 workforce.
22 ASSEMBLYMAN RA: Thank you.
23 CHAIRWOMAN KRUEGER: Thank you.
24 Any other Senators? Then me. Hi.

1 So representing the medical schools.
2 So I had asked a question earlier, are we
3 doing anything to increase primary care
4 physicians being produced, so to speak, by
5 our medical schools?
6 MR. TEYAN: Yes, I think you -- I
7 think you actually referenced the NYU
8 Grossman Long Island School of Medicine
9 earlier, which is a three-year program
10 specifically for students who know they want
11 to go into primary care. This was launched
12 in 2019, I think they enrolled their first
13 class in 2019.
14 And it's a great way to both get
15 students through medical school if they -- I
16 mean, if they're very clear that this is the
17 path they want to take. It gets them through
18 and into in the workforce sooner. And
19 programs like these -- there aren't very many
20 of them. This is a pretty innovative model.
21 There are a couple around the country.
22 It also is a way of reducing student
23 loan debt so that they can come out and
24 practice primary care, which is not as

1 lucrative as other types of specialties or
2 subspecialties. And so having that loan
3 debt, you know, not hanging over them allows
4 them to go and practice primary care.
5 And so that's a great -- a great
6 model. And, you know, I think clearly a lot
7 of our institutions are very focused on
8 producing primary care physicians.
9 CHAIRWOMAN KRUEGER: Thank you.
10 And I guess many people talked about
11 nurses, and I thought that the data on the
12 fact that we have more nurses than we've had,
13 they just don't practice as nurses. So I'm
14 just curious with all of you, I'm always
15 confused about this growth in the traveling
16 nurse concept. Because again, as you're
17 pointing out, we actually have nurses. And
18 perhaps they don't want to do these jobs
19 because they don't feel that they're being
20 paid enough or treated correctly. But we pay
21 the traveling nurses much more, don't we? Is
22 that my understanding?
23 MR. BELL: Yeah, the travelers' rates
24 are two to three times more than a regular

1 staff nurse.
2 The other thing with, you know, the
3 compact proposal, I didn't quite get it out
4 in my three minutes. But the compact is only
5 good for increasing the use of travelers,
6 because it allows people to come temporarily,
7 or it's good for outsourcing healthcare to
8 non-union, low-wage states through
9 telehealth. It would allow Texas nurses to
10 treat New York patients under contract with
11 for-profit providers. That's all the
12 compact's going to do. It's not going to
13 have any impact at all on the actual problems
14 people are having recruiting --
15 CHAIRWOMAN KRUEGER: So if we took
16 that money -- oh, I'm sorry, I didn't mean to
17 cut you off.
18 But if we took that money that we're
19 paying -- what, two, two and a half times to
20 traveling -- and we use that money instead to
21 improve wages and conditions for what we hope
22 are permanent unionized nurses in our world,
23 wouldn't that work better?
24 MS. MILLER: Yeah. I think what

1 you're pointing to is that there is a subset
2 of the healthcare workforce that is willing
3 to do these conditions -- you know, they see
4 the opportunity out there, you can do it for
5 three times more, why wouldn't I. In
6 addition, you have a shorter -- a lot of the
7 reason they do it is for the shorter
8 temporary contracts.
9 So yes, what you need is a model that
10 stabilizes the workforce by using travelers
11 until you're able to level out into a
12 permanent staff.
13 CHAIRWOMAN KRUEGER: I have to cut you
14 off.
15 But again, everyone is welcome to give
16 us more information after this hearing, and
17 would be appreciated. So thank you.
18 ASSEMBLYWOMAN PAULIN: Thank you.
19 Assemblymember Jessica González-Rojas.
20 (Off the record.)
21 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: There
22 we go. Thank you all so much for your
23 testimony.
24 My question is both for Mr. Bell and

1 Ms. Miller.
2 Two things. Mr. Bell, you were cut
3 off before you started talking more about the
4 interstate compact, so I do want to hear your
5 position on it. And as well, Ms. Miller, any
6 thoughts? I know it's in the budget and we
7 want to see -- I'd love to hear your
8 position.
9 And two, I'm curious how the safe
10 staffing bill that we passed, I think 2021 or
11 2022, has rolled out, has it impacted -- it
12 sounds like conditions haven't been improved
13 amongst the -- you know, the patient care and
14 the overall stress in the job.
15 So I'm just curious what was missing
16 from that, or the rollout's been slow. If
17 you can share some feedback there.
18 MS. MILLER: I could start there.
19 MR. BELL: Go ahead.
20 MS. MILLER: So I will say that it's a
21 new law. It has a phased implementation.
22 The last phase was actually making the
23 staffing plans enforceable in 2023. So this
24 has been the first year that it's been in

1 full effect. I think, therefore, it's early
2 to tell.
3 I can tell you that there have been
4 some places that we have seen the theory of
5 the law, where you collaborate between
6 management and healthcare workers for
7 adequate staffing, work. And there have been
8 a lot of places where it hasn't.
9 I think at this point we -- in
10 November you may have seen CWA filed
11 8,000 violations of the Clinical Staffing
12 Committee law. This is probably an absolute
13 small fraction of the number of violations
14 that occur every single day. Including the
15 sickest of the sickest in ICUs, with, instead
16 of 1:2, you're talking 1:3, 1:4, 1:5.
17 So -- and these are happening in
18 hospitals that we would go to. So, you know,
19 in our areas, in our communities.
20 So I think it's a little early to tell
21 on the efficacy of the law, that staffing is
22 an enormous issue. And I think what the
23 state's role needs to be in that particular
24 context is ensuring robust activist

1 enforcement to make sure that law works.
2 There's still opportunity to do so, and
3 that's critical.
4 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Okay.
5 Mr. Bell?
6 MR. BELL: Yeah, I would just add I
7 think it's very important, in looking at
8 the -- especially for nurses, which is
9 what -- you know, our perspective. But in
10 terms of the staffing issues, it's very
11 important to take a page from the doctors and
12 not do any more harm. Right?
13 We have all these stressors on the
14 workforce. And a lot of what's in the budget
15 is just going to add to it. For example, the
16 medication aides. If you look at the text of
17 that medicine aide proposal, forget about the
18 patient care issues and other issues -- you
19 know, the labor issues. But look at the text
20 of that and look at how many of the oversight
21 functions fall on the nurse. Right?
22 It's -- it's -- you know, they have to
23 train them, they have to assess them, they're
24 responsible -- they're legally liable for

1 what those people do in terms of
2 administering the meds. That's not
3 acceptable. That just adds to the stressors.
4 And that adds to turnover.
5 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
6 you. Thank you so much.
7 CHAIRWOMAN KRUEGER: Okay. Assembly?
8 ASSEMBLYWOMAN PAULIN: Yes.
9 Mr. Jensen.
10 ASSEMBLYMAN JENSEN: Thank you.
11 So this question is for whoever wants
12 to answer it.
13 We've been talking about the nursing
14 workforce. And one of the things in talking
15 to folks in the Rochester community is that,
16 you know, we have to increase the nurse
17 pipeline, but we're also seeing a lack of
18 nurse educators. Where can the state be more
19 helpful in ensuring that we actually have the
20 nursing educators to train the next
21 generation of nurses? Especially when you
22 see nurses who are working in an acute-care
23 setting are losing a substantial amount of
24 income to leave that setting to go into

1 education. Is it increasing the
2 Senator Patty McGee Nursing Faculty
3 Scholarship? What should the state be doing?
4 MR. BELL: Yeah, I think there's a lot
5 -- we have a lot of concrete proposals and we
6 could certainly share some of them with you.
7 I think one of the issues with the
8 issue you're raising regarding educators,
9 first of all -- you know, for example,
10 public-sector nurses who retire have an
11 income cap. They can't -- you know, they
12 could be a crackerjack nurse; they can't go
13 and teach because they'll have to stop their
14 pension in order to take a full-time or a
15 part-time teaching position.
16 The other issue is, I think -- you
17 know, flexibilities, right, in terms of
18 allowing experienced nurses who may not have
19 a master's to teach. Because they've been
20 doing it for 30 years and, you know, they
21 know how to do it and they know how to teach
22 it.
23 So the other factor I think that you
24 need to look at is not just the education

1 pipeline in terms of the formal training, but
2 also the other side, the continuum of
3 training and, you know, maintaining and
4 increasing the workforce is cut into the
5 turnover rates once people have graduated
6 from school, and they take these jobs in the
7 hospitals and they burn out. And you have,
8 you know, 50, 60, 70 percent turnover rates
9 in the first year.
10 That means mentorship programs, that
11 means, you know, support to keep those nurses
12 in that transition phase and -- you know, and
13 also clinical placements, right? Maybe
14 looking at legislation to require hospitals
15 and nursing schools that operate in the state
16 to partner to provide clinical training spots
17 so that we have the nurses who are still in
18 school actually touching patients and getting
19 some hands-on experience before they get
20 thrown out onto the floors of their hospitals
21 or their nursing homes.
22 ASSEMBLYMAN JENSEN: So we talked
23 about burnout and we hear burnout a lot. Are
24 we seeing, with the introduction of BSN in

1 10, where you have nurses who are actively
2 working yet having to fulfill that
3 educational requirement, having to do them
4 simultaneously and leading to even more
5 burnout than just the working environment?
6 MR. BELL: Yeah, that's a factor too.
7 I mean, BSN in 10, you know, we had warned
8 about some of the repercussions of this on
9 the workforce, that it would add more
10 burdens. And that's sort of played out to
11 some extent.
12 ASSEMBLYMAN JENSEN: Thank you.
13 CHAIRWOMAN KRUEGER: (Mic off;
14 inaudible.)
15 SENATOR WEBB: Thank you to all of you
16 on the panel.
17 I just have two quick questions, one
18 for NYSNA.
19 So in looking at your testimony, I
20 wanted to lift up specifically your concern
21 that you raised about the Interstate Nurse
22 Licensure Compact. My understanding is that
23 there's been some revisions to it. So I
24 wanted to know kind of where things stood

1 with that.
2 And then my second question is for
3 Rebecca, from CWA. I wanted to get clarity
4 on the number of complaints that you've
5 mentioned involved with respect to the
6 Clinical Staffing Committee law.
7 MR. BELL: Yeah, I'll -- just briefly
8 on the compact. They did make a revision, I
9 believe, in the last year or so that
10 interestingly requires a state -- if they
11 move here to practice permanently, they have
12 to reapply for an interstate license in the
13 state to which they move. So that's the one
14 change they made.
15 Before, you could just sort of hop
16 around and you never had to change your
17 primary state of license.
18 But that, again, is really meaningless
19 because at the end of the day the licensure
20 compact for nursing -- and it's a little
21 different for physicians. But for nursing,
22 you know, it basically will have no impact on
23 the problems that we've heard described all
24 day today. It's just meaningless in terms of

1 addressing the workforce crisis that exists
2 because people are leaving the profession,
3 leaving the bedside jobs.
4 And I'll turn it over to --
5 MS. MILLER: We have 8,000 violations
6 that we filed. That was for about four or
7 five months statewide.
8 And like I said, that was about a
9 fraction. And we have additional ones that
10 are continuing through the committee process
11 and will be filed subsequently.
12 MR. BELL: And if I could add just one
13 comment on the compact -- this wasn't
14 discussed very openly. But it also gives
15 Attorneys General, state nursing boards, and
16 other potential, you know, elected officials
17 in non -- you know, in other states, a foot
18 in the door not only to our nursing practice
19 and our nursing standards, but also to such
20 things as access to abortion, contraceptives,
21 things like that. Which in Oklahoma or in
22 Texas are illegal, and a fetus may have
23 personhood status.
24 So that someone who performs an

1 abortion under interstate license in
2 New York, are they liable to the foreign
3 jurisdiction stepping in and saying, you
4 know, you're -- you've violated Texas law and
5 we're going to bring disciplinary charges
6 against you and try to suspend your
7 interstate license because of what you did in
8 New York -- without having set foot or
9 practiced in Texas.
10 You're putting -- you're letting these
11 foreign jurisdictions get their foot in the
12 door on policy issues that they should not
13 be -- that they should be not be involved in
14 in our state.
15 SENATOR WEBB: Thank you.
16 CHAIRWOMAN KRUEGER: (Mic off.) I had
17 more questions of you but I'm not allowed to
18 ask them, under our own rules. So thank you
19 all for being with us.
20 And we know how to find you, you know
21 how to find us. That's the best I can offer
22 right now. So thank you very much.
23 And our next panel is American Cancer
24 Society Cancer Action Network; Planned

1 Parenthood Empire State Acts -- or Empire
2 State Fights Back, which is what I thought
3 the name should be; and Hospice and
4 Palliative Care Association of New York
5 State.
6 ASSEMBLYWOMAN PAULIN: And you can
7 speak in that order.
8 CHAIRWOMAN KRUEGER: Yes.
9 ASSEMBLYWOMAN PAULIN: Maybe not.
10 We're missing someone. Who -- we're missing
11 American Cancer?
12 CHAIRWOMAN KRUEGER: I think so.
13 Okay, let's just start with Georgana, please.
14 (Off the record.)
15 MS. HANSON: This really isn't my
16 first rodeo, but I guess it is.
17 Good evening. Thank you for the
18 opportunity to provide testimony today. My
19 name is Georgana Hanson. I'm the vice
20 president of public policy and regulatory
21 affairs for Planned Parenthood Empire State
22 Acts. I'm here on behalf of our board chair,
23 Tess Barker, who's unfortunately unable to
24 attend.

1 PPESA is proud to represent the five
2 Planned Parenthood affiliates who provide
3 primary and preventive reproductive
4 healthcare services to more than 200,000
5 individuals in New York each year.
6 Yesterday would have been the
7 51st anniversary of the U.S. Supreme Court
8 landmark decision in Roe v. Wade. As with
9 any anniversary, it's an opportunity for
10 reflection and an opportunity for action. We
11 know that Roe, while critical, was a right in
12 name only for far too many for far too long.
13 We must continue to fight for a future where
14 access to sexual and reproductive healthcare
15 is a reality for all, where every individual
16 has the power to shape their futures and
17 control their own body.
18 New York has an opportunity and an
19 obligation to lead in this fight, to be bold
20 and innovative in building systems of
21 policies and care that are anchored in
22 equity, to make strategic and critical
23 investments that support providers who are
24 burdened by the rapidly rising costs of care,

1 and to ensure unfettered access to care for
2 all who need it.
3 It is in that frame that I want to
4 briefly uplift three key issues for your
5 consideration in the enacted budget.
6 First, we respectfully request an
7 increase to the Medicaid reimbursement for
8 the offices associated with the provision of
9 medication abortion. Last year's budget made
10 critical investments in reproductive and
11 sexual healthcare services, but it failed to
12 include a significant component of abortion
13 care: Medication abortion. Medication
14 abortion comprises roughly 64 percent of the
15 abortion care New York Planned Parenthood
16 affiliates provide. For three of our upstate
17 affiliates, it's over 70 percent.
18 Unfortunately, the reimbursement
19 providers receive in Medicaid for this
20 service falls significantly short compared to
21 what it costs them to deliver this care.
22 This widening gap makes it incredibly
23 challenging for providers to invest in
24 expanding access to care, let alone the

1 present need.
2 Over the past several years many
3 states have raised Medicaid rates for
4 abortion services, recognizing the need for
5 intentional investment in the face of
6 sustained attacks on abortion access. As a
7 result, our reimbursement levels for
8 medication abortion are out of alignment with
9 these access states, like California,
10 Illinois, Vermont, and Oregon, all of which
11 reimburse significant above New York's rate.
12 An increase in the Medicaid
13 reimbursement rate for medication abortion is
14 necessary to ensure providers can not only
15 continue to deliver but expand access to this
16 essential healthcare.
17 Additionally, we ask that the enacted
18 budget include $35 million in grant funding
19 for abortion providers and $1 million for
20 abortion funds to increase access. We
21 strongly support the 35 million grant
22 investment in abortion access proposed by the
23 Governor. Further, we ask the Legislature to
24 include an additional million to be directed

1 to organizations addressing the practical
2 support needs of people seeking abortion care
3 in New York, and ensure passage of the
4 Reproductive Freedom and Equity Program.
5 Thank you.
6 ASSEMBLYWOMAN PAULIN: Thank you.
7 Next?
8 MS. CHIRICO: I must have strong
9 fingers -- first time.
10 (Laughter.)
11 MS. CHIRICO: I just want to thank all
12 of you for what you do every day. Thank you
13 to the Senators for offering an opportunity
14 for the Hospice and Palliative Care
15 Association to be here today.
16 And so much time has been spent today
17 discussing the crisis of the hospital
18 systems, and I have to say that's a rightful
19 use of the time here. But what I also want
20 to say is the answer is not allowing the
21 expansion of hospitals into the home. And
22 right now we are going through something
23 that's not theoretical, it's actually a
24 reality, where the 1115 waiver and the 2805-x

1 waiver that has been contained in the budget
2 is being utilized to circumvent the
3 Certificate of Need process of New York.
4 In December the Department of Health
5 commissioner approved the expansion, based on
6 a hospital-hospice collaborative, expansion
7 of the hospice into two additional counties.
8 Those counties were not on their original
9 license, and they did not have to go through
10 the CON application process, they did not go
11 through the PHHPC process, there was not
12 public comments allowed. This was through
13 the 2805-x waiver. And we see this as a
14 threat to the home-based community providers
15 that exist in your communities.
16 We ask that you seriously look at the
17 policies that are being put in the budget
18 related to 2805-x and reject those changes
19 until the Department of Health and
20 commissioner are required to follow public
21 notice, Certificate of Need, and the
22 Master Plan on Aging recommendations that the
23 Governor herself requested be done in the
24 End-of-Life Workgroup, of which I am the

1 chair. The group recommended a Certificate
2 of Need Task Force to do a full review and to
3 update the need methodology.
4 We also ask that you hold the
5 Department of Health to their word and create
6 the center for hospice and palliative care.
7 Even though the Governor vetoed the bill you
8 approved, the Department of Health said they
9 are going to implement it, and we hope that
10 you make sure that the budget includes that.
11 And finally, please remember that
12 everything that is done in these budget
13 meetings that are focused on Medicaid do
14 indeed impact the Medicare providers, and
15 consider that through workforce as well as
16 other initiatives.
17 Thank you so much for your time.
18 CHAIRWOMAN KRUEGER: (Mic off;
19 inaudible.)
20 So this discussion you just brought up
21 about cutting around the CON, was this to
22 approve for-profit hospice programs?
23 MS. CHIRICO: No. This was actually
24 to allow a current not-for-profit expansion

1 without going through the process.
2 CHAIRWOMAN KRUEGER: So you wouldn't
3 necessarily oppose groups, because they might
4 even be members of your association. Am I
5 right?
6 MS. CHIRICO: Yeah, the issue is more
7 concerning about the fact that the need --
8 there was no need methodology utilized, there
9 was no proof that there was a need. It's an
10 opportunity for the hospitals to put together
11 a value-based purchase without using the
12 existing providers. They were not considered
13 in the application.
14 CHAIRWOMAN KRUEGER: Got it, okay.
15 Thank you.
16 Georgana, you were here a minute ago
17 when the previous panel brought up the
18 question about whether joining the compacts
19 might put at risk our ability to have
20 providers continuing in reproductive health
21 if they were I guess part of a licensing
22 model and telehealth model.
23 Were you aware of this issue? Or can
24 you look into it for us?

1 MS. HANSON: Yeah, so we -- we don't
2 have a position at this time, but we -- you
3 know, this is a whole new landscape, legally,
4 around abortion access and the impact on
5 providers. So it's something that we're
6 taking those concerns seriously and looking
7 into.
8 CHAIRWOMAN KRUEGER: Okay, thank you.
9 Assembly.
10 ASSEMBLYWOMAN PAULIN: I'm actually
11 going to go first this time.
12 So are you talking about the -- in the
13 budget there's an expansion for community
14 paramedicine with the hospitals. Is that
15 what you're referring to? Or you're
16 referring to contracts with hospice at
17 hospitals? Or both?
18 MS. CHIRICO: So it's a complicated
19 issue, but I'll try and connect the dots
20 here.
21 The 1115 waiver is -- primarily
22 supports two CMMI initiatives, primary care
23 and also the AHEAD program. Which the focus
24 of the AHEAD program is for community

1 expansion of hospitals -- not just outpatient
2 services, but in the home.
3 The 2805-x we believe is another means
4 by which this expansion is allowed. And
5 although the paramedicine program was one
6 component of it, you'll see that there's a
7 laundry list of things allowed under the
8 2805, and it includes teaching hospital
9 nurses how to do home visits.
10 It includes things -- although there's
11 supposed to be collaboration with the
12 Article 40 or other article licensed
13 organizations, the intent is to divert and
14 create another revenue stream for hospitals.
15 So if they can't make the money on the
16 inpatient unit, now we'll move to the
17 community setting and see if we can recoup
18 some of the revenue there --
19 ASSEMBLYWOMAN PAULIN: So the
20 objection is bypassing the existing agencies
21 out there.
22 MS. CHIRICO: Yes.
23 ASSEMBLYWOMAN PAULIN: Got it.
24 And on the compact issue that

1 Senator Krueger just raised, have there -- do
2 you know, have there been issues during the
3 time of the executive order that it --
4 because we -- you know, we were able to
5 bypass a lot of things during that time,
6 including that. So during those three years
7 was there any notable problem that you know
8 of?
9 MS. HANSON: In terms of --
10 ASSEMBLYWOMAN PAULIN: Lack of access
11 or problems dealing with the compact as it
12 relates to reproductive rights.
13 MS. HANSON: Not that I'm aware of,
14 based on the questions that you raised. But
15 again, I'm happy to --
16 ASSEMBLYWOMAN PAULIN: Take it back.
17 MS. HANSON: You know, we're just
18 starting to look --
19 ASSEMBLYWOMAN PAULIN: We'd like to
20 know.
21 MS. HANSON: Sure.
22 ASSEMBLYWOMAN PAULIN: Okay.
23 Do you have other Senators?
24 CHAIRWOMAN KRUEGER: No.

1 ASSEMBLYWOMAN PAULIN: Okay, Assembly.
2 First, Mr. Jensen again.
3 ASSEMBLYMAN JENSEN: Thank you.
4 In the Governor's budget proposal, how
5 much -- was there any increase in allocation
6 of funding for hospice and palliative care?
7 MS. CHIRICO: Zero.
8 ASSEMBLYMAN JENSEN: In last year's
9 enacted budget, what was the increase for
10 hospice and palliative care?
11 MS. CHIRICO: Zero.
12 ASSEMBLYMAN JENSEN: In the past few
13 rounds of the healthcare modernization grant
14 funding, how much money was earmarked for
15 hospice and palliative care providers?
16 MS. CHIRICO: Zero.
17 ASSEMBLYMAN JENSEN: Where does
18 New York State rank in access to hospice and
19 palliative care?
20 MS. CHIRICO: Last in the nation.
21 ASSEMBLYMAN JENSEN: Thank you.
22 ASSEMBLYWOMAN PAULIN: Assemblymember
23 González-Rojas.
24 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Okay,

1 there we go. Thank you, Madam Chair.
2 Ms. Hanson, you -- the bell rang right
3 when you were talking about the Reproductive
4 Freedom and Equity Act, which is a 361-b. If
5 you could like delve in a little bit more
6 about why this is so important. We're on the
7 heels of the 51st anniversary of Roe, where a
8 majority now of this country has -- is
9 either -- abortion access is like eliminated
10 completely or extremely restricted. So if
11 you can expand upon that.
12 MS. HANSON: Yes. No, thank you.
13 So the Reproductive Freedom and Equity
14 Program would put into statute a sustained
15 grant program around abortion access. It
16 would support providers in addressing the
17 challenges that they're experiencing
18 delivering care, including non-compensated
19 care. It would also support training, among
20 other things that would allow expanded access
21 to abortion services.
22 It would also allow the opportunity to
23 invest in abortion funds. Those
24 organizations are nonprofit organizations

1 that are really breaking down barriers to
2 care that individuals are experiencing every
3 day, including here in New York. And I think
4 that's one of the things, as we reflect on,
5 you know, the loss of Roe, it was very vital
6 to have a constitutional right about abortion
7 access.
8 But the reality was there was always
9 barriers that prevented people from getting
10 the care they need that often impacted
11 disproportionately people of color,
12 low-income individuals, young individuals.
13 And we're seeing that not just when we had
14 Roe, but certainly very much more so in the
15 wake of losing that constitutional right.
16 And so this would invest in those
17 organizations that are helping to connect
18 individuals, break down barriers --
19 transportation, lodging. We did get to hear
20 in a recent event from the New York Abortion
21 Access Fund. Some of their on-the-ground
22 realities right now is they're trying to help
23 individuals. Over 60 percent of the callers
24 are New Yorkers who are having barriers

1 getting care here in New York to abortion,
2 where we've long had it accessible.
3 So investing in those organizations
4 and providers is critical, and that's what
5 the Reproductive Freedom and Equity Program
6 would do.
7 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: And
8 what percentage of counties in New York do
9 not have access to an abortion provider?
10 MS. HANSON: I'm not going to be able
11 to say the exact number, so I'm happy to give
12 that to you.
13 I think one of the things we know is
14 that when we talk about the challenges
15 providers, healthcare providers are
16 experiencing -- staffing, for example, and
17 that vicious cycle we heard about before.
18 you know, that's the case for all providers.
19 That's the case for reproductive and sexual
20 healthcare providers.
21 And so when providers are
22 understaffed, when they're struggling to, you
23 know, open up appointment slots or
24 appointment slots have to be closed because

1 they lack the staff, that's lacking access.
2 And so that's why we really need a strong
3 investment.
4 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
5 you so much.
6 MS. HANSON: Thank you.
7 ASSEMBLYWOMAN PAULIN: I think that's
8 it. So thank you very much, Panel H.
9 And we're on to Panel I: Feeding
10 New York State; The Alliance for a Hunger
11 Free New York; and The Food Pantries for the
12 Capital District. And we will take you in
13 that order.
14 (Pause.)
15 ASSEMBLYWOMAN PAULIN: Panel J is
16 Home Care Association of New York State;
17 Consumer Directed Action of New York;
18 Empire State Association of Assisted Living;
19 New York State Association of Health Care
20 Providers; and Home Healthcare Workers of
21 America.
22 So Feeding New York State. Press the
23 button.
24 MR. HEALY: Thank you to the committee

1 chairs, ranking members, Senators,
2 Assemblymembers, and all in attendance here
3 today.
4 My name's Ryan Healy. I'm
5 representing Feeding New York State, the
6 statewide association of New York's Feeding
7 America food banks. We greatly appreciate
8 the opportunity to talk about the critically
9 important issue of food insecurity across the
10 state.
11 First I'd like to acknowledge the work
12 of this committee and both chambers for the
13 progress New York has made in recent years.
14 In response to the unprecedented COVID-19
15 pandemic, New York has stepped up, creating
16 the Nourish New York program, which connects
17 hungry New Yorkers with fresh New York-grown
18 produce; expanding no-cost school meals to
19 over 300,000 New York children; and
20 increasing funding for statewide anti-hunger
21 programs such as the Hunger Prevention
22 Nutrition Assistance Program, or HPNAP, and
23 the Nutrition Outreach and Education Program,
24 or NOEP.

1 The reality is we have more work to
2 do. And unfortunately, the Executive Budget
3 proposes doing less. The Executive Budget
4 proposal clearly misses the mark on hunger.
5 Its framework proposes a nearly 40 percent
6 reduction in funding for the HPNAP program,
7 flat funding for Nourish New York, and a
8 $2 million cut to the SNAP outreach and
9 enrollment program, NOEP.
10 These programs have no meaningful
11 impact on our budget deficit, but they keep
12 New Yorkers fed and they maximize
13 participation in federal nutrition programs.
14 The last thing we should be doing right now
15 is returning HPNAP funding levels to fiscal
16 year 2017.
17 This year statewide anti-hunger
18 programs are requesting 64 million for HPNAP,
19 75 million for Nourish New York, and an
20 additional $2 million in funding, a restored
21 $2 million in funding for NOEP.
22 Why are we asking for additional
23 funding? Because food insecurity is on the
24 rise here in New York State and across the

1 country. Back in October the USDA reported
2 food insecurity rose at the fastest one-year
3 rate since 2008, which is the first full year
4 of the Great Recession. That came just one
5 month after Census data reported that in
6 2022, child poverty rates more than doubled
7 following the expiration of the Child Tax
8 Credit.
9 Just a few weeks ago our own
10 Department of Health released a report
11 finding nearly one in four New York adults
12 experienced food insecurity within the last
13 year. And these data points affirm what
14 New York food banks and emergency food
15 providers are reporting. Across our network,
16 we're serving more than 62 percent more
17 individuals compared with pre-pandemic
18 levels.
19 The DOH report also identifies as
20 strong correlation between food insecurity
21 and the prevalence of chronic disease,
22 including diabetes, hypertension, coronary
23 heart disease, as well as mental health
24 challenges including anxiety and depression.

1 Hunger and food insecurity persists in
2 all corners of the state. Rural communities
3 such as Herkimer and Oswego have
4 disproportionately high rates of food
5 insecurity. The Village of Dolgeville, for
6 example, regularly closes down an entire
7 street for food distributions due to high
8 demand. Also {inaudible} suburban
9 communities --
10 ASSEMBLYWOMAN PAULIN: Thank you very
11 much.
12 CHAIRWOMAN KRUEGER: Thank you.
13 ASSEMBLYWOMAN PAULIN: Next.
14 MS. PERNICKA: Hi. Thanks for having
15 me. I'm Natasha Pernicka, the executive
16 director of The Alliance for a Hunger Free
17 New York.
18 As Ryan mentioned, we know there is a
19 direct correlation between people having
20 consistent access to nutritious food and the
21 health outcomes that they experience in their
22 life. The state budget as drafted is
23 negligent in responding to the current hunger
24 crisis.

1 Other stats to add to Ryan's include
2 when New Yorkers were asked in the U.S.
3 Census poll "Do you have enough food to last
4 for the week?", comparing 2021 to 2023, the
5 number of New Yorkers who answered no
6 increased 87 percent compared to 35 percent
7 nationally. People do not have enough food
8 to make it through the week.
9 This hunger crisis is systemic and
10 political in nature, and it's beyond the
11 capacity of what is being pushed onto the
12 charitable sector to handle without
13 government addressing adequate resources that
14 are needed. Just Monday I was in Dutchess
15 County at their Food Pantry Coalition.
16 Pantries came together, they talked about the
17 increases that they're seeing, the challenges
18 they're experiencing having adequate
19 resources to handle the increases, the lack
20 of food. And these stories and statistics
21 are across the state, from New York City,
22 Binghamton, North Country, west -- across the
23 entire state, the stories and statistics are
24 the same.

1 Fortunately you have the ability to do
2 the right thing, which is increase the two
3 important programs for our food providers,
4 HPNAP, the Hunger Prevention Nutrition
5 Assistance Program -- which in 2012 a study
6 was done, in 2012 $50 million would have been
7 an adequate budget amount for HPNAP, more
8 than 12 years ago. Now we're looking at
9 going back to 34.5 million. Food providers
10 across the state are going to lose valuable
11 resources at a time when they're needed most.
12 It's also important to notice that
13 food pantries provide resources for people
14 who don't qualify for SNAP, people who might
15 be $50 above what would be required to be
16 eligible for SNAP. We're seeing more and
17 more families with two parents working,
18 having to turn to local food pantries to get
19 their food needs met.
20 Nourish New York is an incredible
21 program to increase the quality and the
22 health of fresh produce and other healthy
23 foods through food pantries. We need to make
24 sure that the stagnant funding is increased.

1 If we look at food inflation prices, last
2 year the stagnant funding of HPNAP, we lost
3 $8 million in purchasing power due to food
4 inflation pricing. Food inflation is higher
5 than the general inflation rate.
6 ASSEMBLYWOMAN PAULIN: Thank you very
7 much.
8 Finally, next.
9 MS. PENDER-FOX: Hi. I'm Angie
10 Pender-Fox. I'm the associate executive
11 director --
12 ASSEMBLYWOMAN PAULIN: Did you press,
13 is it green?
14 MS. PENDER-FOX: Yes. Can you hear
15 me?
16 ASSEMBLYWOMAN PAULIN: Make it a
17 little closer.
18 MS. PENDER-FOX: Is this better?
19 ASSEMBLYWOMAN PAULIN: Yup.
20 MS. PENDER-FOX: I'm Angie Pender-Fox.
21 I'm the associate executive director with
22 The Food Pantries for the Capital District.
23 The Food Pantries for the Capital District
24 was funded in 1979. We're a coalition of

1 70 pantries serving Albany, Rensselaer,
2 Schenectady, and Saratoga counties.
3 As a coalition we thought we had seen
4 the highest levels of need in 2022, only to
5 see an increase in pantry visits in 2023.
6 Just last week our food access referral line
7 received 85 calls from community members
8 seeking food assistance. This is the most
9 calls our referral line has ever seen in one
10 day in the history of our organization.
11 In the Governor's State of the State
12 she spoke of New York residents having to
13 choose which bills they would pay, rent or
14 medical, but she never mentioned food. She
15 forgot food. But I can guarantee you the
16 families we serve every day do not forget
17 about food. The parent with children to feed
18 is not forgetting about food. The senior who
19 cannot get to the grocery store and only gets
20 $28 a month on SNAP is not forgetting about
21 food. The veteran who has served their
22 country and is now in need is not forgetting
23 about food. The child who is going to bed
24 hungry tonight is not forgetting about food.

1 We are asking you to not forget about
2 food and our people. We ask you to support a
3 request to fund HPNAP at 75 million, Nourish
4 New York at 75 million, and to expand direct
5 contracts with emergency food relief
6 programs.
7 As a coalition of food pantries we
8 come together monthly with our members to
9 share information, discuss trends and
10 practices. We survey our members at least
11 twice a year. Our members are telling us
12 that the need continues to grow. Some
13 pantries are seeing 20, 30, 40 percent
14 increases. Some pantries have had to reduce
15 the number of times people can come to their
16 pantries, going from twice a month to once a
17 month, to maximize their resources.
18 Once upon a time one of our largest
19 pantries in Albany was receiving 3,000 pounds
20 of food a week through our food delivery
21 service, and we thought this was a lot. But
22 now they receive as much as 7,500 pounds of
23 food a week and still worry that this may not
24 be enough to meet the need.

1 Funding is a concern. Thirty percent
2 of our pantries reported that they were
3 concerned that they would not have enough
4 funding to get through 2023. And consistent
5 sourcing is an issue. Pantries are not
6 always able to source foods that meet
7 community needs.
8 Our coalition works with our members
9 to facilitate service coordination and
10 collaboration. We have a handful of pantries
11 who have direct contracts with Nourish
12 New York, and these pantries are working
13 together to provide culturally sensitive and
14 fresh foods for those they serve. They come
15 together as a group --
16 ASSEMBLYWOMAN PAULIN: Thank you so
17 much. Sorry. Three minutes goes by quick.
18 MS. PENDER-FOX: It does.
19 ASSEMBLYWOMAN PAULIN: Assemblymember
20 Jensen.
21 ASSEMBLYMAN JENSEN: Nope, I'm good.
22 ASSEMBLYWOMAN PAULIN: Oh, you're
23 good. Wow.
24 ASSEMBLYMAN JENSEN: They did a great

1 job. That's why I don't have anything.
2 (Laughter.)
3 ASSEMBLYWOMAN PAULIN: I think we're
4 on to the next panel.
5 CHAIRWOMAN KRUEGER: Nope --
6 ASSEMBLYWOMAN PAULIN: Oh,
7 Assemblymember -- Assemblymembers, both.
8 First Jessica González-Rojas and then --
9 CHAIRWOMAN KRUEGER: We have Senators.
10 ASSEMBLYWOMAN PAULIN: Oh, and then we
11 have a Senator, and then we have Nikki.
12 Okay.
13 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
14 you so much.
15 Mr. Healy, you said one in four
16 New Yorkers have experienced food insecurity
17 in the past year. That -- I think we all
18 need to sit with that. Can you talk about
19 which counties and maybe metropolitan areas
20 are most impacted? Actually, which counties
21 across New York are most impacted by food
22 insecurity?
23 MR. HEALY: Thanks, Assemblymember.
24 The county that has the highest prevalence of

1 food insecurity is the Bronx. Up to
2 40 percent of New York adults in the Bronx
3 have experienced food insecurity within the
4 last 12 months. In addition, suburban
5 counties like Rockland County and then
6 upstate rural counties, including Oswego and
7 Herkimer, have some of the highest rates.
8 MS. PERNICKA: If I can just add, the
9 report that he's quoting is from New York
10 State Department of Health, and they list the
11 food insecurity rates by county. It's
12 accessible to everybody.
13 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
14 you. And, you know, there's so many
15 important programs that I'm supporting and
16 we're fighting for. Are there some that you
17 would say would really address the root cause
18 of the connection between hunger and public
19 health?
20 MR. HEALY: Absolutely. I think
21 there -- in addition to funding the critical
22 anti-hunger programs that serve as a backstop
23 for New Yorkers struggling, we also need to
24 do a lot more in reducing the prevalence of

1 hunger, poverty and food insecurity.
2 Some things -- you have a couple of
3 pieces of legislation, of course. Universal
4 school meals or health school meals for all,
5 as well as a proposal that you and
6 Senator May lead to establish a $100 minimum
7 SNAP benefit. As Natasha had mentioned
8 earlier, when the SNAP emergency allotments
9 came to an end last year, New York households
10 were hit particularly hard. The average
11 household lost about $150 per month, and some
12 benefits go to $23 bucks a month. It doesn't
13 get you very far, so we need to do a little
14 more than a dollar a day.
15 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
16 you. Anyone else want to add?
17 MS. PERNICKA: I can add that when New
18 Yorkers do have a consistent access to
19 nutritious food, in particular through Food
20 as Medicine interventions, we've seen people
21 reduce their need for insulin, their
22 hypertension has reduced, and they have lost
23 weight. And so we're excited to be able to
24 do more of that through Food as Medicine, but

1 we need resources to have healthy food in our
2 food supply chain.
3 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
4 you so much for all your work.
5 CHAIRWOMAN KRUEGER: Senator Brad
6 Hoylman-Sigal.
7 SENATOR HOYLMAN-SIGAL: Thank you,
8 Madam Chair.
9 I wanted to ask about the Nourish
10 New York grant. And I've heard from some of
11 the organizations in my district -- I
12 represent the West Side of Manhattan -- that
13 received a rejection, in effect, in applying
14 for the grant. Do you know why and what the
15 outcome has been for these organizations thus
16 far?
17 MR. HEALY: Thank you, Senator.
18 The Nourish New York, which became a
19 permanent program -- it was codified in 2021.
20 It obviously came about during the depths of
21 the pandemic as an emergency program. But in
22 2021 when it became permanent, the Department
23 of Health and Agriculture & Markets, which
24 co-administer the program, put out an RFA in

1 the spring of last year. There were a bunch
2 of organizations that applied. Some great
3 organizations that do fantastic work in the
4 community either didn't receive funding or a
5 saw a major reduction in funding.
6 The determinations as to methodology
7 and allocations, we don't have clear answers
8 yet. We would just underscore that there's a
9 lot of great organizations but there's just
10 not enough funding.
11 MS. PERNICKA: I'd personally like to
12 add that the increases that we're asking for
13 Nourish New York and Hunger Prevention
14 Nutrition Assistance Program have to have
15 intent in the budget that they're both
16 available to food banks and food pantries and
17 other emergency food providers. It can't be
18 fast-tracked through food banks only.
19 The contracts have to be available to
20 food pantries as well, especially the
21 organizations that lost both HPNAP and
22 Nourish New York contracts last year because
23 the additional 22 million was treated as a
24 legislative add-on. These increases need to

1 be added to the base budget so that they can
2 be added to the contracts so that these
3 organizations have consistent funding. We
4 cannot be funded year over year and not
5 knowing what the funding is going to be the
6 next year, especially with the increases in
7 demand.
8 CHAIRWOMAN KRUEGER: Thank you.
9 Are there any other Assemblymembers
10 with questions? Yes? Hello. Please, yes.
11 If you press that until it turns green.
12 ASSEMBLYWOMAN LUCAS: Okay, there you
13 go.
14 CHAIRWOMAN KRUEGER: Yes, good.
15 ASSEMBLYWOMAN LUCAS: Okay, good
16 evening. How are you?
17 I kind of -- I guess that my question
18 is a spinoff of the previous questions.
19 Because oftentimes in certain zip codes,
20 Black communities, you see a lot of
21 inequities when it comes to fresh produce.
22 Additionally, in terms of who gets
23 approved for these grants. I've personally
24 watched this. I've had to develop my own

1 pantry just because of what was happening
2 amongst seniors. I watch a lot of these
3 big-box organizations that are specific to a
4 specific ethnicity receive funding, and then
5 when it comes to distributing out, there is
6 no fresh produce. And when we do get the
7 fresh produce, it is days old and rotten.
8 I experienced and witnessed during
9 COVID where trucks were telling us that they
10 were told to take food, certain foods, to
11 specific neighborhoods and we were to get the
12 tail end of whatever is left over.
13 So could you talk to me a little bit
14 about what that process looks like? Do you
15 have any data, you know, that would allow us
16 to track and monitor who's the recipient of
17 certain types of food as well as the grants?
18 And additionally, who has this oversight.
19 Because the process, when coming to ask for
20 funding, I'm not excited about it because the
21 process is not fair where I live.
22 MR. HEALY: Just a couple of things
23 real quick.
24 Obviously systemic racism is apparent

1 across the food system. You have Black and
2 Hispanic and Native Americans two to three
3 times more likely to be food insecure, which
4 is a significant issue that the state needs
5 to take more seriously, the country needs to
6 take more seriously.
7 In regards to the grant programs,
8 there is -- at least for HPNAP and Nourish
9 New York there is a competitive bid process
10 every year. The Department of Health makes
11 awarding determinations. Our 10 food banks
12 work closely with thousands of
13 community-based organizations in distributing
14 the food.
15 We haven't heard of the specific
16 examples that you're citing, but we will
17 definitely take a look into that, because
18 that's unacceptable.
19 MS. PERNICKA: This is why it's
20 important for all nonprofits to have access
21 to Nourish New York contracts directly and
22 not rely on the food bank system as the only
23 contractor for New York.
24 MR. HEALY: And we second that.

1 ASSEMBLYWOMAN LUCAS: Thank you.
2 CHAIRWOMAN KRUEGER: (Mic off;
3 inaudible.) Senator Lea Webb.
4 SENATOR WEBB: Yes, thank you, Chair.
5 My question will be really brief.
6 In your proposals you talk about the
7 desire to expand direct contracts to direct
8 food providers for direct impact. And I was
9 wondering if you could expound upon this a
10 little bit more. Because again, this is an
11 issue that I'm all too familiar with. In my
12 district, most certainly, you know, we have
13 significant issues around child poverty. We
14 have some of the highest rates in the state
15 in Senate District 52. And this continues to
16 be an ongoing challenge with respect to food
17 insecurity.
18 So I wanted to -- if anyone could kind
19 of expound on that a little bit more.
20 MS. PERNICKA: I can speak to that.
21 What we're seeing -- food banks are an
22 incredible part of our food system, but we
23 also need to have local responses utilizing
24 HPNAP and Nourish New York funding so that

1 pantries and other organizations are able to
2 buy culturally appropriate food for the needs
3 in their own neighborhoods.
4 We are also seeing across the state
5 that food pantries are working
6 collaboratively, though organizations that do
7 have direct contracts are even getting prices
8 that are cheaper through wholesalers and
9 farmers than going through the food banks.
10 So the dollars are going farther. The
11 pantries are working collaboratively to meet
12 the unique needs in their own communities.
13 And I know Angie has an example here
14 in the Capital Region about how local
15 organizations, working together, are being
16 really efficient and effective in the
17 delivery of services.
18 MS. PENDER-FOX: Yes, so we do have a
19 group of about five pantries who had come
20 together, out of our 70 food pantries, who
21 have direct contracts. And what they do is
22 they work together to serve, yes, themselves
23 as a collective, but also reached out to
24 those smaller pantries in other communities

1 to see what their needs were and surveyed
2 them.
3 We have a whole system -- we worked
4 with them, and we have a whole system in
5 which, you know, everyone gets a certain
6 amount of funding, they can do their own
7 ordering so they order fresh produce, fresh
8 foods, culturally appropriate foods to meet
9 the needs of the community. And they're
10 working at this state I think with about 32
11 or 33 pantries. It works out really, really
12 well.
13 MR. HEALY: And if I could just add,
14 I'd just like to echo the other panelists
15 here. We support direct contracts for all
16 food relief organizations, not just food
17 banks. We support an open, transparent
18 competitive bid process.
19 On the point about, you know, sourcing
20 food to meet the needs, we have a beautiful
21 state, a diverse state, and there's a lot of
22 important needs -- Halal, kosher. And
23 programs like Nourish New York and HPNAP
24 actually help make up for the lack of Halal

1 and kosher foods available through the
2 federal programs.
3 That's why, you know, our view is that
4 programs -- HPNAP, Nourish New York -- should
5 be seen as tools for equity within our food
6 system.
7 And so there's a lot of work to do,
8 but, you know, we look forward to partnering
9 on that.
10 SENATOR WEBB: Thank you all very
11 much.
12 CHAIRWOMAN KRUEGER: Thank you.
13 ASSEMBLYWOMAN PAULIN: Yes, thank you
14 so much.
15 Next panel.
16 CHAIRWOMAN KRUEGER: Thank you for
17 your presence tonight.
18 Last panel.
19 ASSEMBLYWOMAN PAULIN: Last panel:
20 Home Care Association of New York State is
21 first. Consumer Directed Action of New York
22 is second. Empire State Association of
23 Assisted Living is third. New York State
24 Association of Health Care Providers is

1 fourth. And Home Healthcare Workers of
2 America is last.
3 So press the green button hard.
4 CHAIRWOMAN KRUEGER: Very hard.
5 ASSEMBLYWOMAN PAULIN: You're off.
6 MR. CARDILLO: Thank you.
7 This proposed budget contains
8 proposals of high impact and enormous
9 concerns to the home care sector. In
10 addition to the concerns about what it
11 contains is what it lacks.
12 In particular, certified home health
13 agencies, which are the agencies that accept
14 patients on discharge from hospitals, provide
15 postsurgical care, provide the complex
16 management of patients with diabetes,
17 congestive heart failure, COPD and so on --
18 these agencies, which serve over 500,000
19 New Yorkers each year, are substantially
20 functioning below margin in the state, have
21 long been overlooked for any discrete support
22 in the budget or to have their rates adjusted
23 to come close to cost.
24 There is a proposal by Assemblywoman

1 Paulin, A7568, that would address the
2 specific needs of agencies in that category,
3 along with providing essential support for
4 hospices and licensed agencies. We urge you
5 to include 7568 in the Article VII.
6 Wages are a critical issue in the
7 budget. We -- the Governor's budget proposes
8 to eliminate the wage parity support for
9 personal assistants in the consumer-directed
10 program. We urge your rejection of that
11 proposal.
12 We also urge your attention to the
13 200 million -- 400 million in the
14 aggregate -- proposals to cut Medicaid from
15 the Executive, which are unspecified. They
16 will only serve to combine with these other
17 proposals to further undermine access and
18 workforce in the system.
19 Home care has unique needs in the
20 workforce area, particularly with regard to
21 nursing. The Governor has proposals for
22 workforce in the budget, and those proposals
23 really need to be modified to ensure a focus
24 that supports the recruitment of nurses and

1 other key staff within home care.
2 A prior speaker spoke about proposals
3 in the budget that circumvent current laws to
4 allow for services to be provided in the home
5 by providers that do not meet those license
6 requirements. We urge your opposition to
7 those proposals, your rejection of those
8 proposals in the budget.
9 One area in particular is the area
10 related to 2805-x. That area is the Home
11 Care Hospital Physician Collaboration
12 program. It's a wonderful program. We
13 worked with the hospitals and the Legislature
14 to create it several years ago. The
15 Executive proposals undermine the core of
16 that program, which is to really leverage the
17 providers who exist to work together.
18 We urge your opposition to the managed
19 care proposals, the procurement, the rate
20 cuts and the other elements that would
21 undermine services to patients, dislocate
22 agencies -- thank you.
23 ASSEMBLYWOMAN PAULIN: Thank you.
24 CHAIRWOMAN KRUEGER: Thank you.

1 Next.
2 MR. O'MALLEY: Good evening. My
3 name's Bryan O'Malley. I'm with Consumer
4 Directed Action of New York.
5 At the 30,000-foot level we at
6 Consumer Directed Action are strongly opposed
7 to the $2.54 per hour, or 12 percent, wage
8 and benefit cut. That would make CDPA
9 workers second-class home care workers.
10 We have deep concerns about the
11 unidentified $200 million in cuts.
12 We support the proposal by
13 Senator Rivera and Assemblymember Paulin to
14 repeal eligibility cuts set to take effect
15 this year that would deem thousands not
16 disabled enough for personal care.
17 And we also support the Home Care
18 Savings and Reinvestment Act, which would
19 phase out MLTCs and replace them with care
20 managers without a profit motive to deny
21 care, and fee-for-service Medicaid payments
22 for transparent payment.
23 Coming down from 30,000 feet, this
24 budget forces us to ask questions fundamental

1 to what we want Medicaid to be. Regarding
2 the Governor's proposed wage benefit cut for
3 CDPA workers, I ask if your salary were cut
4 by 12 percent, would you look for new work?
5 If you were a PA in New York City earning
6 just over $1500 per pay period, could you
7 afford losing $200 from that check? Could
8 you afford to go back to slightly more than
9 you were making in 2019?
10 How do 12 percent wage and benefit
11 cuts for a low-wage workforce primarily
12 composed of Black, Latinx and immigrant
13 women, advance an equitable New York?
14 What about the disabled or older
15 Medicaid recipient who needs services? When
16 their worker inevitably leaves, how do they
17 hire someone new at this wage, with no
18 benefits, when every public and
19 private-sector employer pays more?
20 Does it even make financial sense to
21 leave that recipient stranded without
22 services? CMS and others put the cost of a
23 State 4 pressure sore at $125,000, meaning
24 less than 1 percent of consumers developing

1 pressure sores as a result of cutting wages
2 wipes out any savings.
3 And the same can be said for the cuts
4 to eligibility. If someone can eat, shower
5 and go to the bathroom once up, but can't
6 transfer and get themselves out of bed, does
7 it matter that they don't need full
8 assistance with other ADLs? They're not
9 leaving bed. They won't eat, bathe, and
10 they'll lie in their own urine and feces.
11 What's the cost of that?
12 Does it advance equity to deny
13 services to an aging community that's growing
14 more impoverished and is increasingly
15 comprised, again, of Black, Latinx and
16 immigrant elders? Can we just fight any of
17 this while giving billions to MLTCs that were
18 supposed to provide care management but
19 don't, supposed to do assessments but don't,
20 supposed to pay for nursing homes but don't?
21 Thank you very much.
22 CHAIRWOMAN KRUEGER: Thank you.
23 ASSEMBLYWOMAN PAULIN: That was good
24 timing.

1 Next. Chris?
2 MR. VITALE: Good evening, Chairs
3 Krueger, Rivera and Paulin and members of the
4 New York State Senate and Assembly. My name
5 is Chris Vitale. I'm the legislative
6 coordinator for the Empire State Association
7 of Assisted Living, or ESAAL. I'm also a
8 former owner/operator of licensed assisted
9 living communities across New York State for
10 the past 25 years.
11 ESAAL is a not-for-profit organization
12 representing 347 licensed assisted living and
13 adult care facilities in the state that serve
14 more than 33,000 frail elderly, some of which
15 are on SSI, Medicaid and/or private-pay
16 residents.
17 As we say every year, we continue to
18 suffer from a lack of state support, anemic
19 reimbursement rates and budget cuts. You
20 have the full testimony in front of you, and
21 I will now highlight some key points.
22 This historic lack of assistance is
23 resulting in closures. We've lost more than
24 3100 low-income adult care facility beds in

1 the last decade; 700 of those beds have
2 closed this past year, with these residents
3 ending up in skilled nursing homes at a much
4 higher cost to the state.
5 Given this, we are dismayed that the
6 budget again proposes to eliminate the only
7 source of state funding to ACFs, the
8 Enhancing the Quality of Adult Living, or
9 EQUAL program. This $6.5 million program is
10 directed only to facilities that serve SSI or
11 safety-net residents. The money is directed
12 by and for those residents. This is not a
13 new cut, and the Legislature has restored it
14 in the past. We ask that you do the same
15 again.
16 Moving on to the Medicaid-funded
17 Assisted Living Program, the low rates for
18 this program are completely unsustainable.
19 The 6.5 percent increase in last year's
20 budget, although appreciated, doesn't come
21 close to covering the costs of care, labor,
22 energy, food, insurance -- it's all way up.
23 The ALP rate base year in statute is
24 30 years old. I was in high school when it

1 was determined. And it needs to be revised
2 to prevent more closures. We need a bridge
3 rate increase of 13.5 percent until that
4 takes effect. And we ask that you include
5 ALP rebasing an additional rate increase in
6 your one-house budget bill.
7 Same as last year, the budget includes
8 a proposal to require facilities to report on
9 quality and other measures. We're not
10 against this idea. We just want to be
11 consulted when DOH develops quality
12 indicators and the reporting processes. We
13 support the Assemblymember Paulin bill,
14 A5790, as proposed.
15 I'll wrap up with a couple of
16 proposals we do support. The budget proposes
17 to make permanent the Special Needs Assisted
18 Living Voucher program, which helps cover the
19 cost of care for individuals with dementia
20 and Alzheimer's who run out of funds. We
21 want to see this program supported.
22 Finally, this budget includes
23 $7.2 million in funding for family caregivers
24 who need access to respite care at adult care

1 facilities. We want that funding to remain
2 with DOH and support a methodology that
3 distributes it to as many people as possible.
4 In closing, I talk to operators every
5 day who are struggling to keep their doors
6 open, and we need help.
7 Thank you.
8 CHAIRWOMAN KRUEGER: Thank you.
9 ASSEMBLYWOMAN PAULIN: Next.
10 MS. FEBRAIO: Thank you for the
11 opportunity. I'm Kathy Febraio, president
12 and CEO of the New York State Association of
13 Health Care Providers, representing home care
14 providers across New York State.
15 So what else can I say? It's the end
16 of the day, New York has demographic
17 challenges, workforce shortages,
18 reimbursement dilemmas, widespread financial
19 fragility for providers operating in the
20 Medicaid program. Systemic underfunding,
21 astronomical growth, and reform proposals
22 have been a common theme today.
23 Home care is no different, except that
24 funding for home care agencies has remained

1 flat for over a decade, while other sectors
2 have seen substantial investments. We
3 desperately need a 10 percent increase in
4 Medicaid reimbursements this year. Recent
5 funding to support wage increases has only
6 been partially passed on to home care
7 agencies, while no funding has been provided
8 for running a home care agency.
9 For too many years there have been
10 discussions about the Medicaid payment system
11 for home care. So let me be very clear:
12 Regardless of the payment system, the rate
13 and amount paid to home care providers is
14 simply inadequate to sustain the viability of
15 the system.
16 So let's ask ourselves if we have any
17 water before we work on the plumbing. We
18 need to have enough money to meet payroll
19 next week before we talk about fixing the
20 system. Nearly 30 percent of licensed home
21 care agencies operated at a loss in fiscal
22 year 2021. I assume it's worse today.
23 So we are asking for a 10 percent
24 Medicaid rate increase for home care

1 providers. We want restoration of $1 billion
2 in Medicaid cuts, including the 200 million
3 state and then its match at the federal level
4 in the unspecified home care cuts. We want
5 restoration of the wage cuts for personal
6 assistants of over $2 per hour.
7 We want opposition to home care absent
8 licensure under Article 36. And we want
9 inclusion of S6983A from Rivera and A7335 of
10 Paulin's to establish a regional minimum
11 hourly based reimbursement rate for home
12 care.
13 My written submission includes the
14 testimony of Karen Clark, who could not be
15 here this evening. She's the executive
16 director of Home-Health Care Partners, a
17 respected not-for-profit home care agency
18 serving upstate New York for almost 30 years.
19 Despite their good work and reputation, the
20 difficult business environment in New York
21 State and persistent fundamental threats to
22 our industry led to their decision to close
23 their doors.
24 To quote Karen's testimony: "The

1 outlook for home care is grim. Our agency is
2 still doing what is right as we grieve and
3 wind down. We are service providers, and we
4 have been service recipients. Home care is
5 very real and personal to us."
6 So home care agencies like Karen's
7 work every day to make sure --
8 ASSEMBLYWOMAN PAULIN: Thank you very
9 much. Sorry.
10 MS. FEBRAIO: -- provide services.
11 Thank you.
12 MR. SHAW: Hello. Connor Shaw, the
13 political director of Home Healthcare Workers
14 of America, representing 40,000 home care
15 aides mainly in the five boroughs, but into
16 Long Island and Westchester as well.
17 We are very concerned about what's not
18 in this budget, which includes not the
19 expansion of the Quality Incentive/Vital
20 Access Provider Pool program, which we've
21 come and talked to many of you about in the
22 past. This is a program that provides a
23 slightly higher rate to agencies that meet
24 higher levels of training and healthcare

1 access to their members.
2 While there is an upfront cost to
3 providing this extra reimbursement, it
4 undoubtedly saves the state tens of millions
5 of dollars. Every home care aide that does
6 not receive health insurance through their
7 employer receives it through State Medicaid.
8 By encouraging employers to provide more
9 access to health insurance for the people
10 currently working for their agency, they're
11 keeping folks off the Medicaid rolls.
12 By providing a higher level of
13 training than the 12 hours currently required
14 for the QIVAPP program, you are keeping
15 elderly folks out of hospitals.
16 We've brought many of these aides to
17 talk to you about some of the training they
18 go through. Providing an extra dollar an
19 hour to folks making $17.50 is nothing
20 compared to the cost of one hospital stay
21 that these can prevent. You're talking about
22 a workforce largely of immigrant women
23 working in their first jobs in the
24 United States.

1 With the reduction of the $1 increase
2 in wage parity that was supposed to go into
3 effect last October, we are seeing home care
4 providers cutting English as a second
5 language training, childcare services and
6 transportation to get to patients that don't
7 live near public transportation. But cutting
8 these programs and asking the workforce to
9 fund their minimum wage increase through a
10 reduction of benefits puts at risk an
11 industry already 100,000 aides short in
12 New York State alone -- and that is facing a
13 growing elderly population.
14 We do not have the infrastructure to
15 deal with the elderly and aging population
16 without investing in home care. We cannot --
17 there's not a possible amount of money that
18 you can put in nursing care that can replace
19 what home care provides this state. And the
20 QIVAPP program, acknowledging that there's an
21 upfront cost, saves the state tens of
22 millions of dollars. It's already in place
23 but was closed off to new employers that want
24 to help New York meet its goals.

1 Why do you have a program that
2 encourages employers to help New York meet
3 its goals but you don't allow employers who
4 want to access that to participate?
5 We would support raising the standards
6 for QIVAPP. Frankly, an employer only has to
7 provide 30 percent of their workforce health
8 insurance to qualify. We support raising
9 that to 50 percent. Again, that helps the
10 state save money by keeping folks off
11 Medicaid. If a home -- again, a home care
12 aide making $17.50 an hour, if they are not
13 getting health insurance through their
14 employer, they are getting it through
15 State Medicaid.
16 Thank you.
17 CHAIRWOMAN KRUEGER: Thank you.
18 Senator Rivera.
19 SENATOR RIVERA: Hey, folks. Thank
20 you for holding on for as long as you have.
21 Just two things. One -- and anybody
22 can chime in, but certainly, Madam, you were
23 talking about it -- as far as these
24 unallocated cuts. Now, this is the first

1 time that I've heard of anything like this.
2 I'm not sure if you've heard of anything like
3 this before. And if you do, like if you can
4 give me kind of your impression of what --
5 what are these folks thinking. What is this
6 unallocated cut thing? It's like
7 $200 million, do what you will. What do you
8 think about this?
9 MS. FEBRAIO: Well, when they -- the
10 cost savings for the cut to worker wage
11 parity in the CDPAP is --
12 SENATOR RIVERA: Oh, I'll get to that.
13 MS. FEBRAIO: But that's 200 million
14 as well. So 200 million is going to be
15 significant, whatever they decide to do with
16 it. It's -- it's very concerning. I haven't
17 seen it before.
18 SENATOR RIVERA: And have you -- have
19 you been -- has there been any -- because the
20 argument that they were making this morning
21 was that they want -- that this is put out
22 there so that we can, you know, together,
23 stakeholders can come -- can decide
24 collectively what is best to be able to

1 provide savings, blah, blah, blah.
2 Has there been any outreach from the
3 administration to anybody certainly at this
4 table -- I should have asked this earlier --
5 anybody at this table on this type of issue?
6 Or have you heard from anybody in the
7 industries that we're talking about that are
8 going to be impacted -- I mean, folks talk to
9 each other all the time, whether there has
10 been any outreach from the administration to
11 do what they claim this is about.
12 (Panel members shaking heads.)
13 MS. FEBRAIO: Not yet.
14 SENATOR RIVERA: And Bryan, just -- I
15 want you to take the rest of the time. One
16 of the proposals that I was like, what are
17 you doing here? Like I asked them this
18 morning, right -- there was a lot to ask
19 about. But the cut to the wages to CDPAP
20 workers is -- it seemed -- could you tell me
21 a little bit more? I'm sorry I had to step
22 aside when you were testifying. But I just
23 wanted to give you an opportunity if you had
24 anything else to share about the impact

1 that's going to have on these workers, in
2 turn on the people who they serve. And how
3 do you think we should actually deal with
4 this?
5 MR. O'MALLEY: I mean, I hope that
6 this cut can be just rejected outright. It
7 is a straight cut to the workers. Right?
8 Like we have worked so hard over the past
9 couple of sessions to raise wages for
10 workers, and we at CDANY have a leader in
11 that effort, working with all of you here, to
12 make that happen. This would bring us below
13 the wages when we started that. This would
14 bring us -- the wages would not have been
15 lower since 2019.
16 That -- the -- I don't know how we can
17 justify that. People will go without
18 services. People will lose their workers.
19 Because Chipotle and Target are already
20 paying more. If -- I -- you know, if they
21 have to compete with every other home care
22 agency, and it also leads to the plans
23 exploiting the workers as well.
24 SENATOR RIVERA: We will talk much

1 more about this in the weeks to come.
2 Thank you for being here.
3 ASSEMBLYWOMAN PAULIN: Assemblyman Ra.
4 ASSEMBLYMAN RA: Thank you.
5 Mr. Shaw, can you just elaborate a
6 little bit about what the real-world impact
7 is of cutting that dollar from the wage
8 parity?
9 MR. SHAW: Yeah. One of our agencies
10 that we brought up aides from last week had a
11 very innovative program that they had been
12 funding, which was providing after-school
13 tutoring and SAT prep as a benefit to their
14 home care aides.
15 Since they implemented that program,
16 they reduced -- they increased their
17 retention rate from 35 percent in the first
18 180 days to 71 percent in the first 180 days.
19 That is outstanding in one period. Because
20 that is a benefit -- you couldn't pay money
21 in the paycheck to replicate that benefit,
22 providing after-school for these -- again, a
23 workforce largely made up of immigrant women.
24 They are going to run out of funding

1 on February 15th for that program because
2 they had budgeted in that dollar increase
3 that was supposed to come in October. They
4 have tutors, they have a whole program that
5 they run for that. That is going to run out
6 of money.
7 We also have spoke to multiple
8 agencies that are trying to figure out what
9 they're going to do. One of the things that
10 that wage parity was providing was travel
11 reimbursements for going to patients that
12 don't live close to public transportation.
13 Almost every single aide relies on
14 public transportation to get to their
15 patients. By -- if they're cutting that
16 program, you are going to functionally end
17 home care access to places in Staten Island
18 or in the outer boroughs that do not have
19 access to public transportation. Because an
20 aide who's making $17.50 an hour can't afford
21 to pay $30 to an Uber to and from work.
22 So those are two -- and we have other
23 examples. But wage parity is what funds
24 every -- paid time off, health insurance,

1 every benefit that these aides get. And that
2 scheduled increase was put into the money as
3 a minimum-wage increase. So again, you're
4 asking some of the lowest-paid workers in
5 New York to pay for their own wage increase
6 by reduction of benefits.
7 And I can't name a single other
8 industry that that has happened in.
9 ASSEMBLYMAN RA: Thank you.
10 ASSEMBLYWOMAN PAULIN: That's it on my
11 side.
12 CHAIRWOMAN KRUEGER: Any other Senate?
13 No? Oh, I see an Assemblymember.
14 ASSEMBLYWOMAN PAULIN: Ah. Okay,
15 sorry.
16 Assemblymember Jessica González-Rojas.
17 To close, I think.
18 (Laughter; overtalk.)
19 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: It's
20 been a tough day.
21 Thank you all so much for your work.
22 And this issue is so, so important to me
23 because I myself needed a home care worker
24 when I broke my leg. And I'm now currently

1 navigating my mother, who's declining
2 cognitively and physically. And the
3 patchwork of resources we need to pull
4 together to make life work for her, to be
5 independent, is really difficult. So thank
6 you for everything.
7 Thank you, Bryan and Connor, for
8 underscoring that cut that we heard about
9 earlier that Senator Rivera asked about. We
10 were all baffled by the commissioner's and
11 the director's comment this morning.
12 But my question is for Kathy. My
13 understanding of home care services for
14 non-Medicaid individuals is that the Offices
15 for the Aging have to provide that funding
16 for the home care aides and are required to
17 pay that increase by law, but haven't
18 received any funding to support that.
19 So maybe -- Al, you're nodding too.
20 If anyone could speak to that, what that
21 impact means on our older adults and those
22 that need home care services.
23 MS. FEBRAIO: Well, it will definitely
24 increase the waiting lists at the county

1 level.
2 The executive director of the
3 Association for Aging in New York,
4 Becky Preve, would be a good resource to get
5 more details on the numbers and the quantity.
6 Our members, as home care agencies, contract
7 with those counties to provide that care.
8 But she would be the one with more data and
9 statistics that would show the impact of what
10 that means.
11 MR. CARDILLO: I think, you know, one
12 of the issues is that when the wage
13 requirements were passed, within the
14 legislation I think was the presumption that
15 when implemented, they'd be evenly
16 implemented.
17 So really, regardless of whether the
18 worker is caring for a non-Medicaid or
19 Medicaid or Medicare patient, we're looking
20 to support those wages. And the program has
21 not been implemented that way. And frankly
22 within the Office for Aging, you know, the
23 waiting lists are very extensive. And there
24 isn't the support that's necessary to balance

1 those wages.
2 I would say that the same impact is
3 being seen for the Medicare recipients.
4 There's no carry-over accommodation to
5 support the wage function in that area.
6 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: And
7 with my last couple of seconds, I just want
8 to thank Assemblymember Paulin and
9 Senator Rivera for their bill that would
10 phase out the MLTCs. I'm dealing with an
11 MLTC. It's a nightmare. It's a waste of
12 money. And I think there's a lot of
13 alignment behind that.
14 So thank you. Thank you so much.
15 CHAIRWOMAN KRUEGER: Thank you.
16 Done now?
17 ASSEMBLYWOMAN PAULIN: We are done
18 now.
19 Thank you all for coming and staying,
20 and especially to our last panel, because we
21 know how you feel.
22 CHAIRWOMAN KRUEGER: And some of us
23 will be back here tomorrow for the
24 Transportation hearing, 9:30, bright and

1 early. Some of us will --

2 ASSEMBLYWOMAN PAULIN: To the members

3 who stayed, thank you.

4 CHAIRWOMAN KRUEGER: All right. Thank

5 you all very much for being with us.

6 ASSEMBLYWOMAN PAULIN: Yes, we

7 adjourn.

8 (Whereupon, at 7:16 p.m., the budget

9 hearing concluded.)

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