



**Written Testimony of Dr. James V. McDonald  
Commissioner  
New York State Department of Health  
February 11, 2025**

**Introduction**

Good morning, Chairpersons Krueger, Pretlow, Rivera, Paulin, and members of the Senate and Assembly Health and Finance Committees.

I am happy to be here to testify on Governor Hochul's Executive Budget for Fiscal Year 2026 as it relates to the health and wellbeing of all New Yorkers. While the entire budget addresses affordability, my comments today will highlight some of the Governor's proposals that focus on the Department of Health's budget.

Joining me is Medicaid Director Amir Bassiri.

**Federal Transition**

Before getting into the details of this year's budget, I want to acknowledge that we are all dealing with significant federal uncertainty at present. In this budget, and more generally, the Department remains committed to our mission "to protect and promote health and well-being for all, building on a foundation of health equity." We look forward to working with you all to do so.

This budget was predicated on the federal government fulfilling its obligations to New Yorkers and maintaining its existing agreements with New York State and the Department of Health. We expect the federal government to honor the commitments it made to the people of New York.

**Budget Context**

The entire FY 26 proposed state budget is \$252 billion (an increase of \$12.9 billion from last year's Enacted Budget). The entire Department of Health budget is proposed to be \$113.6 billion, or (45%) of that total, and an increase of \$8.1 billion from FY 25 Enacted Levels. Medicaid accounts for \$93.3 billion, up from \$86.8 billion last year, and the Essential Plan accounts for \$13.2 billion, leaving \$7 billion for everything else the Department does, including public health, WIC, Early Intervention, Wadsworth and more. Please keep in mind that 65% of the Department of Health budget is federal funds, primarily due to Medicaid and the Essential Plan.

**Medicaid and the Marketplace**

It is important to remember, Medicaid does so much more than provide for direct patient care. The 1115 amendment is an example of how New York is leveraging our current demonstration project with Centers for Medicare and Medicaid Services (CMS) to protect population health, expand and enhance our workforce and improve people's individual social determinants of health.

Medicaid currently ensures health care for 7 million New Yorkers, down from a peak of 8 million during the public health emergency. The Essential Plan covers 1.6 million New Yorkers,

an increase of 400,000 since last year, primarily due to the approved 1332 Waiver that elevates the income limit to 250% of the federal poverty level.

### **Safety Net Transformation and MCO Assessment**

This budget builds off last year's Safety Net Transformation Program by investing \$1 billion for capital expenditures and an additional \$300 million (\$600 million with federal match) in operating support from the MCO Assessment for approved Safety Net Transformation Projects. Other investments from the MCO Assessment include up to \$305 million (\$610 million with federal match) for hospitals, up to \$200 million (\$400 million with federal match) for nursing homes/long-term care, and up to \$50 million (\$100 million with federal match) for physician fees which will increase from 80% to 90% of Medicare. There is an additional \$10 million (\$20 match) for investments in clinics/federally qualified health centers (FQHCs).

### **Workforce**

The Department has a comprehensive approach to supporting the health care workforce. This includes our \$694 million investment under the 1115 Waiver, which includes \$646 million in three Workforce Innovation Organizations that will encourage entry into the health care workforce and help people obtain and complete training, and \$48 million for loan repayment.

- Additional examples of how the department supports the workforce include our partnership with you with the **Area Health Education Centers (AHEC)**, investing \$2.2 million annually to improve the supply and distribution of health care professionals through community-based programs.
- **We also partner with you in the Diversity in Medicine Initiative:** Investing \$3.64 million annually to recruit and train a health care workforce that represents the diversity of the patients in underserved communities to ensure health equity across the continuum of care.
- **Increasing Training Capacity of Statewide Institutions:** Investing \$22.5 million annually to provide funding to increase the training capacity of health care facilities. This initiative supports facilities to prepare, mentor and train a steady pipeline of high-quality healthcare professionals to meet regional workforce shortage needs.
- **Health Workforce Connects:** We are creating a workforce portal, at a cost not to exceed \$4 million, to serve as a robust resource for those exploring careers in health care. The hub is to be employed as a conduit linking those pursuing health care careers to existing organizations, agencies, resources and workforce data and research.
- **Healthcare Education and Life Skills Program (HELP):** Invests up to \$19.5 million to help students complete their training programs, including but not limited to wraparound services, tuition and fees, childcare, transportation and mentorship.

### **Scope of Practice**

We've heard loud and clear from stakeholders about the need for changes in scope of practice. We have worked with the State Education Department to find ways to allow medical assistants to administer a vaccine after appropriate training. We appreciate meeting with Chair Paulin and her leadership in this area.

We've also heard from nursing homes that they still face challenges hiring nurses. Now is a good time for New York to join the other 38 states that allow a Certified Medication Aide to administer routine medications after appropriate training.

## **Emergency Medical Services/EMS**

This budget also addresses long-standing concerns regarding access to emergency medical services. Designating EMS as an essential service in New York will ensure that when a New Yorker calls 911 in a medical emergency, an ambulance will come. In addition, the budget requires counties to create county-wide EMS plans to coordinate providers and identify gaps in coverage.

## **Standalone Dental**

Many New Yorkers face challenges accessing oral health services. Governor Hochul plans to establish minimum standards for health plans on the New York State of Health Marketplace and to explore ways to subsidize dental plans. Even further, Governor Hochul will introduce legislation allowing dental hygienists to work in a broader range of settings.

## **Nutrition /Universal School Meals**

Access to healthy food is an important social determinant of health. There are several investments in this budget designed to help optimize the nutrition of New Yorkers, including \$23.3 million to the Hunger Prevention and Nutrition Program (HPNAP), which will bring our total investment to \$57 million. Nourish New York, a program administered by Ag and Markets, has a \$5 million investment boost, increasing our investment to \$55 million.

There is an increase of \$9.5 million in our WIC program, funded within the \$26.3 million Women, Infants, and Children Supplemental Nutrition appropriation (Federal contribution \$578.1 million) to allow more eligible New Yorkers to benefit from this program and avoid waiting lists for eligible children and parents. The budget also includes some infrastructure changes so that people eligible for WIC may be enrolled in the Supplemental Nutrition Assistance program.

Additionally, the proposal for universal free breakfast and lunch for kids in school will save New York families up to \$1,600 per child, helping expand eligibility to nearly 300,000 additional students.

## **Unplug and Play**

The Governor's Unplug and Play proposal will improve playgrounds and parks and encourage our children to get outside and get off their cell phones in school from bell to bell. There is also a \$5 million investment to promote swimming in underserved areas by providing free swimming lessons to decrease the chance of accidental drowning.

## **Overdose Work**

Combatting the opioid epidemic remains a priority for the Health Department. The work we are doing is showing progress. Preliminary CDC results for the 12-month period ending in July 2024 show a substantial decrease in overdose deaths from the prior year (-17.24%). This year we are building on existing strategies and proposing approaches to maintain momentum regarding expanding access to medication assisted treatment, buprenorphine.

We would allow paramedics to dispense buprenorphine in the field to help facilitate someone entering recovery during their "window of willingness." The second proposal is for people to physically receive a 3-day supply of buprenorphine in more health care settings to help people stay out of withdrawal and enter recovery. No one intervention will solve the overdose crisis, yet adding interventions strategically allows us to build momentum.

## **Water Infrastructure**

This budget includes a \$500 million investment to support and protect our state's drinking water supply. It also includes an additional \$129 million from the Bipartisan Infrastructure Law (BIL) to replace lead service lines. The Department has utilized \$97 million in Clean Water Improvement Act funding to assist in replacing service lines that would not otherwise be covered under the Bipartisan Infrastructure Law.

## **Obesity Drugs**

Obesity contributes to increased risk of diabetes, heart disease, cancer, and other serious conditions. The introduction of GLP-1 receptor agonists has changed obesity treatment. However, high costs prevent many Medicaid patients from accessing these medications. To address this, Governor Hochul is directing the Department of Health to evaluate access to GLP-1 drugs for Medicaid members at high risk of heart attack or stroke.

## **Reproductive Health**

This budget includes \$20 million to support abortion providers who provide medication abortions. This proposal builds on the \$25 million equity grant fund created by Governor Hochul in May 2022, enhancing reproductive health care services to ensure equitable access to abortion care.

## **Sexual Assault Forensic Examiner**

This budget includes \$2 million to support the hiring and retention of hospital staff who are equipped to safely, compassionately and expertly conduct a Sexual Assault Forensic Exam, which will address the health care needs of victims of sexual assault, connect survivors to resources and help law enforcement in combating sexual assault.

## **Maternal Health**

The Department remains committed to improving maternal health outcomes and eliminating health disparities.

The Department has a comprehensive approach which leverages several investments, including \$4.5 million annually to work collaboratively to improve clinical quality of care with our regional perinatal centers. Additionally, we leverage funds from Medicaid including our \$50 million 2-year investment to support specific birthing hospitals' initiatives to implement strategies in support of reducing maternal mortality and severe maternal morbidity. Contracts have been awarded to nine hospitals, and projects include: implementing strategies to reduce unnecessary cesarean births, providing fetal heart monitoring training to providers and nursing staff, expanding doula programs and services, and reducing disparities in maternal health through racial equity, implicit bias, and trauma informed care trainings for hospital staff. This budget also includes continued annual funding of \$5 million to promote women's health, \$4 million to address maternal mortality and \$33 million to address maternal and infant mortality.

New York's Paid Prenatal Leave Law, a first in the nation law, effective January 1, 2025, is a significant step toward improving maternal health outcomes by ensuring that any pregnant New Yorker will be able to receive an additional 20 hours of paid sick leave for prenatal care.

Other maternal health initiatives outlined in this budget include paying a birthing person on public assistance \$100 per month during pregnancy and \$1,200 when their baby is born to assist with expenses. In addition, the budget envisions a new partnership with Baby2Baby so

that families can receive a baby box with maternal health and newborn supplies—including diapers—to help them get started.

### **Conclusion**

In closing, we are in a unique time in our nation's history and this budget is predicated on the federal government honoring our agreements. I am hoping we can work together to help New Yorkers achieve an optimal state of physical, mental and social well-being, while upholding the Governor's commitment—our commitment—to every New Yorker: Your family is her fight, your family is *our* fight. And that has been and will continue to be the inspiration for the proposals in this budget. Thank you. I look forward to your questions and dialogue.