



**Testimony before the Joint Fiscal Committees  
on the SFY 2018–19 Executive Budget  
Health/Medicaid Budget Hearing  
February 12, 2018  
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Schuyler Center would like to thank the chairs and members of the respective committees for the opportunity to submit testimony on the 2018–2019 Executive Budget. The Schuyler Center is a 146-year-old statewide, nonprofit organization dedicated to policy analysis and advocacy in support of public systems that meet the needs of disenfranchised populations and people living in poverty. We often works in areas that fall between multiple systems, including physical health and mental health; child welfare; human services; and early childhood development.

Schuyler Center is the home and part of the leadership team for Medicaid Matters New York, a coalition that advocates on behalf of Medicaid members. We also serve on the Steering Committee for Health Care for All New York, a coalition dedicated to affordable high-quality insurance for all New Yorkers. Kate Breslin, Schuyler Center President and CEO, has led several recent initiatives, including the First 1,000 Days on Medicaid Workgroup, the Value-Based Payment for Children and Adolescents Clinical Advisory Group, and the Value-Based Payment Social Determinants of Health and CBO Workgroup. For more about Schuyler Center and our work, please visit our website [www.scaany.org](http://www.scaany.org).

### **Planning in the Context of Federal Uncertainty**

Uncertainty remains the rule of the day. The last year has brought a number of proposals from Congress and the President to radically change Medicaid and health care financing. At the time of the release of the Executive Budget, funding for the Children’s Health Insurance Program (CHIP) had not been renewed and funding had ended on September 30, 2017; CHIP has now been reauthorized for 10 years.

We continue to review the news from Washington to anticipate where funding and policies are headed and what will be the impacts on New Yorkers. The rhetoric around cuts to funding and shifting priorities in health, nutrition, and safety net programs causes us grave concern.

### **Support Investment in Recommendations of the First 1,000 Days Medicaid Workgroup**

The Executive Budget proposes \$2.9 million (\$1.45 million State) in Medicaid funding to implement the recommendations of the First 1,000 Days workgroup, focused on optimizing health and development for the youngest New Yorkers.

The first 1,000 days of life present a crucial period of opportunity to support optimal development that has lifelong consequences, since a child’s brain develops most rapidly in the first three years. This early period of a child’s life is important, not just for their physical health and development, but is also a critical period in terms of cognitive and emotional development.

And interventions that help to ensure healthy development and reduce childhood adversity in the early years have been shown to contribute to better physical and mental health.

In those first three years, most New York children are seen by a pediatrician or family physician, making the health system an important entry point and opportunity to direct families to other resources to support their child’s health and development. If we do a good job in the first 1,000 days, we can expect improved school readiness and reading and better health outcomes that will last a lifetime.

During 2017, New York’s Medicaid agency and Department of Education coordinated an intentionally cross-sectoral process with an array of stakeholders to develop policy recommendations that focus on investing in children, families, and communities in the early years to improve health and education and lower future expenditures. Funding for initial implementation of recommendations from the group was included in the Medicaid portion of the Executive Budget.

<b>First 1,000 Days Executive Budget Proposal</b>			
\$ in millions			
		<b>FY 18-19</b>	<b>FY 19-20</b>
1	Braided Funding for Early Childhood Mental Health Consultations		
2	Statewide Home Visiting	\$0.5	\$2.0
3	Preventive Pediatric Care Clinical Advisory Group		
4	Expand Centering Pregnancy	\$0.1	\$0.4
5	Promote Early Literacy through Local Strategies	\$0.1	\$0.2
6	Require Managed Care Plans to have a Kids Quality Agenda		
7	Developmental Inventory Upon Kindergarten Entry		
8	Pilot and Evaluate Peer Family Navigators in Multiple Settings	\$0.2	\$1.1
9	Parent/Caregiver Diagnosis as Eligibility Criteria for Dyadic Therapy	\$0.4	\$1.8
10	Data System Development for Cross–Sector Referrals	\$0.1	\$0.3
	<b>TOTAL</b>	<b>\$1.4</b>	<b>\$5.8</b>
<i>Additional detail is available at <a href="https://www.health.ny.gov/health_care/medicaid/redesign/first_1000.htm">https://www.health.ny.gov/health_care/medicaid/redesign/first_1000.htm</a></i>			
<i>DOH will begin implementation of these initiatives 4/1/18; implementation costs begin 1/1/19</i>			
<i>Source: NYS Department of Health; February 2018</i>			

*We urge the Legislature to support \$2.9 million (\$1.45 million State) to implement recommendations to improve services and outcomes in the First 1,000 Days of life for the nearly 60% of New York children age zero to three who are covered by Medicaid.*

**Invest in Medicaid Services for Children with Behavioral and Other Health Needs**

The Governor’s budget proposal finds savings in an additional delay in the implementation of an expanded Medicaid benefit package for children with behavioral and other health needs for a savings of \$30 million (\$15 million State). The expanded benefits are focused on earlier intervention and family stability.

Child and adolescent access to community-based, family and peer supportive, crisis intervention, and other services is already a significant problem. Delaying these services and destabilizing the child-serving behavioral health providers will result in poorer outcomes and the need for more costly, high intensity services and out-of-home placements.

Medicaid provides coverage for 41% of New York's children and children make up 37% of the Medicaid-covered population. Utilization data compiled by the United Hospital Fund shows that behavioral health conditions drive a high volume of inpatient hospitalizations among teenagers and older adolescents covered by Medicaid.<sup>1</sup> Up to 12% of adolescents meet the full diagnostic criteria for depression, yet 60% to 80% do not receive appropriate care.<sup>2</sup> And a recent report from NYS's School Superintendents found that increasing mental health, counseling, social work or similar services for students is far and away their biggest priority.

The capacity of our child-serving behavioral health system is limited, with long wait times and high variability by geography. Advocates frequently hear from parents of children with behavioral health care needs reporting that children can wait for months or years before getting mental health care services. Delivery system reform and investment in integrating primary and behavioral health care offer exciting opportunities to dramatically improve the quality and capacity of behavioral health care for children and adolescents in New York State but there needs to be money for a significant expansion of capacity.

*We urge the Legislature to invest in the implementation of services for children with behavioral and other health needs, including expanding and building the capacity of the child-serving behavioral health care system.*

### **Reject Reduction to and Consolidation of Public Health Programs**

The Executive Budget contains language that consolidates and cuts dozens of public health appropriations. Each of the consolidated 'pools' (disease prevention and control, maternal and child health, workforce, health outcomes and advocacy) would be subject to a 20% reduction, for savings of \$9.2 million in SFY 2018-19. For many of these programs, this would be a second year of at least a 20% reduction.

There is no clear rationale for the Governor's proposal. Public health is a vital government function and addresses government's responsibility for keeping residents and communities safe and healthy. The programs subject to the pools cover a range of programs that sustain community infrastructure, train the workforce, provide services and educate citizens.

At a time when the state is recognizing the impacts of and costs associated with the social determinants of health and population health on the overall cost and quality of health care, public health programs that prevent or mitigate disease should be strengthened, not cut. Public health and prevention have a central role as the state engages in activities to achieve the Triple Aim: better care for individuals, better health for populations, and lower costs.

*Schuyler Center urges the Legislature to reject the Executive's penny-wise, pound-foolish proposal to consolidate and reduce public health programs and funding.*

### **Increase State Funding for Evidence-Based Maternal, Infant and Early Childhood Home Visiting**

The Executive Budget proposes flat funding (\$23.3 million) for the Healthy Families New York (HFNY) home visiting program, operated through the Office of Children and Family Services. The Executive Budget proposes \$6 million for the Nurse-Family Partnership (NFP) program. The Executive's First 1,000 Days Medicaid proposal includes home visiting.

Maternal, infant and early childhood home visiting is recognized in New York and across the nation as a uniquely effective approach to family strengthening, with myriad benefits to children and families' health, well-being and economic security. Home visiting has been proven to improve birth outcomes;<sup>3</sup> increase high school graduation rates for children who received home visiting services while young;<sup>4</sup> increase workforce participation and lower rates of welfare dependency;<sup>5</sup> and reduce instances of child maltreatment.<sup>6, 7</sup> And, home visiting has been proven a cost-effective intervention that yields tremendous savings over the lifetime of children in the form of lower health care costs and improved earnings as adults.<sup>8</sup>

Yet, New York State has for years failed to make a substantial investment in these programs. As a result, fewer than five percent of New York children ages zero to five in families with income below poverty live in communities with access home visiting.

Funding for home visiting has been more or less flat for several years. Funding for the Healthy Families NY program has been held at \$23.3 million for the past nine years and the Executive Budget continues that funding level for another year. Continued flat funding has resulted in an erosion of services and staff reductions at home visiting programs that have either not been able to keep up with cost increases or have suffered because of funding instability.

The Executive Budget proposes \$6 million for the Nurse-Family Partnership program. While a significant portion of this funding is a reinvestment of old dollars, and not a new investment, we are encouraged by the support for this important program. NFP serves 11 counties across the state, including parts of New York City. It is a program that gets results: stronger, healthier moms; healthier kids; and long-term savings to localities and the state in health, social service and even criminal justice costs.

Because each program approaches home visitation with a specific focus and specific enrollment criteria, no one program can individually meet all the needs present in a community. Instead, the programs can and should work together to ensure that all families who need services have access to services most appropriate for each family.

In addition to HFNY and NFP, there are other successful home visiting models that support and strengthen families. The Executive Budget does not include funding for other evidence-based home visiting programs, such as Parents as Teachers, or for promising practice programs such as the Parent-Child Home Program. Both of these programs operate in New York but need State funding to expand existing services and eliminate waiting lists.

The Schuyler Center coordinates the statewide Home Visiting Workgroup, composed of child welfare, health and education advocates, and home visiting programs. This year the evidence-based home visiting models came together to develop a joint request for funding that would enable additional investments in proven home visiting programs.

*Schuyler Center urges the Legislature to increase State investment in home visiting to maintain existing programs and expand services to more families and support the Executive Budget's First 1,000 Days on Medicaid recommendations, including its home visiting component. Specifically, to support home visiting programs and infrastructure, we request the following investments:*

- *Support the recommendations for the First 1,000 Days on Medicaid in the Executive Budget.*
- *Add \$1 million to the Governor's proposed funding of Nurse-Family Partnership.*

- *Increase the State investment in the Parent-Child Home Program by \$2 million.*
- *Add \$2 million for Parents as Teachers to serve families on waiting lists at all current sites.*
- *Maintain \$23.3 million for Healthy Families New York.*
- *Provide funding and support to strengthen home visiting systems, making services widely available to families and communities to meet their diverse needs and improve state outcomes related to child and family health and well-being.*

### **Community Water Fluoridation**

The Executive Budget includes a re-appropriation of funds for communities to repair, upgrade, or purchase fluoridation equipment. This re-appropriation allocates the remainder of the \$10 million Drinking Water Fluoridation Fund (DWF) authorized over the past two years.

Tooth decay is a disease and unless it is prevented, it must be treated. Numerous preventive health strategies help address tooth decay and save costs, but community water fluoridation is the most effective and offers the largest return-on-investment of any public health effort. By reducing the need for fillings and extractions, fluoridation saves money for families and taxpayers.

Tooth decay brings innumerable costs: pain, time away from school and work, and health care spending. This is why the New York State Department of Health has made the reduction of tooth decay among children a centerpiece of its 2013-2017 Prevention Agenda.<sup>9</sup>

A 2010 study done by the New York State Department of Health revealed that low-income children covered by Medicaid in less fluoridated counties of New York needed 33% more fillings, root canals and tooth extractions than those in counties where optimally fluoridated water was available.<sup>10</sup> As a result, over the 12 month period of the study, the treatment costs per child covered by Medicaid were \$23.65 higher per person for those living in less fluoridated counties.<sup>11</sup>

As beneficial as community water fluoridation is, there are large areas of New York State that do not yet adjust fluoride to the optimal levels to prevent cavities. Outside New York City, fewer than 50% of New York residents on community water systems are receiving fluoridated water. A study modeling practices in New York to prevent oral disease found that raising the share of children outside of New York City who have access to fluoridated water from 49% to 87% has the potential to save the State Medicaid program \$27.7 million over ten years by reducing the need for fillings and other dental treatment. This strategy could save \$6.13 for every dollar spent.<sup>12</sup>

*The Schuyler Center urges the Legislature to support the Executive Budget policy to improve children's oral health in a cost-effective way, by approving the re-appropriation of the Drinking Water Fluoridation Fund so communities can repair, upgrade, or purchase fluoridation equipment.*

### **Consumer Assistance for Health Insurance**

The Governor's proposed budget contains \$2.5 million for the Community Health Advocates (CHA) program. Health care and insurance are complicated. They often use terms that people are not familiar with (premiums, co-pays) and rules (out-of-network, denial of care) that seem

daunting. Using a central, toll-free helpline as well as community and small-business serving agencies, the CHA program helps New Yorkers understand, use and keep their health insurance. The CHA program also helps consumers resolve problems with insurance billing regardless of the type of insurance coverage. Since 2010, CHA has helped nearly 302,000 New Yorkers and saved over \$27 million for consumers around the state.

The CHA program requires \$4.75 million to support activities in localities that are currently underserved, enhance its small business services, and allow the program to meet increasing demand from the hundreds of thousands of New Yorkers who are newly insured.

Helping New Yorkers understand their rights and how to use the health care delivery system will decrease reliance on emergency care services and increase use of preventive care so they can get the care they need at the right time and from the right place.

The Small Business Assistance Program (SBAP) was funded between 2011 and 2014 to educate owners about the ACA and assist them with their health coverage questions. Over 22,000 people employed in small businesses gained coverage because the SBAP connected their employers to insurance. Funding for the current CHA program is not sufficient to remove barriers that prevent small employers from getting their employees enrolled in coverage. Rebuilding the SBAP will continue progress toward reducing the number of uninsured in New York.

*Schuyler Center urges the Legislature to support the \$2.5 million appropriation in the Executive Budget and add an additional \$3.25 million to ensure that the final budget includes a total of \$4.75 million to keep the Community Health Advocates program robust and \$2 million to rebuild the Small Business Assistance Program.*

### **Indigent Care Pools**

The Governor's budget proposes extending existing indigent care pool provisions through December 31, 2019.

The Hospital Indigent Care Pool is supposed to provide funds to hospitals to help make up for losses associated with caring for people lacking health insurance coverage. The Pool has long been noted to suffer from a lack of transparency and accountability in the distribution of funds to hospitals. Department of Health (DOH) workgroups have studied and weighed-in with recommendations about the distribution methodology, transparency, and compliance with the Hospital Financial Assistance Law (HFAL), which establishes a sliding fee scale rate for uninsured patients living at or below 300% of the federal poverty line (FPL). Hospitals are required to have financial assistance programs, with policies for determining eligibility for discounted care on file with the DOH.

*The Schuyler Center urges the Legislature to reject the Executive's proposal and ensure that Hospital Indigent Care Pool payments are transparent, accountable and linked to compliance with the Hospital Financial Assistance Law (HFAL). It is essential that funds meant to support health care for the uninsured are linked directly to care provided to uninsured people. The funds should also be distributed proportionately to those hospitals that provide care for the uninsured and comply with the HFAL.*

## **Proposed Sale of Fidelis to Centene**

The Governor's budget proposes that most of the Centene-Fidelis conversion proceeds should be deemed as a "public asset," to be spent on Medicaid and other State health care programs. Over the next four years, the Governor's budget calls for \$3 billion in funding to be redirected to the Health Care Reform Act (HCRA) Fund, at a rate of \$750 million a year. The Governor proposes that \$500 million of the Centene-Fidelis proceeds should be allocated in FY 2018-19 for Medicaid, and \$250 million should be allocated to a "Healthcare Shortfall Fund," to assist with continuing programs that may be affected by the loss of federal funds.

*Schuyler Center urges the Legislature to ensure that:*

- *Fidelis Care's charitable health care assets are maintained for the public's benefit, and remain dedicated to a social mission of expanding health insurance coverage and care for the medically underserved;*
- *The State performs fair, impartial and comprehensive oversight of insurance conversions or acquisitions, to ensure they are in the public interest, and that consumers will not lose coverage or face higher prices as a result of the transaction; and*
- *Funds associated with the transaction are not simply used to plug budget holes. The State should identify and utilize sustainable funding streams for our state health care programs.*

## **Child Health Plus**

New York's Child Health Plus is the state program funded and authorized by the federal Child Health Insurance Program (CHIP). Federal funding for the program expired on September 30, 2017 and, at the time the Governor's budget was released, it was still not reauthorized. CHIP funding has now been reauthorized for ten years at the federal level and the Governor has, in his 30 day amendments, removed Executive Budget provisions that would have authorized the Division of Budget and Department of Health to make programmatic changes.

## **Focus on Adult Home Residents with Psychiatric Disabilities**

The Executive Budget continues the \$38 million in funding for education, assessments, training, in-reach, care coordination, and supported housing for adult home residents with mental illness and \$6.5 million in funding for the Enhancing the Quality of Adult Living (EQUAL) program.

Also, while not in the Executive Budget proposal, there is discussion about a proposed SSI increase for adult home operators in New York State. An SSI increase for adult home operators should not be considered without an equal percentage increase in the Personal Needs Allowance, which supports residents' personal needs.

For many years, Schuyler Center has worked with other advocates in a Coalition for Adult Home Reform, advocating for improved housing options for persons with psychiatric disabilities living in adult homes and for improved conditions in and more robust oversight of adult homes.

*The Schuyler Center urges the Legislature to ensure that policies are focused on quality of life and dignity for adult home residents. We urge support of the Executive Budget funding for services and supported housing for mentally ill adult home residents and full funding for the EQUAL program; an increase in adult home residents' Personal Needs Allowance commensurate with operator increases; and more robust oversight of adult homes.*

Thank you. We appreciate the opportunity to submit testimony and look forward to continuing to work with you to build a strong and healthy New York that cares for its most vulnerable residents.

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<sup>1</sup> Understanding Medicaid Utilization for Children in New York State, United Hospital Fund, July 2016.

<sup>2</sup> Access to Care for Youth in a State Mental Health System: A Simulated Patient Approach; Journal of the American Academy of Child and Adolescent Psychiatry; May 2016

<sup>3</sup> Percentage refers to Healthy Families NY. See: Lee et al. (2009). Reducing low birth weight through home visitation: a randomized controlled trial; *American Journal of Preventive Medicine*.

<sup>4</sup> Multiple programs impact child development and school readiness, see: *Home Visiting Evidence of Effectiveness: Child Development and School Readiness*. <http://homvee.acf.hhs.gov/Outcome/2/Child-Development-and-School-Readiness/3/1>

<sup>5</sup> Refers to multiple programs. See: Administration for Children & Families. *Home Visiting Evidence of Effectiveness*. <http://homvee.acf.hhs.gov/Outcome/2/Family-Economic-Self-Sufficiency/7/1>

<sup>6</sup> Reanalysis of Kitzman et al; *Journal of the American Medical Association*.

<sup>7</sup> Dumont, et al. (2010). *Final Report: A Randomized Trial of Healthy Families New York: Does Home Visiting Prevent Child Maltreatment*.

<sup>8</sup> Burwick, Andrew, Heather Zaveri, Lisa Shang, Kimberly Boller, Deborah Daro, Debra A. Strong. (2014). *Costs of Early Childhood Home Visiting: An Analysis of Programs Implemented in the Supporting Evidence-Based Home Visiting to Prevent Child Maltreatment Initiative. Final Report. Mathematica Policy Research*. Retrieved from: [http://www.mathematica-mpr.com/~media/publications/PDFs/earlychildhood/EBHV\\_costs.pdf](http://www.mathematica-mpr.com/~media/publications/PDFs/earlychildhood/EBHV_costs.pdf)

<sup>9</sup> New York State Department of Health, "New York State Prevention Agenda: Promoting Healthy Women, Infants and Children Action Plan", 2013, Accessed January 29, 2014 from [https://health.ny.gov/prevention/prevention\\_agenda/2013-2017/docs/healthy\\_women\\_children\\_infants.pdf](https://health.ny.gov/prevention/prevention_agenda/2013-2017/docs/healthy_women_children_infants.pdf)

<sup>10</sup> Kumar J.V., Adekugbe O., Melnik T.A., "Geographic Variation in Medicaid Claims for Dental Procedures in New York State: Role of Fluoridation Under Contemporary Conditions," *Public Health Reports*, (September-October 2010) Vol. 125, No.5, 647-54.

<sup>11</sup> *Public Health Reports* (November-December 2010), Vol. 125, p. 788 (<http://www.publichealthreports.org/>)

<sup>12</sup> Presson S, Kumar J, Williams K. Public-Private Partnership to Plan ECC Interventions. Applications of Systems Dynamic Modeling for Prevention of Early Childhood Caries in New York State. Presented at the National Oral Health conference, Fort Worth, TX 2014.