NYS 2025 Joint Legislative Budget Hearing on Health
Housing Works Testimony

January 23, 2024

Thank you for the opportunity to present testimony to the Joint Budget Hearing on Health. My name is Charles King, and I am the Chief Executive Officer of Housing Works, a healing community of people living with and affected by HIV/AIDS. Founded in 1990, we provide a range of integrated services for over 15,000 low-income New Yorkers annually, with a focus on the most vulnerable and underserved—those facing the challenges of homelessness, HIV/AIDS, mental health issues, substance use disorder, other chronic conditions, and incarceration. In 2019, Housing Works and Bailey House merged, creating one of the largest HIV service organizations in the country. Our comprehensive prevention and care services range from medical and behavioral health care, to housing and job training. Our mission is to end the dual crises of homelessness and AIDS through relentless advocacy, the provision of life saving services, and entrepreneurial businesses that sustain our efforts.

Housing Works is part of the **End AIDS NY Community Coalition** (EtE Coalition), a group of over 90 health care centers, hospitals, and community-based organizations across the State.[1] I was proud to serve as the Community Co-Chair of the State's ETE Task Force, and Housing Works is fully committed to realizing the goals of our historic New York State Blueprint for Ending the Epidemic (EtE)—a set of concrete, evidence-based recommendations for ending AIDS as an epidemic in all New York communities and populations. I am also a proud member of the **New York State Hepatitis C Elimination Task Force**.

Housing Works is a founding member of three other important community coalitions formed to advance public health priorities and address health inequities: the **Harm Reduction Coalition of New York State** (NYSHRA), which is an association of drug treatment providers, prevention programs, people who use drugs and their family members, committed to addressing racism in systems addressing substance use, and incorporating validated harm reduction approaches within prevention and treatment; **iHealth NYS**,[2] a collaborative of community-based organizations united to advocate for and negotiate on behalf of our communities, our members and the chronically ill healthcare recipients we serve and to represent those programs and people within the broader healthcare system; and **Save New York's Safety Net,** a statewide coalition of community health clinics, community-based organizations and specialized HIV health plans committed to serving vulnerable New Yorkers across the State, ending the HIV epidemic, and preserving 340B drug discount funding in order to achieve those goals.

While we continue to make progress towards ending New York's HIV epidemic, the impact of the unprecedented COVID-19 pandemic has slowed our headway on the State's longstanding HIV, hepatitis C (HCV), and overdose crises, and has hindered our efforts to address the stark and persistent health inequities experienced by the most vulnerable New Yorkers. We appreciate Governor Hochul's recognition of the need for structural change in our healthcare systems to advance health equity, remove barriers to healthcare access, and embrace a public health approach to

[1] We address certain key EtE priorities in this testimony and have attached the full set of EtE Community Coalition *FY25 NYS Budget and Policy Priorities*.
[2] https://www.ihealthnys.org

substance use disorder and overdose deaths. However, this year's Executive Budget fails to include critical, evidence-based, and cost-effective investments to achieve HIV health equity and stop our HCV and overdose crises, and several proposals threaten to undermine, rather than advance, our work to address persistent health disparities. The Governor's budget again misses the opportunity to end homelessness among people with HIV statewide, fails to seek federal funding to expand health insurance for immigrants between the ages of 18 and 65, includes additional aggressive and ill-considered cuts that would decimate the Health Home care coordination program for low-income New Yorkers with chronic conditions, and includes ill-advised new efforts to criminalize drug users rather than support for overdose prevention centers and other proven harm reduction strategies.

I will focus here on the status of our State's historic plans for Ending the HIV Epidemic and Eliminating HCV, including the critical need for greater investment in essential non-profit health and human services providers, as well as the need to improve drug user health and stop our ruinous overdose crisis, and about other health care investments that are absolutely essential if we are to move towards greater health equity for the most underserved and marginalized New Yorkers.

Support Renewed Efforts for Ending the HIV Epidemic

I urge members of the Assembly and Senate Health Committees to review all the important issues addressed in the ***End AIDS New York Community Coalition Ending the Epidemic New York State Budget and Policy Priorities*** for fiscal year 2025 that I have attached to my testimony. I will highlight some of these issues in this testimony.

We have made significant progress implementing the 2015 *Ending the Epidemic (EtE) Blueprint* recommendations developed collaboratively by HIV community members, providers, advocates, and New York State and local public health authorities. Our EtE efforts enabled us to "bend the curve" of the epidemic by the end of 2019, decreasing HIV prevalence in NYS for the first time, and recently released 2022 surveillance data show this trend continues and that the number of persons newly diagnosed with HIV in NYS decreased 42% from 2011 to 2022. However, the 2022 data also show that stark and unacceptable disparities persist in HIV's impact on Black, Indigenous and other people of color (BIPOC) communities, particularly transgender New Yorkers, and young men who have sex with men, with the rates of new HIV diagnoses among Black and Hispanic New Yorkers 7.6 and 4.8 times higher, respectively, than the rate for non-Hispanic Whites. In New York City, 83% of persons newly diagnosed with HIV were Black (43%) or Hispanic/Latino (40%), and 41% lived in zip codes of high or very high poverty at the time of their diagnosis. Additional financial investments and policy changes are necessary to fully implement *EtE Blueprint* recommendations to end AIDS as an epidemic in every region of the State and for all New Yorkers—including meaningful new investments to address the social and structural determinants that we know drive HIV health inequities and protection and improvement of HIV service delivery systems that serve the most vulnerable low-income New Yorkers.

These disparities are driven in large part by the State's failure to fulfill key *ETE Blueprint* recommendations. Despite repeated promises to fully implement the *Blueprint* recommendations of an appointed 64-person EtE Task Force, the State's Executive leadership has been unwilling to expand meaningful HIV rental assistance to homeless and unstably housed people HIV/AIDS living outside of NYC, to adequately expand overdose prevention and other harm reduction efforts to stop deaths and prevent new HIV and hepatitis C infections, and move forward with plans to eliminate HIV/HCV co-infection among PWH, all of which must happen to truly end the epidemic.

Provide equal access to HIV housing assistance as HIV health care in every part of NYS
Housing Works and the Ending the Epidemic Community Coalition are dismayed that once again, the Executive Budget fails to include cost-neutral provisions that would end homelessness among people with HIV across New York by providing access to HIV rental assistance that is currently available only to PWH who live in NYC. Every low-income New Yorker with HIV experiencing homelessness or housing instability should have equal access to NYS housing resources necessary to benefit from HIV treatments and stop HIV transmission. Ongoing homelessness and housing instability among people living with HIV in communities outside NYC is fundamentally unfair, perpetuates HIV health inequities, undermines the State's ability to end our HIV epidemic, and costs the State money.

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

The Governor's failure to address this inequity in HIV housing assistance is particularly frustrating since the OTDA's own fiscal analysis clearly demonstrates the wisdom of such an investment of NYS funds. Housing assistance for unstably housed people with HIV has been repeatedly shown to dramatically improve individual and public health outcomes, generating savings in public health spending on acute care and averted HIV infections that more than offset the cost of housing.[3]

Indeed, expanded statewide access to the HIV Emergency Shelter Allowance will save both lives and money. The OTDA analysis forecasts additional public assistance costs to the State for the housing assistance of only $3M in the first year of implementation and at most $31M annually if there was maximum uptake of the benefit in out years and finds that this modest NYS investment would be more than offset by estimated Medicaid savings of $4M to $53M annually from avoided acute care and averted HIV infections.

Safe, stable housing is essential to support effective antiretroviral treatment that sustains optimal health for people with HIV (PWH) and makes it impossible to transmit HIV to others.[4] Indeed, NYS data show that unstable housing is the single strongest predictor of poor HIV outcomes and health disparities.[5] For that reason, NYS's 2015 *ETE Blueprint* recommends concrete action to ensure access to adequate, stable housing as an evidence-based HIV health intervention.[6]

The *Blueprint's* housing recommendations have been fully implemented in New York City since 2016, where the local department of social services employs the longstanding NYS HIV Emergency Shelter Allowance program to offer every income-eligible person with HIV experiencing homelessness or housing instability access to a rental subsidy sufficient to afford housing stability, as

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[3] See, e.g., Basu, et al. (2012). Comparative Cost Analysis of Housing and Case Management Program for Chronically Ill Homeless Adults Compared to Usual Care. *Health Services Research*, 47(1 Pt 2): 523-543.
[4] Aidala, et al (2016). Housing Status, Medical Care, and Health Outcomes Among People Living With HIV/AIDS: A Systematic Review. *American Journal of Public Health*, 106(1), e1–e23.
[5] Feller & Agins (2017). Understanding Determinants of Racial and Ethnic Disparities in Viral Load Suppression: A Data Mining Approach. *Journal of the International Association of Providers of AIDS Care*, 16(1): 23
[6] NYS Department of Health AIDS Institute, 2015. New York State's Blueprint for Ending the Epidemic. Available at https://www.health.ny.gov/diseases/aids/ending_the_epidemic/docs/blueprint.pdf

well as a 30% rent cap affordable housing protection for PWH who rely on disability benefits or other income too low to support housing costs.

Upstate and on Long Island, however, as many as 2,500 households living with HIV remain homeless or unstably housed because the 1980's NYS regulations governing the HIV Emergency Shelter Allowance (HIV ESA) set maximum rent for an individual at just $480 per month – far too low to secure decent housing anywhere in the State, and local districts are not required to provide the 30% rent cap affordable housing protection. Only the NYC local department of social services works with NYS to approve "exceptions to policy" to provide meaningful HIV ESA rental subsidies in line with fair market rents and other low-income rental assistance programs.[7]

Language included in the last six enacted NYS budgets ***purports*** to extend access to the same meaningful HIV housing supports across the State, but as written has failed to assist even a single low-income household living with HIV outside NYC. This failed language, unfortunately carried over again in the recently released Executive Budget, allows but does not require local departments of social services to provide meaningful HIV housing assistance, and provides no NYS funding to support the additional costs to local districts outside NYC.

Access to statewide HIV housing assistance has been a top priority of Housing Works and members of the EtE Community Coalition for years. The HIV Emergency Shelter Allowance program was established by NYS regulation in the 1980's. Action to make the program work for New Yorkers living with HIV in communities outside NYC is long overdue. Simply put, the ongoing failure for many years to meet the housing needs of New Yorkers with HIV who live outside of NYC prevents us from ending our NYS HIV epidemic in every community and population.

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

If this is not accomplished in the FY25 NYS budget, we call upon the Legislature to pass legislation introduced in the Senate (S183/Hoylman-Sigal) and Assembly (A2418/Bronson) to finally implement *EtE Blueprint* housing recommendations in the rest of the State outside NYC. The EtE Community Coalition stands ready to work closely with sponsors and allies to educate members of the Legislature on the critical need for and importance of this legislation.

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

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

Streamline HIV testing as routine health care

We support the provisions in the Executive Budget that would amend the HIV testing law (Section 2781 of the Public Health Law) to facilitate HIV testing and provide and $3.5M funding in the FY25 Budget to make technical assistance and/or consultation available from the AIDS Institute to assist with development of more effective opt-out testing systems and protocols. We urge the Governor and Legislature to incorporate the provisions of A8475/S7809 to remove logistical challenges to the routine testing required to ensure that every person with HIV has access to early and effective treatment. An unacceptable number of people living with undiagnosed HIV who access care in medical settings are still not being tested, especially New Yorkers with limited access to primary care who may only interact with the health system in emergency departments or other institutional health settings where testing rates remain extremely low despite existing requirements to offer the test. These missed opportunities for early diagnosis are reflected in the unacceptably high rate of concurrent HIV and AIDS diagnoses (18% of all new diagnoses in 2022). A.8475/S.7089 would amend the Public Health Law to expand the options for providing the required notice that an HIV-related test will be performed, along with certain points of information regarding testing, prevention, and care, to include verbal, written, the use of prominently displayed signage, by electronic means, or by other appropriate form of communication. The notice would specify that HIV testing is voluntary and that pre-and post-exposure prophylaxis medications (PrEP and PEP) are available to persons at risk of infection. These changes will bring New York law in line with both federal and State guidance on HIV testing by removing barriers to routine HIV testing while maintaining the voluntary nature of HIV testing and ensuring that every person who is the subject of an HIV test receives critical information regarding HIV treatment, prevention, and individual rights.

Advance PrEP equity

We urge the Governor and Legislature to include at least $10M in funding for the AIDS Institute in the FY25 Budget to advance equity in the uptake of pre-exposure prophylaxis (PrEP) to prevent acquisition of HIV infection. PrEP uptake has been slow among persons of color, women and among New Yorkers over the age of 50 compared to others. NYSDOH has reestablished PrEP equity targets for 2030 by race, ethnicity, and sex at birth to move towards equity in protection against HIV transmission. The 2030 overall NYS PrEP target is 100,000 or 75% of the persons who could benefit from PrEP. Our EtE plan requires that we 'leave no population behind' and thus targets have been set for specific communities experiencing the most disparity in PrEP utilization, including young Black men who have sex with men as well as women. While achieving equality in PrEP utilization will not alone reduce the disparity in new HIV diagnoses, resources are needed for tailored and culturally competent PrEP outreach and services to reduce disparities and disease burden ultimately to achieve health equity.

Develop a PrEP housing pilot program
We call on the Governor and legislature provide at least $10M in funds in the FY25 budget to create a PrEP housing pilot integrating temporary housing and integrated case management services for persons experiencing homelessness or housing instability and at heightened vulnerability for acquiring HIV infection, including young men who have sex with men and people of transgender experience. People with unstable housing face barriers to accessing PrEP, which reduces the risk of getting HIV from sex by about 99% when taken as prescribed. Young people with unstable housing experience up to 12 times greater risk of HIV infection than those with stable housing. Ending the epidemic requires implementing integrated solutions that address the comprehensive health, social services, and housing needs of people who could benefit from HIV prevention so they can stay healthy and prevent HIV acquisition.

Support older New Yorkers living with HIV
We call upon the Governor and Legislature to include $10M in additional FY25 funding to meet the needs of the increasing number of older New Yorkers living with HIV. New Yorkers over the age of 50 already make up the majority of New Yorkers living with HIV and are estimated to be 70% of the population by 2030 due to medical advances, the overall aging of our state, and new HIV diagnoses. The 2022 New York State HIV/AIDS Annual Surveillance Report found that 16% of all new HIV diagnoses were among New Yorkers age 50+, yet prevention services and education seldom reach these populations due to ageism. Aging with HIV can increase the risk of conditions like heart disease, osteoporosis, memory problems, and cancer. In addition, older adults living with HIV often face higher levels of depression and social isolation due to HIV stigma and from losing friends and community members at the height of the HIV/AIDS epidemic.

New York must act now to address the complex medical and social needs of long-term survivors and older New Yorkers living with HIV. The $4M distributed to organizations that serve these populations through the AIDS Institute under the 2023 People Aging with HIV (PAWH) Pilot was an important step, but nowhere near enough to meet the demand and need for services. Underfunded direct services needs included case management, outreach, psychosocial support/peer support (individual and group), mental health referral, insurance navigation, financial and long-term care planning, and health education as well as programs to reduce social isolation. Meeting the growing clinical and social service needs of this aging population also requires the establishment of clinical centers of excellence on HIV and aging in the rest of the State like those in NYC, as well as the creation of a Statewide training center of excellence for health care and social service providers. Free medical and social service education with continuing education credits must be provided to disciplines across the state to enhance the capacity to deliver high-quality health and social services and to improve health and quality of life outcomes for this population.

Exempt lifesaving HIV antiretroviral drugs from prior authorization and other restrictions
We oppose and remain deeply concerned by discontinuation of Prescriber Prevails in Medicaid fee-for-service and managed care. Elimination of Prescriber Prevails and the imposition of utilization tools such as prior authorization and step therapy can restrict access to medically necessary drugs. These barriers are harmful to patient access and can prevent individuals from receiving the medication they need in a timely manner. Delaying access to these medications for individuals who currently have, or are seeking to avoid, HIV/AIDS, can be life threatening and stall the State's EtE progress. We urge the Governor and Legislature to reinstate and preserve Prescriber Prevails for all Medicaid enrollees. At a minimum, we call on you to support A1619/ S1001, which will amend insurance law and § 272 of the Pub. Health Law to add new language that provides "*Antiretroviral*

drugs prescribed to a person enrolled in a public or private health plan for the treatment or prevention of the human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS) shall not be subject to a prior authorization requirement, step therapy, or any other protocol that could restrict or delay the dispensing of the drug."

Fund and Implement the New York State Hepatitis C Elimination Plan

While we were extremely pleased by the November 2021 release of the *New York State Hepatitis C Elimination Plan*, a set of concrete recommendations developed with broad community and expert input under the direction of a Statewide HCV Elimination Task Force (HCV TF), we are deeply concerned that the additional financial investments to fully implement the Plan's recommendations have not been made, and that the FY25 Executive Budget continues to flat fund HCV initiatives at only $5M per year. It is imperative to fully implement the *HCV Elimination Plan*, completed in 2019, without further delay. We call on Governor Hochul to formally adopt the *NYS HCV Elimination Plan*, and for the Governor and the Legislature to provide at least $15M in additional funding for HCV elimination in the FY25 budget (bringing total HCV funding to at least $20M annually), to enable the NYSDOH to implement this lifesaving initiative more robustly. Given the continuous evolution of knowledge and expertise on HCV prevention and treatment, and the critical importance of community engagement to successful implementation of the Plan, we also call upon the NYSDOH to work with community members to develop a process and structure that will ensure continued community input on the development of any updates to, oversight of, monitoring of, and assessment of the Plan.

Make Urgent Investments to Stop the Overdose Epidemic and Improve Drug User Health

Housing Works, NYSHRA, and the EtE Coalition call upon the Governor and Legislature to reject failed criminalization approaches to substance use and instead make urgent additional investments in the FY25 budget to significantly and rapidly scale up the State's response to substance use disorder and the opioid crisis by increasing access to services, removing barriers to care, and embracing best practices including harm reduction approaches. Impacts from COVID-19, from physical distancing to wide-ranging unemployment, led to isolation, stress, and despair among many people, including people who use drugs. These factors increase the risk of infectious disease and other poor health outcomes, the most tragic being the dramatic and unprecedented acceleration in overdose deaths. The national increase in drug-related mortality has hit New York hard. New York State lost more than 6,600 individuals to overdose in 2022 alone, and yet the Governor and Legislature took little action to address this crisis during last year's session. Recently released NYC DOHMH data show that overdose deaths in NYC increased by 12% in just one year, from 2021 to 2022, with the greatest increases seen among Black New Yorkers and in low-income neighborhoods.[8]

While we have been pleased by this Administration's stated commitment to a public health approach that recognizes the importance of harm reduction strategies, it is likely that every year will continue to break NYS records until we significant scale up every evidence-based harm reduction strategy, including authorizing overdose prevention centers. The full range of harm reduction approaches to improve drug user health are in urgent need of investment that promotes equity and evidence-based practice.

[8] Tuazon E, et al. Unintentional Drug Poisoning (Overdose) Deaths in New York City in 2022. New York City Department of Health and Mental Hygiene: Epi Data Brief (137); September 2023.

Scale-up harm reduction funding and programming

We strongly urge the Governor and Legislature to invest an additional $10M in the FY25 budget in harm reduction services provided through the NYSDOG AIDS Institute, Office of Drug User Health to support syringe exchange programs, Drug User Health Hubs, the purchase of harm reduction supplies, drug checking machines and vending machines. The Office of Drug User Health (ODUH), established in 2016, houses several initiatives, each aligned with the philosophy, principles, and practices of harm reduction. Harm reduction recognizes that people engage in drug-related and sexual behaviors that carry a risk for harm, including HIV and HCV infection, opioid overdose and, sometimes, death. Harm reduction empowers individuals to mitigate these risks in ways that protect themselves, their partners, and their communities.

Syringe Exchange Programs are not only just places where people can acquire and dispose of syringes, but also multi service agencies for people who use drugs. Program participants can avail themselves of individual counseling, support groups, care management/health home, insurance eligibility counseling, mental health support, low threshold medical care, reproductive health care and consultation, syringe exchange, accessible buprenorphine prescribing for opioid use disorder and other ancillary services such as drop-in-centers, meals/food, bathrooms, hygiene kits as well as many other services. Likewise, the Drug User Health Hub is an innovative model in health care for people who use drugs. Drug User Health Hubs respond to the urgency of the drug overdose crisis in New York State by improving the health care systems and partnerships that keep people who use drugs safe and alive.

Through just the first 10 months of 2023, approximately 38,800 participants received services in the Syringe Exchange Programs and Drug User Health Hubs with almost 234,000 unique encounters across all the programs. This shows that participants tend to visit a SEP/Hub multiple times a year. Some 41,000 participants received services in the SEP/Hub in 2022 with 256,000 unique encounters, and 35,000 people received some type of Medication for Opioid Use Disorder (MOUD) counseling or clinical service in the SEP/Hub system.

Harm Reduction programs provide essential, evidence-based services for people who use drugs including medical care, education, counseling, referrals, medication for opioid use disorder, and syringe services. It is time to acknowledge, promote, and adequately fund harm reduction as an evidence-based model of treatment for substance use disorder.

Approve and fund Overdose Prevention Centers

In addition to the harm reduction interventions and strategies described above, it is time for New York to implement another proven strategy for preventing avoidable drug overdose deaths– Overdose Prevention Centers (OPCs). We support the Safer Consumption Services Act (S603/A224) and strongly urge the Hochul Administration to approve and the Governor and Legislature to enact legislation to allow and invest $10M in the FY25 budget to establish at least OPCs co-located with Syringe Service Programs across NYS. OPCs provide sterile supplies and controlled settings for people to use pre-obtained drugs under the supervision of trained professionals who can intervene in case of an overdose or other medical event. OPCs are an evidence-based intervention proven to reduce overdose deaths while increasing access to health care and substance use treatment.

OPCs are hygienic spaces in which persons can safely inject their pre-obtained drugs with sterile equipment and trained professionals who can intervene in case of an overdose or other medical event, while also gaining access, onsite or by referral, to routine health, mental health, drug treatment and other social services. OPCs provide controlled settings for people to use pre-obtained drugs under the supervision of trained professionals who can intervene in case of an overdose or other medical event. OPCs are an evidence-based intervention proven to reduce overdose deaths while increasing access to health care and substance use treatment. Over 120 Overdose Prevention Centers operate effectively worldwide, and numerous studies have shown that they are highly effective in both reducing drug-related overdose deaths and increasing access to health care and substance use treatment. OPCs are endorsed by many local and national medical and public health organizations, including the American Medical Association and the American Public Health Association. Two NYC-approved sites, opened in November 2021, have already intervened to prevent over 1,000 overdose deaths. New York should follow the lead of Rhode Island, Minnesota, and Vermont and pass legislation permitting the operation of OPCs and the use of State and local public funding to support their operation. Supporting these efforts will save countless lives and continue NYS's longstanding leadership in the opioid response.

Expand OASAS housing to include harm reduction models

Since our founding in 1990, Housing Works has been committed to providing low-threshold, harm reduction housing that recognizes that safe, stable housing is an essential baseline for achieving other medical and behavioral health goals. Persons with substance use disorder experience high rates of homelessness and housing instability, exacerbating chaotic and harmful substance use and making it difficult or impossible to achieve harm reduction goals. Our experience and ample research demonstrate that stable housing is an essential component of effective harm reduction for individuals experiencing substance use disorder.

The NYS Office of Addiction Services and Supports (OASAS) funds transitional and permanent supportive housing for people with substance use disorder, but limits access to this housing to individuals and families in recovery from substance use disorder or who began a course of abstinence-based treatment and/or recovery while experiencing homelessness, excluding persons engaged in a harm reduction approach. We call on the Governor and Legislature to expand OASAS supportive housing to include homeless people following a harm reduction path, not just those who have established success at abstinence.

Oppose legislation to increase penalties for fentanyl or create "death by dealer" statutes

Housing Works, NYSHRA, and the EtE Coalition strongly oppose Executive Budget legislation which adds additional fentanyl analogs and/or xylazine to the New York State Controlled Substance list, establishes new crimes for possession with intent to sell, and sale of fentanyl analogs, xylazine, and/or "imitation substances," and establishes stricter penalties related to overdose deaths where fentanyl or fentanyl analogs, xylazine, or "imitation substances" are involved.

Scheduling additional fentanyl analogs, xylazine, or "imitation substances" will not make New York safer. Rather than diminishing the harms of drug use, criminalizing people who possess and/or use drugs amplifies the risk of fatal overdoses, increases stigma and marginalization, creates racial and economic disparities in enforcement, and drives people away from needed treatment, health, and

harm reduction services.[9] Substantial evidence demonstrates that criminal penalties do not have any effect on reducing either the supply of drugs or the demand for them. Additionally, the penalties incurred by substances being on the Controlled Substances list will not reduce fentanyl and other synthetic drug distribution in New York. The process of adding fentanyl and other substances into drug formulations is usually done early in the production process. According to the Drug Enforcement Administration, these substances are generally added to substances before they enter the US. Therefore, low-level sellers may not know the substances they are distributing contain fentanyl and/or other substances.

Likewise, creating new crimes for substances, including drug induced homicide, will only hinder overdose responses and repeats the mistakes of the war on drugs. Recent reforms to the criminal justice system in New York have aimed to repair and undo the harms caused by mass incarceration and the drug war. There is ample evidence that the harms of the drug war disproportionately impact poor people and communities of color. Increasing penalties on fentanyl and other synthetic substances is akin to the devastating crack vs. powder cocaine disparities of the past, which will only further increase racial disparities in criminalization of drug users. Increasing use of archaic drug-induced homicide statutes does not protect individuals. Those who favor the use and proliferation of drug-induced homicide measures and severe sentencing for drug sellers contend that the threat of harsh sentencing will deter drug use, drug selling, and prevent fatal overdose. This logic is fundamentally false, and decades of ineffectual drug war policies provide evidence to refute this notion. Arresting and detaining a person for selling or giving a small amount of drugs to another person does nothing to interrupt the availability of fentanyl or any other substances.

The imposition of harsh penalties for possession and/or distribution is also likely to undermine the work that New York is doing to prevent overdose deaths. For example, New York's Good Samaritan law encourages people to contact emergency services in the event of an overdose. The threat of police involvement and jail or prison time may make an individual hesitant to call emergency services rather than help the person who is experiencing an overdose.

Further criminalizing the sale of substances does nothing to increase public health and safety, nor curb drug use.

Continue to Support NYS's Restorative Justice Approach to Cannabis Legalization

Housing Works is proud to be New York State's first legal adult use recreational dispensary. On December 29th, 2022, HWCC opened its doors to over 1,000 customers. We have a staff of 60 including a delivery team, inventory team, front of house budtenders and back of house team, many of whom were personally affected by marijuana criminalization. 100% of the proceeds generated at our retail called Housing Works Cannabis Co go directly into lifesaving services for clients. Our mission at Housing Works Cannabis Co is to destigmatize the use of cannabis through education. We provide a friendly retail experience for anyone over the age of 21 seeking to learn more about cannabis and its uses.

[9] See, e.g., Friedman et al., Relationships of Deterrence and Law Enforcement to Drug-Related Harms Among Drug Injectors in US Metropolitan Areas, 20(1) *AIDS* 93, 93-99 (2006); Caitlin Elizabeth Hughes and Alex Stevens, What Can We Learn from the Portuguese Decriminalization of Illicit Drugs?, 6 *British Journal of Criminology* 50 (2010).

Through Housing Works Inc., we also support other CAURD applicants on their journey through the cannabis industry, providing guidance on running a successful cannabis dispensary, guiding them through the challenges of hiring and human resources, purchasing and other operations.

We thank the Senate and Assembly for passage of 280E City Tax Code Bill and the Governor for signing it into law in December of last year. We are supportive of the Governor's Executive Budget FY25 proposal to repeal of the potency tax and expansion of OCM's enforcement capacity to effectively curtail the proliferation of unlicensed operators, and the administrative/staffing support to the Cannabis Control Board (CAB) to enable them to address the problem and advance social and economic equity more effectively in the cannabis industry. We also strongly support giving the localities the ability to close unlicensed retail outlets.

The cannabis social equity program for New York is critical part of The Marihuana Regulation & Taxation Act (MRTA), which was signed into law on March 31, 2021, legalizing adult-use cannabis in New York State. The biggest beneficiaries of the law should be justice-involved individuals who were disproportionately impacted by marijuana prohibition and small, local farmers who formerly grew Hemp. The lessons learned from their success (or lack thereof) would inform the character of support provided to social equity. However, since the program began reveals, they are, unfortunately, significantly worse off today than they were at the start of the program on March 10, 2022. The big winners over the same time are the eleven (11) medical marijuana companies. In addition, neighborhoods, towns, community boards, elected leaders, families across this state are combatting illegal cannabis retail stores that are both a serious public safety and public health problem besides robbing the state of millions in taxes.

Clearly, this was not the intent of the Governor or the intent of the elected officials who fought so hard to ensure social equity applicants received priority treatment in the MRTA. The corrective action needed to put the Governor's program back on track will require our legislature to intervene and the Governor's leadership and direct intervention from the Executive Chamber. We ask:

- The legislature to work on a fast-forwarding anticipated cannabis tax revenue and anticipated medical marijuana application fees. The funds would be paid back, with interest, from cannabis tax revenue and application fees. The funds would be used to immediately monetize a. zero-interest and low-interest loans to support social equity dispensaries, cultivation, micro-businesses, and other critical segments of the cannabis supply chain, and the incubator program to support education, training and capacity building technical assistance.
- To level the playing field by awarding: 50% of all nine (9) license categories to the social equity population, and eleven (11) new medical marijuana licenses to social equity applicants who are representative of communities disproportionately impacted by marijuana prohibition.
- To cap the number of all licenses.
- To codify the CAURD program.

Fund Essential Investments That Promote Health Equity

Finally, I will address investments in New York State's health care safety net that are essential to our ability to make progress on persistent health care inequities and public health goals including ending our HIV, HCV, and opioid epidemics.

Restore funding for the Health Home Program for NY's most vulnerable Medicaid recipients

We call on the Legislature to fully restore Health Home funding at the FY23 level of $524,010,000, and to provide the Health Home program with the same COLA afforded the rest of the human services sector in FY24.

The NYS Medicaid Health Home program is designed to coordinate and manage care for individuals with complex medical needs, particularly those with chronic conditions, including HIV and HCV, substance use disorder, and/or serious mental health issues. Individuals in the Health Home program are among the most complex, vulnerable individuals in the Medicaid program who rely on the program to help coordinate their care and avoid expensive emergency room visits and hospitalizations.

Over the past several years, the Health Home program has been subject to substantial budget cuts, resulting in agencies closing, smaller agencies forced to consolidate, and clients losing access to care. In FY24, the NYS Health Home program experienced a $100 million cut, with $30 million cut in FY24, and another $70 million targeted for cuts in FY25. Now, in addition to these cuts, the FY25 Executive Budget proposes a further devastating cut to the Health Home program. Funding in last year's budget was approved at the amount of $424,380,000, which included the cut of $100 million (over 2 years). Funding in the FY25 Executive Budget would fund Health Homes at $196,024,000 – a staggering further decrease of $228,356,000 from the FY24 Budget.

Just three years ago, in FY 2023, Health Homes was funded in the amount of $524,010,000. Proposed cuts in this budget, combined with the FY24 cuts proposed for this year, would total $327,986,000 over three years, which would significantly reduce, if not eliminate, access to the program for large numbers of low-income individuals living with chronic health conditions and lead to increased emergency room visits and avoidable hospitalizations, which the Health Home program has helped decrease over the past few years.[10] [11]

Meanwhile, inflation has caused major challenges across the healthcare industry, leading Governor Hochul to recognize that social service and healthcare providers urgently needed rate increases or COLAs to sustain their operations. While many sectors of the healthcare industry received rate increases, and some Human Services/Mental Hygiene programs funded by OMH, OASAS and OPWDD received a 4% COLA in FY24, the Health Home program was excluded from the COLA and received a $100 million cut. Health Home agencies have been struggling with the same

[10] Neighbors CJ, et al. Effects of Medicaid Health Homes among people with substance use disorder and another chronic condition on health care utilization and spending: Lessons from New York State. *J Subst Abuse Treat.* 2022 Jan;132:108503. doi: 10.1016/j.jsat.2021.108503. Epub 2021 May 29.

[11] Wetzler S, et al. Impact of New York State's Health Home Model on Health Care Utilization. *Psychiatr Serv.* 2023 Sep 1;74(9):1002-1005. doi: 10.1176/appi.ps.20220264. Epub 2023 Mar 14.

reimbursement rates for years, which has resulted in major staffing shortages, higher caseloads, and clients unconnected to care.

The Health Home system is an essential element of New York's continuum of care for the most vulnerable Medicaid recipients, providing a unique community-based service that cannot be provided by managed care organizations or any other part of the medical and behavioral health infrastructure. Health Home care management providers deliver face-to-face visits with high need enrollees – meeting them in their homes and communities – where they are supplementing telephonic care management efforts employed by most MCOs. For individuals who have serious behavioral health needs and chronic medical conditions, just getting to healthcare services can be difficult if not impossible. At Housing Works, our Health Home program regularly receives requests from MCOs who are unable to reach high-need members. Health Home care managers are finding, engaging, and supporting individuals that MCOs and others have failed to find and engage, leading to more stable housing, increased food security, and connections to needed integrated healthcare.

The proposed severe cuts to and neglect of the Health Home program will exacerbate health inequities and are in direct contradiction of the goals of NYS's recently approved 1115 Medicaid Waiver. It is essential that the Legislature fully restore Health Home funding and provide the Health Home program with the same COLA afforded the rest of the human services sector in FY24.

Expand health insurance coverage for immigrant New Yorkers

Housing Works asks the Legislature to correct the Governor's continuing inexplicable failure to seek Federal funding to provide access to health insurance for an estimated 250,000 immigrant New Yorkers who are currently prohibited from enrolling in Medicaid, the Essential Plan, or public health programs due to their immigration status.

Primary health care, including HIV prevention and treatment, is a basic human right, so Housing Works and the EtE Community Coalition are extremely disappointed that New York's recent 1332 State Innovation Waiver under the Affordable Care Act to expand the Essential Plan to New Yorkers with incomes up to 250% of the Federal Poverty Level fails to include undocumented immigrants between the ages of 19-64, leaving these New Yorkers without access to health insurance coverage. Because they lack health coverage, many undocumented immigrants seek healthcare only through emergency departments, preventing or delaying learning their HIV status and severely limiting access to PrEP. We support passage of A3020/S2237, legislation that would direct NYS to seek to amend its 1332 Waiver to propose using the existing federally-funded Basic Health Plan/Essential Plan Trust Fund revenue in a passthrough account to pay for immigrant coverage. CMS has already granted Colorado and Washington permission through 1332 waivers to use the Trust Fund, which has an $8 billion surplus and can only be used to pay for health insurance coverage, to pay for immigrant health insurance. Failing to expand health coverage for immigrants is not only wrong, but also fiscally irresponsible, as NYS spends over $500 million on Emergency Medicaid (NYS DOB data) for immigrants every year—over $500 million could be repurposed for other priorities.

We urge the Legislature to include expanded coverage for adult immigrants in your one-house budget bills.

Repeal the Medicaid Global Spending Cap
The Medicaid Global Cap was introduced in 2011 as a mechanism to limit growth in Medicaid spending and instill discipline in Medicaid budgeting. The cap was set at an arbitrary, fixed moment in time and was not designed to keep pace with program growth. Medicaid is a critical safety net program and is a lifeline for PWH. It should be afforded the opportunity to grow in times of economic downturn or hardship, such as the COVID pandemic, to meet real need. Although the Global Cap indexed growth metric has been updated somewhat in an effort to more accurately reflect changes in enrollment and utilization, last year the two-year Global Cap was extended through FY25. Any cap on the Medicaid program remains arbitrary as it does not reflect actual need or real growth. Continuing to place a cap on Medicaid spending disproportionately impacts people living with disabilities, under-resourced communities of color and safety net providers, like community health centers and HIV service programs that rely upon Medicaid as a significant coverage source for their patient base. It is time to repeal the Medicaid global cap.

Address severe under-investment in the workforce and infrastructure of nonprofit providers
Effectively addressing behavioral health needs, ending the AIDS epidemic, and addressing persistent medical and behavioral health inequities also requires action to address years of severe under-investment in the workforce and infrastructure of nonprofit providers. Housing Works urges the Governor and Legislature to take action in this year's State budget to address urgent issues that threaten to undermine the stability and effectiveness of the State's essential health and human services organizations—by broadening the applicability of the COLA for State contracted human services workers and increasing the amount of the COLA proposed for this year, establishing a $21/hour minimum wage for State funded health and human services workers; and increasing the indirect rate on NYS contracts to a nonprofit's established federally-approved indirect rate.

Nonprofit service organizations that have been on the front lines of the HIV, HCV, COVID, Mpox, and overdose responses face ongoing and new challenges as the result of years of severe under-investment in their work force and essential infrastructure needs – leaving them struggling to attract and retain staff while also dealing with inadequate or outdated systems for information technology, electronic data, financial management, human resources, and other key functions. Inadequate State contract reimbursement rates have resulted in poverty-level wages for human services workers, who are predominantly women and people of color, and limit the ability to invest in critical systems. Essential human services workers are among the lowest paid employees in New York's economy, resulting in high turnover and serious disadvantage in an increasingly competitive labor market. Building infrastructure capacity is not only essential to effective and efficient service delivery but will be required to for community-based nonprofit providers to prepare for, negotiate, and participate in coming value-based payment arrangements for service delivery.

The New York State FY24 budget included a one-time 4% cost-of-living adjustment for eligible State contracted human services workers by funding the Cost-of-Living Adjustment (COLA) statute. This statute was first authorized in the FY07 budget but was deferred for ten years before being funded by Governor Hochul in FY23. However, programs created after the statute was enacted are not included in the FY24 COLA budget language, and so many workers under contract with the State may be left out. For example, as noted above, the Health Home Care Coordination program was cut by $100 million in the FY23 budget and was excluded from the COLA granted to other programs. It is vital to broaden the applicability of the COLA. No worker should be left out due to technicalities, and all human services workers deserve the most basic COLA to keep up with inflation.

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

Protect and sustain NYS health care safety net providers

Protecting New York's healthcare safety net providers is critical to advancing health equity and addressing racism as a public health crisis. After a two-year delay, the Medicaid pharmacy benefit carve-out ultimately was implemented on April 1, 2023. As a result of community-led advocacy, the enacted FY24 budget included a two-year commitment of hundreds of millions of dollars to keep safety net providers whole. This **'NYRx Reinvestment'** pool is designed "*to preserve and improve beneficiary access to care and avoid loss of services in areas of concern*." New York State has thus far delivered on its commitment in disbursing the state share of funding and CMS has approved the federal share of this funding. The sustainability and permanence of this funding must be guaranteed. We call on Governor Hochul to codify into state law the mechanism set forth in *State Plan Amendment #23-0039*, including specific timelines for disbursement of funding each fiscal year, and to ensure maintenance of funding for 340B-covered entities, including $135M state share for FQHCs and $50M for Ryan Whites, each year in perpetuity.

In conclusion, Housing Works calls on the Governor and the Legislature to continue to be bold when it comes to addressing the State's unprecedented public health crises and persistent and unacceptable health inequities. Our historic progress towards ending the State's HIV epidemic shows us what can be achieved by implementing evidence-based policies.

Thank you for your time.

Sincerely,
Charles King

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Attachment: End AIDS NY Community Coalition *Fiscal Year 2025 Budget and Policy Priorities*