



Children's Aid
Prepared for Submission to the Joint Legislative Public Hearing on 2025 Executive Budget
Proposal: Health/Medicaid
February 11, 2025

On behalf of Children's Aid, thank you for the opportunity to submit testimony about the Fiscal Year 2026 Executive Budget: Health/ Medicaid. For over 170 years, Children's Aid has been committed to ensuring that there are no boundaries to the aspirations of young people and no limits to their potential. We are leading a comprehensive effort to remove the obstacles that threaten kids' achievements in school and in life. We have constructed a continuum of services, positioned every step of the way throughout childhood that builds well-being and prepares young people to succeed at every level of education and every milestone of life. Today over 2,000 full and part-time staff members empower nearly 50,000 children, youth, and their families through our network of 40 locations including early childhood education centers, public schools, community centers, and community health clinics in the New York City neighborhoods of Harlem, Washington Heights, the South Bronx, and the north shore of Staten Island.

As a multi-service agency, we employ a holistic strategy that serves children and their families at every stage of development—from cradle through college and career—and in every key setting—home, school, and community. This cross-sector approach is more vital than ever, as the COVID-19 pandemic destabilized the communities that we serve and exacerbated existing racial and socioeconomic inequity. In this critical period, young people and their families need a trusted partner like Children's Aid to provide a network of resources that they can turn to.

As an agency with a strong state advocacy agenda, we are members of and support the platforms of the New York School-Based Health Alliance (NYSBHA), Citizens Committee for Children (CCC), the Healthy Minds, Healthy Kids Campaign, InUnity Alliance, and the Schuyler Center. Together, we are on a mission to connect children with what they need to learn, grow, and lead successful, independent lives.

We would like first to acknowledge Children's Aid's support of the proposals released in the Governor's FY 25-26 Executive Budget:

FY 25-26 Budget Highlights

- We applaud the Governor's efforts to leverage federal support to grow New York's health, behavioral health, and social care workforce. The Executive Budget includes \$694 million for the implementation of two workforce programs: one to support training and education for new workers and the other to support career advancement for existing workers through tuition payments and student loan repayment.
- We support the Governor's continued implementation of the Medicaid 1115 Waiver Amendment. On January 9, 2024, the Centers for Medicare and Medicaid Services approved

a groundbreaking amendment to New York's Medicaid Section 1115 Demonstration, which is vital to the state's continuing efforts to build a healthcare system that benefits all New Yorkers.

- We thank the Governor for uplifting health equity and outcomes. We specifically commend the \$500 million investment in the Executive Budget for screening and navigation services for Medicaid members through the new Social Care Networks (SCN). These screenings will facilitate access to a range of social care services, including enhanced benefits for certain populations. These services will provide essential support, such as housing, food and nutrition assistance, transportation, and referrals to additional resources in education, employment, interpersonal safety, and more.
- We endorse the Governor's efforts to expand access to nutrition programs for mothers and children by investing \$9.5 million to support new enrollees in the State's Women, Infants, and Children (WIC) program to meet the growing need for food and essential services.
- We applaud the Governor's commitment to transforming the mental health continuum of care by raising the State's investment by over 45 percent, from \$3.3 billion in 2022 to \$4.8 billion in the FY 2025 Executive Budget. These investments include:
 - \$45 million for youth mental health, including school-based services and peer-to-peer counseling.
 - \$42.2 million to increase reimbursement for mental health treatment services.
- We support the proposal to implement universal free school meals across the state. The Executive Budget provides \$340 million for school meals, a \$160 million (89 percent) year-to-year increase, and requires all school districts, charter schools, and nonpublic schools that participate in the national school lunch and breakfast program to provide free breakfast and lunch meals to all students regardless of their families' income, thereby reducing costs for families and ensuring that no student goes hungry at school.
- We recognize the Governor's proposal to create distraction-free schools by limiting the use of smartphones and other internet-enabled devices on school grounds during school hours. This approach aims to foster a more focused learning environment. The inclusion of \$13.5 million to support the implementation of distraction-free school policies is a positive first step, though careful attention will be needed to ensure its effectiveness and address potential challenges in execution.
- Furthermore, we support the Governor's efforts to increase the minimum wage across the state by investing an additional \$53 million in State funds to support minimum wage increases for staff at programs licensed, certified, or otherwise authorized by OPWDD, OMH, and OASAS.

- We thank the Governor for her proposal to enhance the Empire State Child Credit. The Executive Budget increases the maximum credit to \$1,000 for children under age four and \$500 for children ages four through sixteen, for the next three years. We also applaud the Governor's plan to eliminate the earned income requirement, enabling low-income New Yorkers to fully benefit from the credit.
- We acknowledge and appreciate the Governor's establishment of the Birth Allowance for Beginning Year (BABY) Benefit to support maternal and infant health in underserved households. The annual investment of \$8.5 million to provide a \$100 monthly benefit during pregnancy and a \$1,200 payment at birth for Public Assistance recipients is a positive step forward.

FY26 Budget Recommendations

Support School-Based Health Centers (SBHCs)

Children's Aid believes that one of the best and most effective ways to keep kids healthy is by making high-quality physical, mental, and dental health care as accessible as possible. For many children, that means building health care services into their schools because it is the place where they spend the most time. School-Based Health Centers (SBHCs) ensure that kids miss as little class time as possible if they need medical care. They also reduce the burden on working parents, who know their kids can get high-quality health care without having to take time off from work.

Children's Aid operates six SBHCs that provide an array of medical, dental, and behavioral health services. Our School-Based Health Centers are all located in low-income neighborhoods where access to health care can be an ever-present roadblock for families. In the 2023-2024 school year, our SBHCs treated 3,928 patients and saw a total number of 22,106 visits, including over 16,800 medical visits, 3,425 behavioral health visits, and nearly 1,877 dental visits, as well as 5,610 first aid care visits.

As a member of the New York School-Based Health Alliance (NYSBHA), Children's Aid strongly urges the adoption of the following priorities:

- Oppose the carve-in of SBHCs into Medicaid Managed Care (MMC), scheduled to begin April 1, 2025. SBHCs must remain fee-for-service to ensure their financial viability. Unlike other carve-ins implemented by the New York State Department of Health (NYSDOH), this carve-in has no fiscal savings associated with it. The carve-in poses significant administrative challenges involving credentialing, contracting, billing, claims processing for centers, and great instability from payment delays and denials. SBHCS must continue

serving children and adolescents with Medicaid on a fee-for-service basis permanently, as provided for in **S1224, Rivera/A957, Paulin**.

- Maintain the \$22.1 million non-Medicaid grant funding for SBHCs, which directly supports daily operations, including critical mental, dental, and other wrap-around support. At a time when many SBHCs are struggling financially, this unrestricted grant funding directly supports SBHC operations to ensure service delivery in underserved communities.
- Support a \$3.8 million legislative add in the final 2025-26 State Budget to restore cuts to SBHC sponsors whose non-Medicaid State grants funds were disproportionately reduced due to the combination of: 1) multiple across-the-board cuts in the final 2014 and 2018 State budgets; and 2) an administrative action by the Department of Health to impose additional cuts on some SBHCs ranging from 25% to 70% of total grants funds.

Sustainable funding for SBHCs must be prioritized and the state must remediate the painful deficits SBHCs have incurred as a result of cuts in previous budget cycles. Non-Medicaid grant funding for the State's 252 SBHCs for the delivery of core primary, preventive, mental, and dental health care services to over 250,000 children has been reduced by over 25%, (\$5.8 million), since 2013. Further Medicaid cuts to SBHCs are unsustainable and we ask you to hold SBHCs harmless from any Medicaid cuts in the 2025-26 State Budget.

The combined impact of these cuts has been a reduction in access to services for underserved youth. Many of the children and adolescents that we serve are emotionally and physically vulnerable. They live in communities that report high incidences of drug and alcohol abuse, violence, adolescent pregnancy, and sexually transmitted illness. All of these issues were compounded by the COVID-19 pandemic. SBHCs use the non-Medicaid State grant funds to help cover the deficits incurred by their commitment to serve all children, including those who are immigrants and uninsured or underinsured. SBHCs are needed now more than ever as our youth have experienced -and continue to experience- grief, isolation, and anxiety about the future, and as many services, including well-child visits, dental care, and other preventive health care services took a back seat during the pandemic.

Increased Investment in Children's Health

At Children's Aid, we believe that the health and well-being of our children, youth, and families are key to harnessing their limitless potential. To that end, we ask the state legislature to expand and increase its investment in child and family health. More specifically, we recommend that the State:

- Track, monitor, and influence the implementation of the Children's Health Insurance Program (CHIP) coverage for young children to age 6, a program that provides no-cost or low-cost health coverage for eligible children.
- Increase reimbursement rates for dental health services. Many dental practices struggle to cover costs without adequate reimbursement, limiting appointment availability and forcing patients to endure long wait times or forgo care altogether. Investing in higher reimbursement rates will strengthen New York's dental care network, improve long-term health outcomes for children, and reduce overall healthcare costs by addressing preventable dental problems early.

Increased Investment in Children's Behavioral and Mental Health

Children's Aid's commitment to strong families and communities spans the health and wellness continuum. We provide behavioral health services in school-based and community health centers to help children cope with behavioral, mental, and emotional challenges so they can build a solid foundation to realize their potential.

The isolation, grief, and trauma brought on by COVID-19 have fueled a youth mental health crisis. According to the CDC, the proportion of emergency room visits related to mental health among young people ages 12 to 17 increased by 31% from 2019 to 2020. Without holistic mental health services, we are concerned that continued challenges could lead to negative outcomes over the long term. Our mental health support has been crucial; many of our students and families are facing real loss, fear, anxiety about the future, and depression. In FY 24, our clinicians provided behavioral health services to over 3,400 students, helping to meet a persistent need for mental health support as anxiety, depression, and other mental health challenges have been exacerbated in the aftermath of the COVID-19 pandemic.

Within a school-based setting, the unique benefit of the SBHC model is that it enables us to service all students in the building, not just those on the caseload. In terms of mental and behavioral health, our SBHCs can provide crisis care to every student in need using evidence-based clinical practices. Schools rely on SBHCs for critical crisis assessments because they perform them more frequently, thus providing vital information beyond what social workers and guidance counselors can provide.

As we continue to address the existing youth mental health crisis, we urge the State to make sustained investments in behavioral and mental health including:

- Address the child and adolescent behavioral health crisis described above by investing \$195 million to reform rates for Article 31 and Article 32-822 clinic services, Children's Home and Community Based Services (HCBs), and Child and Family Treatment and Support Services

(CFTSS) to attract and retain an adequate workforce and create urgently-needed service capacity for outpatient care.

- Require commercial insurance plans and Child Health Plus to provide coverage for children's mental health and SUD services consistent with service coverage required under the New York Medicaid program for children.
- Fund programs like the Supporting Transition Resilience of Newcomer Groups (STRONG) Program, an evidence-informed, school-based intervention to promote mental health among immigrant and refugee youth.

Family Planning

Children's Aid offers comprehensive, age-appropriate sexual health education and reproductive health care services, as well as support for young people to build the tools they need to make healthy and informed choices. Our programs help young people prevent unplanned pregnancy, HIV, and STDs so they can focus on school, make safe, healthy decisions, and prepare for their future. We applaud the State's commitment to maintaining and preserving access to high-quality reproductive health services for low-income individuals across New York State.

We ask that the legislature commit to the following for the final FY26 State Budget:

- Given the uncertainty surrounding federal funding for reproductive health with the new administration, we ask that the State commit to substituting Title X funding for comprehensive family planning programs.
- Additionally, we ask that the State commit to replacing and maintaining funding for comprehensive adolescent pregnancy prevention programming, including CAPP, PREP, and SRAE funds.

Workforce

The human services sector is experiencing severe workforce challenges including shortages of mental health professionals, and difficulty with recruitment and retention. Many providers across the state are experiencing social work staff shortages in mental health programs. Without adequate staffing, we are not fully able to provide the much-needed mental health services that our communities need at this time. To stem the tide on the challenges that providers are experiencing with workforce shortages, Children's Aid stands with the InUnity Alliance and the Human Services Council (HSC), and supports the following proposals for the FY26 State budget:

- Fund a 7.8% Cost-of-Living Adjustment (COLA) for nonprofit human service and state agency workers, including providers of services for OPWDD, OMH, OASAS, OCFS, OTDA, and SOFA
- Provide reimbursement rates that match the costs of care.
- Invest in ongoing recruitment initiatives such as offering a pipeline, scholarships/loan forgiveness, career ladders, bonuses, and other creative incentives that directly help workers. Fund training initiatives that promote diversity, equity, and inclusion initiatives, and social determinants of health for our workforce.
- Support the Early Intervention (EI) program by passing loan forgiveness legislation for providers practicing in shortage areas (A.8455 Paulin), increasing in-person rates by 5%, and ensuring that the State conducts a comprehensive review of the EI program, including program models and financing.
- Expand oral healthcare for children by strengthening the oral health workforce. This includes changing the scope of practice for dental hygiene to allow them to provide more of the services they are training to perform and assisting parents in preventing dental disease by allowing them to apply fluoride varnish to their children's teeth under the supervision of a dental professional. Generally speaking, children and youth have limited access to dental care and are underserved in this capacity given the costly nature of these services.

Closing Remarks

Children's Aid sincerely thanks the state legislature for their vigorous support of children and families in New York. The issues outlined above are of extreme importance to Children's Aid and we will do all that we can to advocate, protect, and increase access to health services. It is essential to ensure that children and families in resource-limited communities have the opportunity to reach their full potential. If you have any questions about this submitted testimony please contact Michelle Avila, Director of Public Policy, at mavila@childrensaidnyc.org.