

Testimony of Kevin Finnegan, Director of Politics and Legislation, 1199SEIU United Healthcare Workers East

Joint Legislative Budget Hearing on Health/Medicaid in the 2014-5 Executive Budget Proposal

February 2, 2014

Good afternoon. I am delivering this testimony on behalf of the more than 325,000 1199SEIU United Healthcare Workers East members in New York State.

Our members are dedicated to caring for New Yorkers in times of illness and vulnerability. They administer medication, lift patients, cook meals, mop floors, analyze laboratory samples, write prescriptions, provide counseling and work hard every day to provide comfort and care to patients in hospitals and clinics, residents in nursing homes and seniors and people with disabilities at home.

The health care institutions they sustain are undergoing tremendous change, driven by a wide recognition that the most expensive healthcare system in the world has not delivered the best outcomes in the world. Both the Affordable Care Act on the national level and the Medicaid Redesign Team reforms at the State level are an effort to improve access to quality care for individuals and increase population health while at the same time controlling costs.

One of the hallmarks of the Medicaid Redesign Team reforms has been the effort to ensure “care management for all,” by enrolling previously excluded populations into managed care plans. Our union has worked closely with the Health Department and the health care industry over the past two years to help implement these provisions for those receiving personal care. While this system transformation has not been perfectly smooth, it has avoided significant disruptions in care and services. This has been because of the protections put in place by the Legislature and the Health Department. In particular, the Wage Parity law, to be fully implemented March 1st of this year, has ensured that workers could continue to serve their clients as different home care programs with different wage and benefit structures were integrated into managed care. And the law is helping to achieve other goals of reform, by reducing administrative costs and increasing the quality of the services through retention of experienced home care aides.

This year, those in need of residential nursing home services will be required to join managed care plans. In his budget proposal, the Governor has proposed quality standards language to ensure that resources are available to retain a qualified staff to care for nursing home residents during this transition. We are here to testify in strong support of this provision. Without it, nursing home rates could see a “race to the bottom” on cost and quality in the competition for contracts with managed care companies. With quality standards in place, nursing homes can still compete on efficiency and quality of care, but managed care companies will not be permitted to drive rates below what is currently spent on staffing. Unlike with the home care wage parity legislation, this would not raise wages for an underpaid sector of the workforce. It is designed to ensure that wages cannot be driven down from current levels, raising staff turnover and reducing the quality of care.

We also want to strongly support the Governor's request for capital funding for safety-net hospitals. Since the Federal government has determined that the State's waiver request cannot include capital funding, this funding is vital for our undercapitalized safety-net institutions. Without support to build sustainable health care services that meet the needs of the community, we are in danger of institutions failing chaotically, leaving "health care deserts" in poor and underserved areas.