



**Testimony Prepared for the Joint Hearing of the Assembly Ways and Means Committee & Senate  
Finance Committee on the 2013-2014 Executive Budget Proposal for Health and Medicaid  
January 30, 2013**

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Gay Men's Health Crisis (GMHC) is gravely concerned about the proposed FY2013-14 Executive Budget, notably the elimination of funding for numerous public health programs in the Department of Health budget and consolidation of these programs into six competitive pools. That the total sum of available funds within the DOH appears to have been reduced, and that safeguards to ensure the availability of infrastructure funding are not clearly laid out, raise deep concerns for us about the fidelity of state funding to support the work of Community Service Providers of AIDS services.

Clearly delineate how DOH funding will be allocated

Specific to the services GMHC provides, programs traditionally funded under the AIDS Institute have been lumped in a new single appropriation totaling \$90.7M. Last year's AIDS Institute total budget was \$104,462,950. The difference is 13%, a significant reduction in dedicated funding. The lack of clarity around funding creates uncertainty about how and which programs will be funded throughout the year, making it nearly impossible for community based organizations (CBOs) to create an internal budget and hire or retain necessary staff.

Reinstate language protections for Community Service Providers to secure infrastructure spending

Of additional concern is the removal of language that provides protections that enable Community Service Providers (CSPs) to leverage our core base funding, which provides the infrastructure that allows us to compete for state, federal and local grants that result in an additional \$150 million dollars to New York State each year. In fact, much of these federal funds are passed through the state for local community agencies. Furthermore, exclusion of this language puts matching funds at jeopardy because there is no way to tell if a particular program will be funded. These protections have received the support of the New York State Comptroller's office and the Department of Health. Community service programs support the re-insertion of this language into the final budget as it provides us with the reliability to continue our basic operations while competing for new program dollars.

Do not delay COLA increase

The Executive Budget defers the 1.4% Cost of Living Adjustment (COLA) that was scheduled to take effect in FY 2013-14. This is highly problematic as a COLA deferment directly correlates with our ability to retain vital employees and may lead to a loss of staff and essential services to those most vulnerable to HIV.

Restore patient Protections for Medicaid Prescription Drug Coverage

Under the new Managed Care program, "prescriber prevails" provisions that allow a health care provider to make final decisions regarding a patient's prescription drug regimen are not honored. Rather, Managed Care providers have imposed a prior authorization process and preferred drug lists of medications, developed to maintain lower costs to the Managed Care provider rather than optimal health benefit to the patient. These policies have disrupted many patients' medication regimens, as they have been required to switch over to medications on the Managed Care preferred drug lists regardless of a patient's history of unsatisfactory response to a medication. Among the affected classes of drugs



are anti-depressants, anti-rejection drugs used in the treatment of organ and tissue transplants, and new anti-retrovirals still under patent and not yet available as a generic.

Atypical anti-psychotics were also among the list of medications initially affected by the shift to Managed Care. The 2012–13 budget restored "prescriber prevails" provisions for atypical anti-psychotics (effective January 1, 2013) in recognition of the significant problems that Medicaid recipients were experiencing in accessing appropriate medication to treat their mental illness. However, repeal of this provision was included in the 2013-14 Executive Budget, potentially undermining efforts enacted to mitigate issues accessing these medications and jeopardizing the health of people managing their HIV and mental health conditions.

#### Use Health Homes Funding to support small service providers

GMHC is thankful that Governor Cuomo proposes setting aside dedicated funds for Health Home implementation. We urge the legislature to use these funds as startup and infrastructure implementation funding, channeled directly to the direct service organizations that are currently working to implement the Health Home initiative. These resources can be used to help smaller organizations implement key requirements of Health Homes, including electronic medical records, and to cover some of the transition costs they incur as they iron out the details of the process.

#### LGBT Funding

The LGBT Network appropriation falls into the HIV/AIDS lump, further reducing the pot of funding available for HIV/AIDS organizations and inappropriately limiting the use of the Network's resources. The Network should remain whole and be a separate appropriation in the budget. Their work is not limited to HIV/AIDS prevention, education and services.

Merging this pot into the traditional AIDS Institute pot means CSPs/MSAs/CDIs will likely have to compete for fewer resources, when we believe the focus of our time and energy should be spent providing services to those living with and those at risk of contracting HIV/AIDS.

#### Implement Medical Marijuana provisions

Physicians should be allowed to discuss and prescribe limited access to medical marijuana for patients with severe conditions. In addition, the state will earn much needed revenue in year one of passage of Medical Marijuana. Legislation making medical marijuana available to these patients garners widespread public support. Eighteen states and the District of Columbia have already passed laws allowing patients access. In a 2010 poll conducted by Quinnipiac University, 71% of New Yorkers would support the legal use of medical marijuana by those with a physician's prescription. This support is common across all political, racial, and regional groups. For instance, 55% of Republicans polled would support medical marijuana, and 63% of those aged 65 or older are in favor of such legal protections.

GMHC urges the executive and legislative branches of state government to pass a budget that is balanced and meets the needs of its most vulnerable constituents. Key among those are people who are low-income and living with chronic conditions such as HIV. The current budget proposal shows a commitment to that process but lacks the specific details necessary to optimize the State's role in improving the health of New Yorkers living with chronic conditions.

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**Key Priorities**

**It is vital that the following language be reinstated in 21 day amendments to the Governor's budget proposal:**

*To ensure organizational viability, agency administration may be supported subject to review and approval of the commissioner of health. Notwithstanding any provision of law to the contrary, the commissioner of health shall be authorized to continue contracts with community service programs, multiservice agencies and community development initiatives for all such contracts which were executed on or before March 31, 2009, without any additional requirements that such contracts be subject to competitive bidding or a request for proposals process.*

***Furthermore, we ask that the Legislature to reject the Governor's proposal to consolidate the funding for public health programs.***

***Finally, we request that the Legislature reject language in the budget which allows the Director of Budget to transfer funding from public health appropriations to any agency. This creates tremendous uncertainty and muddles transparency.***

**The items listed under 'Key Priorities' come at no additional cost to the State.**