



TESTIMONY

OF

PAMELA CORBETT

POLICY ASSOCIATE FOR HEALTH AND MENTAL HEALTH

SUBMITTED TO THE

NEW YORK STATE SENATE FINANCE COMMITTEE

AND

NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS

REGARDING THE

NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR

HEALTH AND MEDICAID

STATE FISCAL YEAR 2013-2014

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Good Morning. My name is Pamela Corbett and I am the Policy Associate for Health and Mental Health at Citizens' Committee for Children of New York (CCC). CCC is a 69- year old privately supported, independent, multi-issue child advocacy organization, dedicated to ensuring every New York child is healthy, housed, educated and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce. For 69 years CCC has undertaken public policy research, community education and advocacy efforts to draw attention to children and their needs so that we can advance budget, legislative, and policy priorities that are cost-effective and produce better outcomes for New York's youngest residents. I would like to thank Chairman Farrell and Chairman DeFrancisco and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to testify on the Governor's Executive Budget for State Fiscal Year 2013-2014.

Governor Cuomo's \$136 billion Executive Budget closes a \$1.3 billion deficit, while aiming to strengthen our state's Education system, increase jobs and better protect our state from unpredicted disasters such as Superstorm Sandy. CCC is grateful for many of the measures the Governor and the Legislature have taken over the past few years to stabilize the State's economy and help to build a better New York.

The Governor's Executive Budget takes some notable steps to improve the lives of children such as raising the minimum wage, beginning to implement the recommendations of the *New NY* Education Reform Commission, and continuing to reform the juvenile justice system.

While these are notable enhancements, there are also budget reductions to programs and services that CCC is very concerned about including cuts to post-adoption services, Nurse-Family Partnership, after-school programs, services for sexually exploited and runaway and homeless youth, as well as the elimination of funds for the Court Appointed Special Advocates (CASA) program.

While continuing to prudently address State spending is critical to New York's recovery from the economic downturn, few have been hit harder by this recession than poor children and their families. It is CCC's belief that we must not allow this year's budget to chip away at the safety net needed to ensure that the next generation of New Yorkers can reach their full potential.

Two years ago, the State initiated a multi-year overhaul of its Medicaid program in an effort to both reduce spending, and improve the State's ratings on various Medicaid and health-related national performance measures. Known as Medicaid Redesign, this effort has been clear in its aspirations toward achieving the triple aim: improving the quality of care; improving health by addressing root causes of poor health; and reducing per capita costs (commonly referred to as "bending the cost curve").

Experience has taught us that in periods of prolonged fiscal crises, it simply isn't enough to reduce reimbursement or limit utilization. To do so often leads providers to scale back operations, which effectively restricts access to those that require care. While such initiatives may yield short term savings, they require increased spending down the line to address the growing health needs of those whose access to preventive and primary care was limited through such short-sighted cost-savings measures. Restricted access would worsen the individual

experience causing the general of health of populations to decline. In this scenario, the cost curve would be bent, but in the wrong direction.

Accordingly, CCC has been supportive of the work of the Medicaid Redesign Team and we are very encouraged to see several proposals in the budget that build upon the foundations of the triple aim. One such example is the proposal to promote collaborative care through the integration of behavioral health into primary care settings. This would enable a holistic approach toward patient health and wellness that would improve the patient experience and overall outcomes. Across the State and around the country, the provision of health care has historically been siloed. We see different doctors for different needs (e.g., primary care, behavioral health etc.), many of whom do not regularly communicate with each other. In the absence of collaboration, there is increased risk of misdiagnosis, conflicting patient advice, duplicative testing, insufficient follow-up care and potentially lethal drug interactions. These negative, and conceivably, avoidable outcomes all carry a heavy price tag plus the additional cost of worsened patient health status. This point is especially salient for children, who are perhaps most responsive to interventions during their formative years and are thus positioned to greatly benefit from the promise of collaborative care.

Along those same lines, we are pleased to see the Governor propose reforms that would strengthen the consumer protections of the Early Intervention program. The budget language clearly delineates that every young child is entitled to an evaluation to determine eligibility. It allows for greater flexibility in eligibility determinations by deferring to qualifying medical diagnoses for eligibility determinations in lieu of an evaluation and permitting opportunities to revisit eligibility evaluations under certain conditions. It also ensures timelier implementation of the Individualized Family Service Plan. Finally, this would be both more cost-effective and more sensitive to the needs of families with young children to have a more streamlined approach to eligibility determinations that do not require additional evaluations if the information needed has already been secured.

The Executive Budget proposal to integrate covered Early Intervention services into managed care networks has the potential to enhance the level of care coordination available to these high needs children while enabling the state to save money by not paying for services that are covered by managed care plans. CCC was pleased to see that the budget wisely allocates 1.2 million in resources to help finance the integration of covered EI program services into managed care, given that this mandate places a heavy administrative burden on EI service providers who may lack the resources or capacity to independently contract with numerous managed care plans. CCC is hopeful that some of these dedicated dollars will go toward the development of a model contract. This will help bring administrative relief to providers while establishing basic network parameters, including rate setting.

We are also pleased to see that the Governor has proposed to not only transition toward a new, more effective Indigent Care Pool methodology for its safety net hospital network, but that the Executive Budget would also enhance the level of funding available within the Pool annually. These steps are both necessary and long overdue. For years, the current methodology has failed to accurately target limited resources toward hospitals and other health care providers that serve a disproportionate share uninsured and Medicaid patients. Aside from diverting vital resources

away from safety net hospitals, failure to revise the methodology could have eventually cost the State substantial federal support in the years to come. Many children and families living in medically underserved communities must rely on these very same institutions for most of their health care needs – hence, the term “safety net” – compounding the State’s obligation to do all it can to preserve and protect these health care institutions from avoidable financial risk.

We also applaud the Governor’s proposal to add chronic disease prevention and emergency preparedness and response activities to the list of core services eligible for grants from the State’s General Public Health Work Program. This program enables localities to further stretch the dollar when supporting many valuable services that are proven to promote public health wellness. These same services also tend to have a strong return on investment, helping individuals and families prevent and protect against more costly higher-level interventions – many of which often end up being underwritten by the state, both directly and indirectly. In light of the many potentially avoidable tragedies and complications that ensued during and after Superstorm Sandy, the need for additional investments in and a renewed focus on emergency preparedness and response cannot be overstated.

While CCC was pleased with many of the Executive Budget proposals related to Health and Medicaid, there are some proposals that are deeply concerning to us with regard to their impact on children and families.

While some of the proposals to reform the General Public Health Work Program are positive, CCC is greatly concerned about the proposal to exclude primary and preventive clinical health care services from state aid eligibility. Even though the proposal does, thankfully, allow for some exceptions to be made at the discretion of the State Health Commissioner for services to youth under age 21, these same local health clinics will be devastated by this loss in aid. Forthcoming insurance coverage expansions stemming from the Affordable Care Act (ACA), unfortunately, will not cover everyone. We expect there will still be many people presenting at these clinics for care who will not be covered. These clinics should not be held liable for costs incurred serving this excluded population, especially when these services are far less expensive than those provided in an emergency setting. Increasing the risk to these clinics further jeopardizes their ability to sustain a presence in the communities that need them the most. As the state continues to implement the ACA and pursue the triple aim, it should do everything within its power to strengthen its primary care infrastructure, not weaken it.

Along those same lines, it is disappointing that the Executive Budget cuts \$2 million from the Nurse-Family Partnership Program (NFP), which has previously been funded with TANF. NFP is a rigorously tested evidence-based community health program that has proven to break the cycle of poverty with measurable results. Program outcomes include long-term family improvements in health, education, and economic self-sufficiency.¹ Independent research has proven that for every public health dollar invested in high risk NFP families, communities can save up to five dollars in return.² To remove funds from this cost-savings program is counter-productive, to say the least.

¹ “About”, Nurse Family Partnership, 2011. Available at: <http://www.nursefamilypartnership.org/about>

² “Benefits and Costs”, Nurse Family Partnership, 2011. Available at: http://www.nursefamilypartnership.org/assets/PDF/Fact-sheets/NFP_Benefits-Cost

Finally, in reviewing the budget and the more than 450 pages of budget legislation for health and mental hygiene, we were deeply disappointed that we could not identify any provision calling for increased investments in helping child welfare providers technologically prepare for the transition of foster children into Medicaid managed care. Inherent in this transition is the need to promote accurate and timely health information exchange. Failure to provide adequate supports for this transition could impact the ability of this vulnerable population to be able to receive adequate care while they are in the care and custody of the state and counties.

We urge the Legislature to negotiate a budget with the Governor that ensures that the state remains committed to the programs that produce positive outcomes for children, and ultimately saves the state money on more expensive interventions such as foster care, medical care, homeless shelters, and the juvenile justice system.

While we appreciate that very difficult choices about revenue increases and expense reductions need to be made, we urge you to protect the services that will ultimately be less costly to the children of today and the taxpayers of tomorrow.

Thank you for the opportunity to testify.