Testimony of

Alice Bufkin
Director of Policy for Child and Adolescent Health
Citizens' Committee for Children of New York

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/Medicaid
Fiscal Year 2019-2020

February 5, 2019
Good afternoon. My name is Alice Buftin and I am the Director of Policy for Child and Adolescent Health at Citizens’ Committee for Children of New York, Inc. CCC is a 74-year-old independent, multi-issue child advocacy organization dedicated to ensuring that 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 over 70 years, CCC has undertaken public policy research, community education, and advocacy efforts to draw attention to children’s needs so that we can advance budget, legislative, and policy priorities that produce good outcomes for our youngest New Yorkers.

I would like to thank Chairwoman Krueger and Chairwoman Weinstein, and all the members of the Senate Finance and Ways and Means Committees, for holding today’s hearing on the Health/Medicaid-related proposals in the Governor’s Executive Budget for State Fiscal Year 2019-2020.

CCC appreciates the Governor’s commitment to improving health outcomes for vulnerable New Yorkers. We applaud the inclusion of funding to implement Medicaid redesign and support new children’s behavioral health services. We also commended the Governor for including a rate increase for certain Early Intervention providers, and for seeking to protect New Yorkers from harmful federal healthcare attacks.

Additionally, we applaud the inclusion of proposals to reduce lead exposure for children, and proposals to address the state’s high maternal mortality rate. Key to the success of these initiatives will be appropriating sufficient funding to ensure their implementation.

However, the Executive Budget also proposes deeply troubling cuts to New York City’s public health system, and fails to invest in important home visiting programs. We also see important opportunities to further strengthen the Early Intervention system, increase access to behavioral health services, and expand health coverage options to more vulnerable New Yorkers.

We urge the Legislature to negotiate a budget with the Governor that eliminates cost shifts, and invests significantly more in the programs and services that will produce good outcomes for children and families throughout New York.

Please find below our Executive Budget recommendations related to Health and Medicaid.

**Children’s Behavioral Health**

1) Ensure successful implementation of new behavioral health services for children and adolescents, and provide increased access to treatment, support, and developmental services.
CCC commends the Governor for including $10.5 million in state funding in the Executive Budget to reimburse providers offering new Child and Family Treatment and Support (CFTS) Services. Medicaid redesign offers an unprecedented opportunity to provide preventive, community-based services that catch problems earlier, before they require more intensive services. The state’s sustained commitment to this transition is essential for its success.

Our state’s behavioral health system has consistently struggled to meet the needs of children in need of mental health and substance abuse services. Approximately 220,000 of the two million children enrolled in Medicaid receive substance abuse or mental health services. However, numerous additional families wait months for an appointment with a psychiatrist or child therapist. Parents without access to preventive services are often forced to bring their children to emergency rooms in moments of crisis, or cycle through children’s psychiatric units in New York hospitals. Only a fraction of children with a serious emotional disturbance (SED) receive specialty mental health treatment.

New York is undergoing a significant redesign of its mental health benefits for children as the state finalizes its transition to Medicaid managed care. Among the most transformative aspects of the transition is the introduction of six new services for children, known as Children and Family Treatment and Support (CFTS) Services. Previously only available to high-needs children served through waiver programs, these services are now meant to be available to all Medicaid eligible children under the age of 21 who meet medical necessity criteria.

At their core, these services seek to intervene early to prevent the need for more restrictive or higher intensity services. These evidence-based services are provided in homes and communities where children and families live. Services are culturally competent and trauma-informed, and must involve communication and coordination with family, caregivers, and/or legal guardians. With these new services, more children and adolescents will gain access to services that help identify needs early, focus on recovery and resilience, prevent the need for higher-end services, and support the child at home and in community settings.

CCC supports the inclusion of $10.5 million to reimburse providers designated to provide the new Child and Family Treatment and Support services, and urges the Legislature to include this funding in the adopted budget.

CCC urges the Legislature to take additional steps to ensure the success of Medicaid redesign and increase access to new services:

- Provide an additional six months of enhanced rates for Children and Family Treatment and Support Services.

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As part of the funding allocated to the transition, providers will receive an enhanced rate for the new services during the first six months after their introduction. At the end of six months, this rate will decrease, before eventually falling to the base rate after 12 months of operation.

This enhanced rate is essential for ensuring a successful launch of new services, providing support for behavioral health providers as they adjust to a new array of services and conduct community outreach. Enhanced rates will cover startup costs, such as adjusting to the transition from fee-for-service to managed care, and covering staff costs during the slow ramp-up period as families and communities become aware of new services.

While this enhancement is important for ensuring the success of the new services, a number of challenges make clear that six months of enhanced rates is insufficient. The original timeline for system transformation has been substantially modified as a result of decisions by the Centers for Medicaid and Medicare Services (CMS). Providers are also responsible for implementing several major reforms in January, limiting their ability to conduct outreach to children in the community who would most benefit from new services.

A recent survey by the NYS Coalition for Children's Behavioral Health found turnover rates as high as 40% and vacancy rates as high as 20% for behavioral health providers. Without enhanced rates, recruiting and retaining providers to offer these critical services will be increasingly difficult.

In order to achieve a seamless waiver turnover and ensure the state successfully rolls out new CFTS services, CCC urges the Legislature to negotiate a budget that includes an additional six months of the enhanced rates for CFTS services beyond what is currently planned.

- **Add CFTS services to the Child Health Plus program.** Currently, CFTS services are provided only to children eligible for Medicaid. However, approximately 386,807 children receive their health and mental health insurance through the Child Health Plus program. Extending CFTS services to CHP children would enable the state to reach more low-income children who are not eligible for Medicaid and do not have insurance through their parents, including undocumented children. Adding CFTS services to CHP would require approximately $3 million in state funding. We urge the Legislature to work with the Governor to add CFTS services to CHP.

2) **Adopt Executive Budget proposals that will strengthen the behavioral health system for children and families.**

CCC supports the following proposals in the Executive Budget and urges the Legislature to include them in the adopted budget.
• Adding $1.5 million for mental health grants for middle or junior high schools. Funds can be used to provide wrap-around mental health services, improve school climate, combat violence and bullying, and support social-emotional learning. Up to $500,000 may be used to support the school mental health technical assistance center.

• Extending APGs (government rates) for Article 31 and Article 32 providers through March 31, 2022. Years of underfunding for community-based behavioral health services have left many clinics, including Article 31 school based mental health clinics, and Article 28 school based health centers, on the verge of closure. This proposal will address some of the barriers to clinic solvency and increase access to critical support services for children.

• Medicaid coverage of Applied Behavioral Analysis (ABA) for over 4,000 children with Autism Spectrum Disorder, including those who have aged out of the Early Intervention program. The Executive Budget includes $6.4 million for Fiscal Year 2019-2020.

• Behavioral Health Parity protections. CCC supports proposals in the Executive Budget to ensure parity between health and behavioral health insurance. These are important steps towards meeting the mental health and Substance Use Disorder (SUD) needs of children and adults in New York. Funding includes $1.65 million for 10 new FTEs to help ensure health plans are in compliance with parity requirements. Some of the parity proposals CCC supports include:
  - Allowing for immediate access to mental health inpatient treatment for children under age 18 by eliminating prior authorization for a 14 day stay; Requiring minimum coverage standards; Removing certain benefit limitations; Prohibiting denial of medically necessary care; Prohibiting multiple co-payments per day and requiring behavioral health copayments be equal to a primary care office visit; Prohibiting prior authorization for medication assisted treatment; Requiring mental health utilization review staff to have subject matter expertise; Allowing OMH to review and approve clinical review criteria; and prohibiting insurers from retaliating against providers that report insurance law violations to State agencies.

3) Reject Executive Budget proposal to defer the statutory Cost of Living Adjustment (COLA) for OMH, OASAS, and OPWDD staff for one year. For years, the statutory COLA adjustment for nonprofit human services employees has been delayed. As a result, providers have experienced high turnover, challenges recruiting and retaining staff, and difficulty continuing to provide high quality services. A 2.9% COLA adjustment is critical for recruiting and retaining staff in the field and preventing further behavioral health provider shortages. We urge the Legislature to reject the COLA delay.

Public Health

A strong public health program is critical for combatting chronic health conditions, preventing disease, and improving long-term health outcomes for New York families. CCC is grateful that the
Executive Budget does not include harmful proposals from previous years that would consolidate and cut statewide public health programs. CCC also commends the Governor for his commitment to reducing childhood exposure to lead. However, the Executive Budget includes harmful cuts to public health services in New York City.

1) **Oppose legislation that reduces the State’s reimbursement to New York City for the General Public Health Work program from 36% to 20%**.

CCC strongly opposes the Governor’s Executive Budget proposal to reduce the State’s reimbursement to New York City for the General Public Health Work program from 36% to 20%, resulting in state cost shifting of approximately $54 million. This program funds health initiatives that are the foundation of New York City’s public health infrastructure, including Family Health, Communicable Disease Control, Chronic Disease Prevention, Community Health Assessment, Emergency Preparedness, and Environmental Health. This cut would impact programs including Nurse Family Partnership, the Newborn Home Visiting programs, child and reproductive health clinics, and immunizations. It would also impact grants that currently go towards inspections for lead.

Public health programs have a strong return on investment, helping children and families prevent and protect against more costly and intense interventions. This proposal could ultimately lead to increased spending to address the growing health needs of those whose access to preventive and primary care was limited through this measure. More importantly, reductions in reimbursement rate jeopardize the health and wellbeing of vulnerable New York children and families.

**CCC strongly urges the Legislature to reject the Executive Budget proposal to reduce the State’s reimbursement to New York City for the General Public Health Work program.**

2) **Support proposals to protect children from lead exposure, and ensure funding is sufficient to support these efforts.**

There is no safe blood lead level for children. Even low levels of lead exposure can lead to long-term neurological damage and behavioral health challenges. Exposure to lead may result in reduced IQ, shortened attention span, hearing and speech problems, and health complications including anemia, hypertension, and renal impairment.³

New York State has taken important steps towards reducing lead contamination, including requiring testing for lead in drinking water in schools, and pursuing extensive lead service line replacement. However, there is still more work to do. Recent reports have shown that more than 4,200 children in NYCHA housing had elevated blood lead levels, underscoring the need for continued commitment to lead prevention and abatement.

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CCC strongly supports the Executive Budget's proposals related to protecting children from lead exposure. These include:

- Reducing the threshold used to define elevated blood levels from 10 micrograms per deciliter of blood to 5 mcg/dL. This reduction aligns New York with the CDC's guidelines for the level at which an intervention is required to prevent further harm. This new definition will trigger interventions at a lower blood lead level, leading to initiation of medical care coordination services intervention in the home and other dwellings.
- Requiring the Department of Health to develop statewide standards for the maintenance of lead-based paint in residential rental housing to prevent exposures from occurring. If a rental unit does not comply with these standards, the owner may be ordered to abate the lead condition and may face penalties if they do not comply.

Though CCC strongly supports these and other efforts to reduce children's exposure to lead, we have concerns about whether funding is sufficient to implement these proposals. It is unclear in the Executive Budget whether there will be a separate funding source dedicated to these initiatives. If funding is part of Article 6 Public Health funding, it will fall to the counties to implement these proposals, with reimbursement from the state of only 36 cents on the dollar. Without sufficient support from the state, counties may struggle to implement these critical proposals. These challenges will be even further exacerbated in New York City if the state moves forward with cuts to the reimbursement rate to the General Public Health Work.

CCC urges the Legislature to ensure there is sufficient funding to implement the critical lead prevention proposals included in the Executive Budget.

As the state considers funding sources for lead remediation and abatement, we encourage the Governor and the Legislature to explore using the CHIP health service initiative (HSI) to fund lead initiatives. CHIP funding offers states an enhanced federal match that can be used for lead abatement targeting low-income children. 19 states currently have HSIs that target lead abatement. By following their lead, New York could draw down matching federal funds and maximize its efforts to combat lead poisoning.

**Early Intervention**

CCC commends Governor Cuomo for including a 5% reimbursement rate increase for occupational therapy, physical therapy, and speech language pathology. The Executive Budget proposes $4.4 million (a $3.6 million cost to the Medicaid program and an $800,000 cost to the State) for the rate increase. This proposal is a positive step towards restoring reimbursement rates to address provider shortages.

Early Intervention provides evaluations and services to children age birth to three with developmental delays or disabilities. Professionals work as a team with families to address the unique needs of each child. These services can be provided in the home, in a child care setting, or in whatever setting is natural for the child.
Decades of research have shown that children's earliest experiences play a critical role in brain development. Intervening in the first few years of life can change a child's developmental trajectory, leading to positive outcomes across health, language and communication, cognition, and social/emotional domains.4

Despite the critical role that Early Intervention plays in the lives of young children, New York cut the EI service rate for home and community-based services by 10% in 2010, and cut the reimbursement rate for all EI services by an additional 5% in 2011. The rate has remained unchanged since then, and is actually lower than it was when the program began more than 20 years ago.

In addition to reducing rates, the State implemented a new process for seeking reimbursement that placed additional administrative burdens on EI service coordinators, providers, and agencies. As a result of these changes, experienced, high-quality EI providers have shut their doors or stopped taking EI cases, making it difficult for children in certain areas to access much-needed high-quality services in a timely manner.

The shortages have impacted children in urban, suburban, and rural communities. In fact, the latest data show that in New York State, one out of every four children did not receive their mandated Early Intervention services within the required time frame. Provider shortages and waitlists mean children who are desperately in need of services are forced to wait during a period when initiating those services would make the biggest difference.

While we strongly support the proposed 5% increase for certain providers, we want to ensure that the 5% restoration applies to all EI providers, evaluators, and service coordinators. Special education teachers, psychologists, licensed behavior analysts, and teachers of the blind or deaf provide critical Early Intervention services. Failing to extend the 5% rate increase to these providers may drive them out of the field, further increasing shortages in these areas. CCC and our partners at Winning Beginning New York urge the Legislature to support the following proposals to strengthen the EI system:

1) Extend the 5% increase proposed in the Executive Budget for occupational, physical, and speech therapists to all EI providers, evaluators, and service providers. Restoring reimbursement rates is necessary to ensure that children can receive high-quality EI services at the time when intervention is most effective.

2) Increase reimbursement from private health insurance companies by supporting “covered lives” proposals, which would assess a fee on these companies to help cover the cost of EI services instead of asking private health insurance companies to review each claim for EI

services. Such proposals would increase resources for EI and eliminate the need for burdensome billing and appeals processes that often result in denials of claims by private health insurance companies. To ensure that private health insurance companies are paying their fair share, the State should assess at least $45 million from these companies. The State should reinvest this funding into the EI program to pay for the 5% across-the-board rate restoration and to support quality improvement efforts and recruitment and retention of high-quality professionals.

3) **Conduct a cost study, with stakeholder input**, to assess and recommend changes to the methodology used to determine payment for EI evaluations, service coordination, and service provision. The cost study should consider potential changes to EI rates and reimbursement policies, including enhanced reimbursement rates for high poverty areas, bilingual services, and areas with provider shortages; hourly vs. capitated rates for service coordination; travel time reimbursement; and reimbursement for professional development. The study should also examine ways to maximize reimbursement from private health insurance companies, including covered lives proposals. The State should provide funding for the study.

**Maternal Health**

New York has one of the highest maternal mortality rates in the country. Racial disparities in maternal mortality are stark, with black women almost four times more likely to die during childbirth than white women. Importantly, for every instance of maternal death, there are approximately 100 instances of Severe Maternal Morbidity, or life-threatening complications from delivery. This data underscores the need for ongoing attention to both clinical practices and the underlying causes of poor maternal health outcomes, including institutional racism and other social determinants of health.

New York has implemented important initiatives to address the state’s high maternal mortality rate, including the introduction of the Taskforce on Maternal Mortality and Disparate Racial Outcomes. CCC strongly supports the initiatives laid out in the Executive Budget, including creating a Maternal Mortality Review Board, developing a training curriculum on implicit racial bias, expanding community health workers, and building a data warehouse for analysis of maternal outcomes to support quality improvement.

Considering how important these initiatives are, we believe it is important that they receive sufficient funding for implementation. We support the inclusion of $8 million over two years to support the Maternal Mortality Review Board and related initiatives, but want to ensure the budget includes adequate funding to make these initiatives a reality. **We urge the Legislature to support these maternal health provisions, and ensure that sufficient state funding is appropriated to implement them.**

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The establishment of a statewide Maternal Mortality Review Board is a critical component of addressing the state's maternal mortality rates and racial disparities in maternal health outcomes. Confidentiality is a cornerstone of maternal mortality reviews. We urge the Governor and Legislature to ensure that the final version of the Maternal Mortality Review Board includes confidentiality protections.

Maternal, Infant, and Child Home Visiting Programs

Maternal, infant, and child home visiting programs have well-documented, long-term impacts on the health and wellbeing of children and families. Home visiting programs have been shown to improve child and maternal health, promote child development and school readiness, and reduce the risk of child maltreatment. Investments in home visiting also lead to long-term savings by lowering healthcare costs and helping families become more self-sufficient. Despite the benefits of home visiting, less than five percent of New York children ages 0 to 5 in families with incomes below poverty live in communities with access to home visiting.

CCC appreciates the inclusion of an additional $3 million in the Executive Budget for Healthy Families New York. However, the Executive Budget funds Nurse Family Partnership at the same level as Fiscal Year 2018-2019, and does not propose any funding for a number of other critical home visiting programs throughout the state.

CCC echoes the priorities of the statewide Home Visiting Workgroup – a coalition composed of child welfare, health and education advocates, and home visiting programs – and urges the Legislature to increase State investments for key home visiting programs:

- **Parent Child Home Program**: Invest $2 million to bring the program to currently unserved areas.
- **Parents as Teachers**: Invest $3 million to reduce waiting lists at current sites and expand to currently unserved areas.
- **Healthy Families NY**: Adopt the Executive Budget’s proposed new investment to serve more families annually.

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• **Nurse-Family Partnership:** Invest $3 million more to enable growth in underserved communities.

• **Power of Two:** Invest $1.5 million to help 800 children in New York’s vulnerable communities reach their full potential.

• Invest $200,000 in the **NYS Home Visiting Coordination Initiative** which aims to provide cutting-edge information, build cross-program

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**Health Coverage**

The ACA has significantly expanded eligibility in New York, lowering health insurance costs and allowing previously uninsured New Yorkers to access health insurance. New York’s Medicaid and CHIP program provide coverage to approximately 6.5 million New Yorkers, including approximately 2.5 million children.\(^1\) We appreciate the Governor’s commitment to ensuring that the federal government does not jeopardize the health of millions of children and families. We support proposals in the Executive Budget that codify critical provisions of the Affordable Care Act, and urge the Legislature to support these proposals.

Health coverage for parents has a direct impact on the healthcare of children. Research has shown that when parents gain health coverage, it increases the number of eligible children who enroll in public insurance.\(^2\) By expanding coverage options for all New Yorkers, our state can make important strides in improving health outcomes for children, families, and communities.

CCC appreciates the Governor’s Executive Budget proposal to establish a Universal Access Commission to explore options for achieving universal access to health care in New York State. However, we believe the State can take steps now to improve coverage options for vulnerable New Yorkers.

1. **Pass the New York Health Act.**

New York has made important strides in expanding coverage throughout the state, but too many families struggle to afford premiums, copays, and out-of-network costs. New York’s current health system is complicated, inefficient, and expensive for consumers, creating serious barriers to accessing critical services and affording treatments. More than a million New Yorkers lack health insurance, and millions more struggle to afford plans that meet their needs and those of their families. CCC urges the Governor and the Legislature to support universal, comprehensive coverage that will advance health equity for all New Yorkers.

2. **Provide health coverage for immigrant New Yorkers.**


As the federal administration continues to attack the health and wellbeing of immigrant communities, it is more important than ever for New York to protect the health of immigrant families. New York has been a leader in expanding coverage options, including to all children regardless of immigration status. However, more than 400,000 New Yorkers cannot currently enroll in health insurance because of their immigration status. We urge the Legislature and Governor to allocate $582 million to create a state-funded Essential Plan for all New Yorkers up to 200% of the federal poverty level who are currently excluded because of their immigration status.

3) Increase funding for health navigators.

Federal threats to healthcare access, including those targeting immigrant communities, highlight the importance of increasing resources to help connect New Yorkers to health care and other social services. Health navigators provide local, in-person assistance to consumers and small businesses enrolling in health insurance plans. Health navigators have helped over 300,000 New Yorkers enroll since 2013, and have done so without a cost-of-living increase.

By preserving and expanding consumer assistance programs, the state can help ensure more children and parents are connected to essential health and social supports. CCC urges the Legislature to negotiate a budget that increases the navigator budget from $27.2 million to $32 million, and that provides $2 million to community-based organizations to conduct outreach and educate consumers in the hardest-to-reach communities.

Thank you for this opportunity to testify.

Respectfully,

Alice Bufkin