

**NYS 2019-20 Joint Legislative Budget Hearing on Health/Medicaid  
Housing Works Testimony**

**January 29, 2020**

Thank you for the opportunity to present testimony to the Joint Budget Hearing on Health. My name is Charles King, and I am the Chief Executive Officer of Housing Works, a healing community of people living with and affected by HIV/AIDS. Founded in 1990, we are the largest community-based HIV service organization in the United States and provide a range of integrated services for low-income New Yorkers with HIV/AIDS – from housing, to medical and behavioral health care, to job training. Our mission is to end the dual crises of homelessness and AIDS through relentless advocacy, the provision of life saving services, and entrepreneurial businesses that sustain our efforts.

Housing Works is part of the End AIDS NY 2020 Community Coalition, a group of over 90 health care centers, hospitals, and community-based organizations across the State. I was proud to serve as the Community Co-Chair of the State's ETE Task Force, and Housing Works is fully committed to realizing the goals of our historic New York State plan to end our HIV/AIDS epidemic by the end of 2020. And am also a proud member of the New York State Hepatitis C Elimination Task Force.

I am testifying here before you today because 2020 will be a historic year in addressing the State's longstanding health crises. This is the year for which many of us have been waiting since 2012, when we first dared to put forward the idea of New York State leading the nation in ending HIV as an epidemic. We hope to see release of the State's Hepatitis C Elimination Plan soon. And we continue to struggle with an opioid crisis that is killing New Yorkers in all parts of the State. Especially now, New York State must lead the nation on public health.

Governor Cuomo's Executive Budget does not rise to this historic moment, and while the Governor continues to advance unique and groundbreaking initiatives, such as ending the HIV/AIDS epidemic and hepatitis C elimination, health care proposals in the Executive Budget fall dangerously short on concrete commitments to achieve those goals, while threatening to undermine our Medicaid program and the overall health of the most vulnerable New Yorkers. We have asked the Governor to make the following urgent changes to the health care proposals in the 30-day amendments to the Executive budget, and we call upon the Legislature advance the initiatives outlined below, whether or not the Governor takes action.

First, I express Housing Works' dismay regarding the proposed Medicaid Budget, which includes \$2.5 billion in as-yet undecided cuts. We urge caution on delegating these cuts to a reconvened MRT process with a deadline to recommend specific cuts and other actions by April 1<sup>st</sup>, when the final budget is due, leaving no time for review by the Legislature or the community. Moreover, if no agreement on cuts emerges from the MRT process, the Governor promises across the board cuts. We were skeptical the first time around regarding the MRT process, and remain concerned about some of the resulting cuts, but the process did generate innovative strategies for improving the NYS Medicaid program and patient outcomes. In fact, 12 of 17 proposals submitted by Housing Works were adopted as part of Medicaid redesign, including OASAS adoption of harm reduction methodologies and the recommendation to use Medicaid savings to invest in housing to support the health of some of New York's most vulnerable Medicaid recipients.



Indeed, our concern regarding the Medicaid budget is underscored by the shocking cuts to this MRT housing investment proposed in the Governor's Executive Budget—*cuts that would put more than 5,600 high-need families and individuals at risk of losing their housing this year*. The Executive Budget proposal includes only \$26.7 million in funding for housing programs that cost \$63 million. Among the NYS Department of Health housing funding at risk is over \$30 million that supports rent and services for 1,535 formerly homeless individuals coping with serious health issues such as severe mental illness (including persons who have exited psychiatric centers), substance use disorder, HIV/AIDS, and other chronic conditions, as well \$6.2 million for the New York State Supportive Housing Program (NYSSHP), which provides critically important services to over 4,100 families and individuals across New York State. The drastic cut proposed to the MRT Supportive Housing Allocation Plan threatens the 5,600 households currently living in DOH-funded supportive housing with a return to homelessness, threatening their lives, and driving up the avoidable emergency and inpatient health costs that the program has been shown to be extremely effective at reducing. We call on the Governor and the Legislature to fully fund these critical programs.

Let me now outline some of our strong reservations regarding the proposed MRT process to decide further Medicaid cuts. First, instead of being guided by a recognized health care innovator like Jason Helgerson, we understand that the proposed MRT process will be being guided behind the scenes by a NYS Budget Director who has often proven to be more interested in slashing state expenditures in the short term, even if the result is poor public health outcomes leading to far greater long-term costs in lives and in public spending. It is also very clear that, as with first MRT process, the hospital and nursing home industry and their allied unions will have the loudest and most influential voices, when in fact achieving saving while improving outcomes will require a transformation in the hospital and nursing home systems in NYS. This would include transitioning to community health services as the principal focus of care, closure of unnecessary beds, closure of failing hospitals where there are alternatives for care, and elimination of redundant, expensive equipment and procedures that drive the most profitable hospital revenues. Finally, so far we have seen no evidence of the kind of community engagement and open invitation for public proposals that shaped the MRT process in 2008, even though that process was also completed within a very short time frame. If the Legislature is to approve the proposed MRT process to approve \$2.5 billion in cuts to our Medicaid program, it is essential to put in place protections and safeguards to ensure a fair, inclusive and transparent process.

I will turn now to other budget proposals detailed in the proposed Executive Budget.

#### **Article 6 State Reimbursement for Public Health Activities**

As you know, last year the Governor made a drastic cut in Article 6 State reimbursement for NYC public health activities, which was included in the enacted NYS Budget. This targeted cut reduced the rate of reimbursement from 36% to 20% in NYC only, resulting in a reduction of over \$60 million in revenue to support essential public health programs that serve the most vulnerable New Yorkers. Rather than witness the decimation of NYC's public health response, Mayor de Blasio and the New York City Council were able to mitigate the impact of this reduction in State reimbursement by restoring much of the lost funding through a one-time allocation in the FY20 NYC budget. But this restoration of lost funds is not sustainable, as the NYC administration made clear at the time.

Rather than restore the lost funding, this year's Executive Budget proposes a further multi-million dollar cut to the statewide Article 6 allocation. Make no mistake – this devastating reduction in



public health spending puts the health and lives of New Yorkers at risk. NYC faces unique public health challenges, including HIV, viral hepatitis, TB, sexually transmitted infections, and disease outbreaks such as last year's measles epidemic and the current threat posed by the coronavirus epidemic. We also face a number of public health crises, including high numbers of overdose deaths and disproportionately high racial disparities in maternal and child health outcomes, as well as unique public health challenges in adolescent health, health outreach, immigrant health, and addressing the health needs of homeless New Yorkers. Programs serving all of these vulnerable populations are harmed by these State cuts. Reduced State reimbursement also devastates community-based organizations' ability to provide front-line comprehensive services that promote health and prevent avoidable emergency department use and hospitalizations. Failure to restore this essential public health investment will exacerbate historical health inequalities and halt progress in our efforts to transform the health care system.

### **The Health Home Care Coordination Program**

Housing Works is also deeply concerned about anticipated cuts to the Health Home program. Insiders have advised us to expect massive cuts if not elimination of this critical program that provides care coordination and assistance for Medicaid recipients managing serious chronic illnesses. We join Assembly Member Gottfried and Senator Rivera in their recent call for the NYS Health Insurance Programs (OHIP) to release to the Legislature and the public the Health Home data on outcomes and quality collected by OHIP on an array of measures in recent years. We believe that the data will show outcomes that demonstrate the program provides good value in many instances. However, we acknowledge that the Health Home program is burdened by too many demands that prevent it from being an unmitigated success. These include a focus on process, with little attention to outcomes, leading to burnout and annual staff turnover rates as high as 50%; a patient assignment system deemed to failure from the start; and associated outreach fees that bad actors have been able to use simply to generate revenue. We propose a radical restructure of the program to serve people who have the greatest acuity, including the impact of social determinants of health, with rates restructured in a way that allows smaller caseloads and higher compensation for care coordination. We call on the Governor and the Legislature to ensure that we fix the Health Home program so that it can meet its critical mandate to coordinate chronic care, rather than continue to cripple the program with funding cuts.

### **Regulated Adult Use of Cannabis**

This is the year to legalize regulated adult use of cannabis. However, this is not worth doing if it is just a tax grab. As California's experience shows, imposition of high state and local taxes will result in very little of the current industry coming into the legal framework. Instead, both the creation of a legal market itself and a significant portion of tax proceeds must support restorative justice initiatives that are responsive to the disparate impact of the war on drugs in general, as well as mass incarceration stemming from marijuana-related offenses. This would include creation of modified mechanisms, including entrepreneurial training and capital financing, that would allow people with drug-related convictions to enter into the industry. The initiative must also include a non-profit tier that allows for use of cannabis to address substance use disorder, the provision of safe places to use cannabis, particularly for those in public housing, and a compassionate care program.

### **Overdose Prevention Centers**

This is also the year to approve Overdose Prevention Center pilots. Housing Works thanks and applauds the Senate and the Assembly for the steps you have taken to convene task forces to consider the ongoing opioid crisis in New York State, and the steps that must be taken to stop



preventable overdose deaths. As you know, the proposed two year pilot project would authorize five existing community-based Syringe Exchange Programs (four in New York City and one in Ithaca) to expand their services to include supervised consumption services—hygienic spaces in which persons can safely inject their pre-obtained drugs with sterile equipment while also gaining access, onsite or by referral, to routine health, mental health, drug treatment and other social services. Overdose Prevention Centers operate effectively in worldwide, have been shown to be effective in reducing drug-related overdose deaths and increasing access to health care and substance use treatment, and are endorsed by many local and national medical and public health organizations, including the American Medical Association and the American Public Health Association. Yet, despite a 2018 promise from the Governor to authorize the pilots, he has failed to act. We call on the Governor and the Legislation to authorize the pilots this year.

### **Funding for Ending the Epidemic and Eliminating Hepatitis C**

I will now turn to comments on provisions of the Executive Budget that relate specifically to Ending the Epidemic and Hepatitis C Elimination.

Housing Works and the EtE Community Coalition are extremely alarmed by language in the Executive Budget that would allow for diversion of all or a portion of funds from the AIDS Drug Assistance Program (ADAP) to federal health and human services fund children's health insurance account. We are aware that this provision appears in connection with a number of appropriations, including Article 6 public health services funds previously discussed, as our concern applies to those programs as well. With regard to ADAP specifically, however, this venerable program is a kingpin of our Ending the Epidemic efforts. New York State is one of the few states that has maintained an unwavering commitment to matching Federal ADAP funding, and diversion of these funds would undermine our efforts and do immeasurable harm to New Yorkers with HIV who rely on the program.

Sadly, the Governor's cavalier treatment of the ADAP program is reflective of his entire approach to the Ending the Epidemic commitment. This is the year we have to achieve our goal, and, even though we won't know all the results until sometime in 2021, we have a pretty good idea where we are and what it will take to get across the finish line and lay the groundwork for what comes next. The good news, based on recently released 2018 HIV surveillance data, is that we may have already reached the point when new infections are lower than all cause deaths, which means that each year going forward, we will have fewer people in New York State living with HIV. That is what it means to end an epidemic even when you aren't able to eliminate all possible HIV transmission. So, I am able to tell you here today that we will indeed achieve an end to the epidemic by that definition.

But for at least two reasons, it is too soon to celebrate. The first is that we have always said we would only declare the epidemic over if we had achieved that goal for every population, and we can't say that right now. The second is that even when we reach the tipping point, there will still be thousands of New Yorkers living with HIV. We will need to keep driving viral suppression, keep ensuring good health outcomes, and continue to improve the lives of people living with HIV even as we grow older. And we will need to keep scaling up PrEP and PeP until there is no longer a possibility of risk.

First I will talk about disparities and where and why we are lagging. By most indicators, we are seriously lagging by race and ethnicity, with people of color generally falling behind by one degree or another. We are also lagging with certain key populations, most especially transgender women and





We also call on the Governor to release his Hepatitis C Elimination Plan and provide meaningful funding to realize its goals. In March 2018, with much fanfare, Governor Cuomo announced his commitment to eliminating hepatitis C as a public health problem in New York State. He appointed a Hepatitis C Elimination Task Force that has worked hard to develop recommendations – but those recommendations have yet to be released. And let us be real – you can't eliminate Hepatitis C in New York State with just the \$5 million dollars in funding included in the proposed Executive Budget. We call on the Governor and the Legislation to fund the Hepatitis C Elimination plan this year with at least a \$15 million investment. The truth is that we are not going to end the HIV epidemic for every population or eliminate Hepatitis C across this State unless we are willing to invest the resources to address the social determinants that are fueling both of these epidemics.

Finally, Housing Works points to what is really needed to meet the health needs of all New Yorkers while saving and transforming our health care system – the universal health care system proposed by Assembly Member Gottfried and Senator Rivera. Short of that, and in light of the Supreme Court decision on the Public Charge rule, we urge the Governor and Legislature to take immediate action in the budget to establish a state-funded Essential Plan to expand coverage to all immigrants in New York State who earn less than 200 percent of the federal poverty level. To live up to this moment in history, we must act to expand coverage for uninsured immigrants in New York while also advancing the transition to a single payer system with lower costs and better coverage.

Housing Works calls on the Governor and the Legislature to be bold when it comes to addressing the State's public health crises. Our historic progress towards ending the State's HIV epidemic shows us what can be achieved by implementing evidence-based policies. As we all know, the State's budget crisis could be fixed overnight with a tax on millionaires and a tax on luxury second homes. What we lack is not resources. What we lack is political will. Together, we can not only secure our State's place as the first jurisdiction in the nation and the world to end its HIV/AIDS epidemic, but we can also eliminate hepatitis C, end overdose deaths, and expand health coverage to all New Yorkers.

Thank you for your time.

Sincerely,

Charles King

—

Charles King  
Chief Executive Officer  
Housing Works, Inc.  
57 Willoughby Street, 2nd Floor,  
Brooklyn, NY 12201 |  
347.473.7401  
[king@housingworks.org](mailto:king@housingworks.org)

