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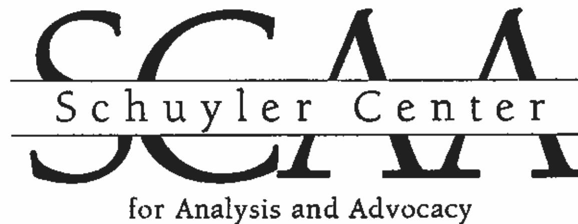
Health/Medicaid
Joint Legislative Budget Hearing on the
SFY 2012-13 Executive Budget
February 8, 2012

Testimony Submitted by
Kate Breslin, President and CEO
Schuyler Center for Analysis and Advocacy



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Introduction

My name is Kate Breslin and I am President and CEO of the Schuyler Center for Analysis and Advocacy (SCAA). The Schuyler Center is a 140-year-old statewide, nonprofit, policy analysis and advocacy organization working to shape policies that improve health, welfare and human services in New York State. We take part in a number of coalitions and serve on the Steering Committees of Medicaid Matters New York and Health Care for All New York.

Thank you for this opportunity to testify.

Overview

Especially in this challenging fiscal environment, the essence of everything that we do with health care should aim for fundamental structural improvements in the manner in which health services are delivered to New Yorkers, whether the payer is New York State or another payer. If effectively organized and appropriately provided in a timely manner—the right setting at the right time and the right price—health care services can be more accessible, of better quality, and more cost effective for everyone. Our system must ensure that the most vulnerable people in our state are protected ***and*** that the system is sustainable over the long-term.

The State has several roles and responsibilities in this endeavor—regulator, planner, policy setter, payer, and capital investor. Our comments below reflect our understanding of the intent of certain proposals and our analysis of potential implications.

Financing and Administration

The phased-in State takeover of Medicaid local administration moves New York in the right direction by promoting uniformity and consistency in administrative processes and decision making and eliminating inconsistent eligibility policies across counties. The 2012-13 Executive Budget would transfer certain activities to the State Department of Health, such as the processing of Medicaid applications, making eligibility determinations and authorizing benefits. It will put the State in a better position to implement federal health care reform. There will continue to be a need for in-person assistance at the local level to help with eligibility, enrollment and re-enrollment, as noted and recommended by the Medicaid Redesign Streamlining Workgroup.

The cap on local Medicaid expenditures is an important step toward a more sustainable and fair Medicaid financing system. The Governor moves forward with the Medicaid Redesign Team recommendation that the State should develop and implement a plan for Medicaid financing that reduces reliance on local property taxes. Localities have a diminished ability to pay for programs, and the new property tax cap imposes annual growth limits on revenue that are below the expected growth rate in Medicaid costs. The cap on local expenditures provides relief to counties and is fairer, since low-income areas tend to have higher Medicaid enrollment, yet less ability to pay.

Access and Workforce

The creation of a Primary Care Service Corps (PCSC) should be supported, but New York can and should do more comprehensive health workforce planning. With the creation of this new program, the Executive Budget acknowledges the need for additional primary care practitioners in underserved areas of New York. If enacted, the PCSC would provide loan repayment opportunities for a variety of non-MD practitioners that are critically needed in many parts of the State.

There exists a significant shortage of mental health providers, particularly for children, and of dental practitioners in both rural and urban areas. Practitioners in both these areas are included in the proposal. Loan repayment is a good start to improving the distribution of practitioners to underserved areas.

While we support the creation of the PCSC, we urge that funding for dentists be added to Doctors Across New York. That program contains practice support for physicians to locate to underserved areas in addition to loan repayment. While there is no additional funding for the program this year, the need for dentists is so great in many areas of the State that the additional incentives would assist in recruitment efforts.

We also support ongoing efforts to explore how scope of practice policies can improve capacity and access.

Ensure that Hospital Indigent Care Pool payments are transparent, accountable and linked to compliance with the Hospital Financial Assistance Law (HFAL). Consistent with the recommendations of at least two of the Medicaid Redesign Team Workgroups, SCAA urges policymakers to ensure that funds meant to support health care for the uninsured are linked directly to care provided to uninsured people. The funds should also be distributed proportionately to those hospitals that provide care for the uninsured and comply with the HFAL.

Coverage

Enact a New York Health Insurance Exchange as part of the budget. SCAA urges the enactment of establishing legislation for the Exchange as part of the 2012-13 budget process. This would enable New York to move forward in developing its own insurance solution and draw down additional federal dollars to support implementation. If New York does not have an operational Exchange by 2014, the federal government will step in with its own.

Under the Affordable Care Act (ACA), New York must create an insurance Exchange that will allow consumers and small businesses to compare and purchase affordable insurance. The Executive Budget proposal would establish a public benefit corporation to serve as the Health Benefit Exchange for New York State in accordance with the ACA. The Exchange would allow individuals and small groups to purchase qualified health plans, receive eligibility and subsidy determinations and be enrolled in a range of coverage options, including public health coverage programs. The Executive Budget includes language that would:

- Establish the Exchange with a Board of Directors consisting of nine members.
- Establish five Regional Advisory Committees.
- Provide for certification of health plans by January 1, 2014.
- Outline consumer assistance provisions.
- Establish the Small Business Health Options Program to assist small employers in enrolling their employees.
- Provide for the study of outstanding decisions that need to be made regarding the framework for the Exchange.

Support the Executive Budget proposal to provide funding for education, outreach services and facilitated enrollment activities for aged blind and disabled persons who may be eligible for Medicaid. Disabled and elderly people should have the same access to enrollment and eligibility assistance as other applicants for Medicaid. This is particularly important now, with major changes underway in long-term care. While there are still questions about how the program will work, New York has the expertise in place to get such a program up and running quickly and efficiently.

Support Community Health Advocates (CHA), New York's statewide consumer assistance program. The Governor's budget includes a dry appropriation for CHA, which provides individual counseling and education to New Yorkers who need it about all types of health insurance coverage.

Disparities

Support language accessible prescriptions. The Governor's proposal would require chain pharmacies to provide free, competent oral and written interpretation services to limited English proficient individuals filling a prescription. The services would need to be available for the seven most prevalent languages in New York State and be provided in the individual's primary language for the purpose of counseling about the medications, interpreting label information or when soliciting information to maintain a patient medication profile. This provision is consistent with laws already in place in New York City.

Misunderstanding prescription drug labels can have dangerous consequences. "Adverse drug events" can result in hospitalizations, trips to the emergency room and even death. It is often difficult for any patient to understand and follow the directions for one prescription and the problems are compounded when there are multiple prescriptions involved. The problems understanding dosage, administration and timing of medications are even more severe for patients with limited English proficiency (LEP).

Support expansion of data collection to measure disparities. The Executive Budget proposes funding to improve the collection of data that can aid in reducing or eliminating health disparities. The proposal would implement standards contained in the Affordable Care Act and include information on race, ethnicity, gender identity, disability, and housing status. This is an excellent step in helping the State develop a more complete picture of health disparities and develop the data that can help drive strategic policy solutions. While there are still many unknowns, such as what other variables will be collected, what information will be available to the public and what input the Department of Health will seek from stakeholder groups, this is an important step toward achieving health equity.

Early Intervention

Early Intervention (EI) provides services for some of the State's most vulnerable children. While moving in the direction of better care coordination, fiscal stability and health plan accountability, New York must ensure that children and families that need EI services can get them in a timely manner.

EI provides comprehensive, coordinated services to meet the needs of infants and toddlers with disabilities and their families. To be eligible for services, children must be less than three years of age and have a confirmed disability or established developmental delay in one or more of the following areas of development: physical, cognitive, communication, social-emotional and/or adaptive. EI aims to identify and evaluate infants and toddlers whose development is compromised as early as possible and provide appropriate intervention to improve development. New York's EI program served 67,056 children in 2008.

The Executive Budget proposes significant changes to the EI program that would shift fiscal responsibility away from counties; prohibit insurers from denying a claim for an otherwise covered service because it was provided under EI; require providers to contract with health insurance plans; require plans to demonstrate network adequacy; and require that a child be evaluated and provided services by a provider within the insured's network.

The objectives of the proposed changes include stabilizing program funding; providing fiscal relief and reducing administrative burden on local governments; and increasing insurance company accountability for payment. The introduction of commercial insurance contracts brings a new level of complexity for providers, some of whom are currently struggling with rates that have been reduced over time and an increasingly complex environment.

Providers that have sufficient infrastructure and adequate cash flow may transition fluidly to a new system, while some may not. The new or additional administrative challenges—contracting, negotiating, credentialing, billing—together with the possibility of long payment lags, may further reduce the number of providers engaged in EI work. This has the potential to result in reduced access, reduced quality and new concerns for families who need coverage and access to services.

It is important that children and families who need EI's developmental services are able to get appropriate services in a timely way. In the few short years that a child is an infant or toddler

with a disability, every day matters. As the Legislature considers the Governor's proposals, we urge consideration of the following:

- Parents and families of EI eligible and potentially eligible infants/toddlers may find it difficult to navigate a new system. The system should be structured in a way that is child and family-centric. The Department of Health should consider creating an ombudsman to help address families' concerns in a timely manner.
- EI providers may find it difficult to navigate the process of negotiating contracts and rates with health insurance companies.
- Cash flow may become a concern for EI providers if payments are not timely or when there are administrative obstacles, such as claim denials.
- How will network adequacy be defined and compliance assured?
- What will be the process for referring families and children to the Office for People With Developmental Disabilities (OPWDD)? How will OPWDD address the needs of each family and child?
- How will the changes affect the transition associated with aging out of EI and into Committee on Preschool Special Education?

Public Health, Outreach and Advocacy

Support additional funding for the Nutrition Outreach and Education Program to ensure access to healthy food for low-income people. The Executive Budget proposes an additional $1 million (State) for the Nutrition Outreach and Education Program (NOEP), which conducts food stamp outreach, education and application assistance in underserved areas of the State. Program activities include pre-screening potentially eligible households, assisting households in completing the application, and helping applicants gather and copy the necessary documents. The program also refers households to other nutrition assistance programs and community resources.

This program comes under the Office of Temporary and Disability Assistance (OTDA) budget, but hunger and nutrition are integrally linked to health.

More than one in five children in New York is food insecure, meaning that they live in households whose ability to buy groceries at times during the month is irregular or uncertain. Food insecurity is also associated with poverty which is associated with additional deprivations that contribute to poor health outcomes. Intermittent hunger is particularly bad for young children who are supposed to be growing and learning. Hungry children are less able to resist illnesses and they risk stunted physical growth, developmental delays and a host of medical problems associated with nutrient deficiency. It is no wonder that hungry children also perform poorly in school since they can't focus or concentrate.

Advance additional MRT workgroup recommendations. The Executive Budget contains provisions for implementing a number of proposals that were advanced by the MRT. The budget language will allow for their implementation if and when they are approved by the federal government. These include: coverage for podiatry for persons with diabetes, lactation counseling, harm reduction counseling to reduce or minimize the consequences of drug use, and hepatitis C wrap-around services. Though not mentioned in the budget documents, it is

expected that the MRT recommendation regarding support for the Nurse-Family Partnership's maternal, infant and early childhood program for at-risk families would also be included in the forthcoming waiver application. There is strong evidence that investing in maternal and early childhood home visiting for at-risk families generates significant and positive health and other outcomes.

Fund lay advocacy for adult home residents with psychiatric disabilities. SCAA has been a strong advocate for the needs of adult home residents with psychiatric disabilities. This population was ignored for years by public policy and the agencies charged with protecting them. Through the efforts of organizations like the New York State Coalition for Adult Home Reform (NYSCAHR) and the efforts of legal and lay advocates, the voices of adult home residents are starting to be heard here in Albany.

The leading advocate for adult home residents is the Coalition of Institutionalized Aged and Disabled (CIAD). This small organization works day to day with residents directly in adult homes. Every day, CIAD:

- Informs residents of their rights and empowers them to use those rights.
- Strengthens resident councils and brings residents together to learn from each other.
- Mediates between adult home residents and adult home management.
- Works with adult home residents on individual concerns/complaints.

The link between housing and health status has begun to enter State level discussions about health home and health care coordination in a significant way. The next few years will see great transitions and changes in the way services operate for this population and it will be necessary that adult home residents have strong advocates so they are not left out or forgotten again. This funding should be restored to the Department of Health budget so that these very vulnerable residents can continue to have an advocate in their corner.

Thank you. We appreciate the opportunity to testify and look forward to continuing to work with you to build a strong New York that cares for its most vulnerable residents.

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