

**Testimony Presented by  
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New York State Commissioner of Health**

**Joint Legislative Budget Hearing Testimony  
New York State Department of Health**

**Hearing Room B  
Legislative Office Building  
Albany, New York**

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**February 8, 2011  
10 a.m.**

## **JOINT LEGISLATIVE FISCAL COMMITTEES BUDGET HEARING**

**State Fiscal Year 2012-13 Executive Budget  
February 8, 2011**

**Nirav R. Shah, M.D., M.P.H. Commissioner  
New York State Department of Health**

Good morning Senator DeFrancisco, Assemblyman Farrell, other distinguished members of the Senate Finance and Assembly Ways and Means Committees, Senator Hannon and Assemblyman Gottfried. I am Dr. Nirav Shah, Commissioner of Health, and I am pleased for this opportunity to appear before you today to discuss the Executive Budget as it relates to the mission of the Department of Health.

This is a time of great hope and opportunity for health and health care in New York.

Under Governor Cuomo's leadership, we've made significant strides toward creating a health care system that is more effective, cost-efficient, and of highest quality.

Governor Cuomo has told New Yorkers that we "can no longer do business as usual." He was right, especially in regard to our State Medicaid program. We were spending too much money and getting too few positive results for the most vulnerable New Yorkers.

The Governor seized the opportunity to lead historic redesign of our State Medicaid system with the creation of the Medicaid Redesign Team -- or MRT.

I've asked Jason Helgeson, the state Medicaid Director, to join me today to answer any questions you may have about implementation of MRT recommendations.

This year Governor Cuomo's Executive Budget continues the great progress made last year.

As agreed upon last year, Medicaid will increase no more than 4 percent over the current fiscal year, or approximately \$614 million. This amount will allow New York to meet the needs of Medicaid beneficiaries, while maintaining a tight rein on spending growth.

The Governor's budget includes many of the recommendations made by the workgroups convened by the MRT. These include measures to reduce and eliminate health disparities, improve access to and delivery of health care services, and invest in achieving better outcomes for Medicaid recipients most at risk. Examples include: reimbursement for the costs of interpretation services for patients with Limited English Proficiency; and expanded services to promote maternal and child health.

The Executive Budget realigns the Medicaid basic benefits package to integrate more effective prevention services, such as podiatry services for adults with diabetes, support for breastfeeding through reimbursement reform to improve health outcomes for mothers and babies, and expanded coverage of smoking cessation counseling to include dentists.

The State would also expand data collection and metrics to measure disparities to track and improve effectiveness, efficiency, and quality of our programs.

Another key program and priority of the Governor is the creation of a Health Insurance Exchange. Governor Cuomo's Executive Budget calls for the enactment of a Health Exchange, which will assist an estimated 1 million New Yorkers to obtain health insurance coverage.

The final budget-related item I want to mention is local Medicaid costs.

Last year, through the work of the MRT, New York took decisive action to control overall Medicaid spending growth.

The Executive Budget calls for a phased-in, 100 percent **State takeover of local Medicaid growth.**

Under this proposal, the existing 3 percent cap on growth will be reduced to 2 percent in 2013, then will drop to 1 percent in 2014 and be eliminated entirely in 2015.

This plan will save counties approximately \$1.2 billion over the next five years.

The Executive Budget also reduces the administrative and fiscal burden for municipal agencies responsible for local administration of the Early Intervention program. The reforms are aimed at creating a streamlined system that also assures payment by private insurance for covered services and creates a more efficient and effective continuation of care system, while maintaining the integrity and level of services provided to the children in the program.

The Executive Budget for Health reflects Governor Cuomo's commitment to government that is more transparent, more efficient, and, above all, serves the people. In a very short period of time, the Governor achieved historic redesign of our State Medicaid system that is truly transforming the way health care is delivered to 5 million New Yorkers. The transformation of our health care system will make New York more competitive nationally – and internationally – spur economic development, and serve as a model for health care reform.

Going forward, we will continue to work in partnership with the Legislature, health care stakeholders, and all New Yorkers to create the finest health care system in the nation.

Thank you. I am happy to answer your questions.