

NYS 2022-23 Joint Legislative Budget Hearing on Health Housing Works Testimony

February 8, 2022

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 now provide a range of integrated services for over 25,000 low-income New Yorkers annually, with a focus on the most vulnerable and underserved—those facing the challenges of homelessness, HIV/AIDS, mental health issues, substance use disorder, other chronic conditions, and incarceration. In 2019, Housing Works and Bailey House merged, creating one of the largest HIV service organizations in the country. Our comprehensive prevention and care services range from medical and behavioral health care, to housing, 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 Community Coalition** (EtE 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 Blueprint for Ending the Epidemic (EtE)—a set of concrete, evidence-based recommendations for ending AIDS as an epidemic in all New York communities and populations. I am also a proud member of the **New York State Hepatitis C Elimination Task Force**.

Housing Works is a founding member of two other important community coalitions formed to advance public health priorities and address health inequities: the **COVID-19 Working Group – New York (CWG)**,¹ a coalition of doctors, healthcare professionals, scientists, social workers, community workers, activists, and epidemiologists committed to a rapid and community-oriented response to the SARS-CoV-2 pandemic; and **Save New York's Safety Net**,² a statewide coalition of community health clinics, community-based organizations and specialized HIV health plans committed to serving vulnerable New Yorkers across the state, ending the epidemic and saving the 340B drug discount program.

None of us could have predicted how the unprecedented COVID-19 pandemic we are still struggling to understand and contain would jeopardized our progress over recent years on the State's longstanding HIV, hepatitis C (HCV), and opioid public health crises, while once again laying bare the stark and persistent health inequities experienced by the most vulnerable New Yorkers. We recognize and support steps taken by Governor Hochul to date to advance needed structural change in our healthcare systems to advance health equity, including declaring racism a public health crisis and proposing substantial investments in the healthcare system to reduce health disparities, remove barriers to healthcare access, and embrace a public health approach to substance use disorder and the opioid crisis. However, the Executive Budget leaves in place policies that pose a grave risk the health of New Yorkers who rely on our health care safety-net and that would undermine rather than advance greater health equity.

¹ For more information, see <https://www.covid-19workinggroupnyc.org>

² For more information, see <https://www.savenysafetynet.com>

Today I come before you to urge the Legislature to protect New York’s network of safety-net health providers and ensure the ongoing strength of our public health infrastructure at a time when these systems have never been more important and yet they face dangerous attacks by Governor Cuomo and the Department of Health, even as the State’s mismanagement of the COVID-19 crisis becomes more evident. The Executive Budget not only fails to rise to the historic moment we are facing, but its health care provisions include proposals that threaten to undermine both the individual health of the most vulnerable New Yorkers as well as our public health systems and goals.

I will also focus on the status of our State’s historic plans for Ending the HIV Epidemic and Eliminating HCV, and what COVID-19 has taught us about the need to radically rethink our response to homelessness, especially among people experiencing homelessness who have chronic and acute health needs.

Stop the proposed Pharmacy Carve-Out to preserve 340B savings

Governor Cuomo put in place a change to the Medicaid pharmacy benefit that, if not repealed, will devastate New York State’s network of safety-net providers that serve marginalized and medically underserved low-income New Yorkers, and whose programs are key to addressing health disparities and advancing public health objectives, including ending the COVID-19 crisis for New Yorkers of every race, ethnicity and income bracket.

Language adopted in the FY20 NYS budget – a result of a rushed MRT II process – authorized the State to effectively eliminate safety-net providers’ access to savings achieved through drug manufacturer discounts through the Federal 340B Drug Pricing Program. Specifically, the budget action authorized the State to carve the pharmacy benefit out of Medicaid managed care and into fee-for service, denying safety-net providers the savings realized through 340B discounts. The carve-out would strip an estimated \$250million in annual 340B savings away from safety-net providers in all parts of NYS—drastically curtailing the scope and reach of services now available to medically underserved New Yorkers, undermining the fiscal stability of critical front-line community providers, and devastating a NYS safety-net system that is essential in order to address longstanding health inequities.

Housing Works operates four Federally Qualified Health Centers (FQHCs) located in medically underserved NYC communities, providing an integrated model of care that seeks to improve the emotional and physical health of the most vulnerable and underserved New Yorkers—people who are facing the challenges of homelessness, HIV and other chronic disease, mental health issues, substance use disorders, and incarceration. Like the other 70-plus FQHCs in NYS with over 800 locations, Ryan White clinics, and other community-based health centers, our FQHCs are a critical component of the health delivery system, providing high-quality, patient centered, community-based primary care services to anyone who needs care, regardless of their ability to pay, as well as behavioral health services, dental care and substance use services delivered in a culturally and linguistically appropriate setting.

Our State’s community-based safety-net providers have risen to the occasion over the past two years, providing free community COVID-testing services in hard-to-reach, heavily impacted communities, and large-scale vaccination efforts in these same communities. Since April 2020, Housing Works has thrown our organization into the COVID response, operating a hotel for homeless people with COVID, expanding to provide medical and behavioral health services to six

quarantine and Mayor's Office of Criminal Justice (MOCJ) hotels, and delivering COVID tests and vaccines to our consumers, our neighbors and NYC Human Resources Administration-funded supportive housing staff and residents. To do this COVID work, we had to secure all our own PPE and invested thousands of dollars to cover other unfunded costs.

But instead of bolstering community health centers and supporting them to address COVID-19 disparities, Housing Works and other safety-net continue to face a devastating loss of Federal 340B drug discount savings. If the State proceeds with the pharmacy carve-out, **Housing Works and the patients we serve will lose at least \$8 million in 340B savings annually**, at a time when our FQHCs are already facing new challenges and increased costs due to the ongoing COVID crisis.

Due to the Legislature's intervention, language in the FY22 New York State budget (HMH Article VII) delayed the pharmacy benefit carve-out from Medicaid Managed Care to Fee-for-Service until April 1, 2023. We call on Governor Hochul and the Legislature to act this year to *permanently* repeal the Medicaid pharmacy benefit carve-out, as transitioning the pharmacy benefit to fee-for-service would eliminate the mechanism that enables safety net providers to access savings from the federal drug discount program known as 340B. HIV service providers and community health clinics rely on 340B savings to support otherwise unfunded or underfunded services that are essential for effective health care for the most vulnerable low-income New Yorkers, including wrap-around HIV treatment supports that are a core component of New York's HIV response.

Proposals to address the devastating loss of 340B savings with distribution of State-funded grants for providers is woefully inadequate and no substitute for the 340B program. The \$102million proposed last year represents less than half of estimated savings lost, so providers would not be made whole. Nor is it true, as claimed, that the State has worked with stakeholders and providers on this plan to "mitigate" the loss of 340B savings. The community advisory group formed to provide recommendations was so ignored that it informed DOH it refused to make recommendations. Moreover, funds would have to be appropriated each year, so would be subject to the budget process with no guarantee that providers would continue to be compensated for lost 340B savings. Importantly, 340B program savings are not government funding, but instead drug manufacturer discounts designed to generate ongoing savings for reinvestment in the health of medically underserved people. Were NYS to truly hold safety-net providers harmless, it is hard to understand how the State would realize the savings that are the purported rationale for the carve-out.³ More importantly, the carve-out will undermine the ongoing 340B mechanism that generates the savings critical to support comprehensive care for the most vulnerable New Yorkers.

The 340B resources at risk are critical to achieving Ending the Epidemic and other public health goals and are key to addressing health inequities based on race, poverty and marginalization. Management of the Medicaid pharmacy benefit through Managed Care also allows for better patient care, especially by HIV Special Needs Plans, because Plans play an important role in helping members manage the complex drug regimens required to address the multiple chronic conditions many PWH live with, and Plans can work closely with providers to quickly identify and address gaps in medication adherence.

³ Indeed, an independent study by the Menges Group has refuted the State's projected savings, calculating that the State will actually **lose \$154 million** in the first year of the carveout and a total of **\$1.5 billion over five years**, largely due to increases in avoidable emergency and inpatient costs. Available at <https://nyhpa.org/wp-content/uploads/2020/10/Menges-Rx-Carve-Out-Report-10-1-20-1.pdf>

Provisions of Governor Hochul’s Executive Budget to establish a new Pharmacy Benefits Bureau to license and provide oversight of Pharmacy Benefit Managers (PBMs) will address the State’s stated concerns regarding transparency and controlling administrative costs. The same NYS controls and oversight could be placed on third-party administrators. It is possible to curb pharmacy costs by regulating these entities without threatening the stability of the healthcare safety net or our hard-fought efforts to end the HIV epidemic and reduce health inequities.

Support renewed efforts for Ending the HIV 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. While Housing Works and the EtE Coalition are pleased to note that EtE funding is sustained in the FY23 Executive Budget, we are deeply concerned by the continued threat of the deep and devastating cuts in funding for the community health centers and HIV service providers, described above, that are the backbone of our EtE efforts in the low-income Black and Latino/Hispanic communities hard hit by both HIV and COVID-19. In particular, 340B savings realized from drug manufacturer discounts are reinvested in the otherwise unfunded “wrap-around” services for medically vulnerable groups that have made our EtE efforts possible, and that are essential to addressing persistent and ongoing HIV health inequities based on race, ethnicity, gender identity, and other forms of oppression. A study found that just 15 of the hundreds of HIV/AIDS safety-net providers that rely on 340B will lose over \$56M annually in critical funding.⁴

When NYS HIV surveillance data for 2019 was released it revealed the tremendous progress we had made by the end of 2019 towards our EtE goals. But this data did not reveal the deep setbacks to our efforts caused by the co-occurring COVID-19 pandemic — setbacks that have and will continue to require redoubled effort in the months and years ahead. We know from 2020 data that HIV testing declined dramatically after March 2020, that COVID posed new barriers to PrEP and PEP access, that overdose deaths have increased dramatically, and that NYS research shows that people with HIV are at significantly higher risk of COVID-19 hospitalization and mortality.

It is also true that even positive data on our overall EtE progress reveals persistent inequities in HIV health outcomes that must be eliminated if we are to meet our goal to end HIV for every New York community. 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 men. And we haven’t really capitalized on our ability to continue to drive down infections among people who use drugs. Finally, most of our State is lagging by many measures behind New York City. At the end of 2019, 70% of all NYC residents with HIV were retained in continuous care, compared to just 55% in the rest of the State; and the rate of viral load suppression was 77% among all NYC residents with HIV, compared to 64% viral suppression among New Yorkers with HIV outside NYC.⁵

⁴ See [The 340B Drug Discount Program is the Bedrock for Community Services Necessary to End New York's HIV Epidemic, Fight COVID-19, and Reduce Persistent Health Inequities](#)

⁵ Ending the Epidemic Dashboard NY. Retrieved December 10, 2021, from www.EtEdashboardny.org/. Recently released 2020 data show continued but slightly narrowed disparities, with 61% retained in continuous care and 78% virally suppressed in NYC compared to only 56% and 74% in the balance of the State. However, the NYS and NYC departments of health caution that data for the year 2020 be interpreted with caution due to the impact of the COVID-19 pandemic on access to HIV testing, care-related services, and case surveillance activities.

These disparities are driven in large part by former Governor Cuomo's refusal to fulfill key *ETE Blueprint* recommendations. Despite repeated promises to fully implement the *Blueprint* recommendations of an appointed 64-person EtE Task Force, the Governor remained unwilling to expand HIV rental assistance to homeless and unstably housed people HIV/AIDS living outside of NYC, expand overdose prevention efforts to stop deaths and prevent new HIV and hepatitis C infections, and move forward with plans to eliminate HIV/HCV co-infection among PWH, all of which must happen to truly end the epidemic.

Provide equal access to HIV housing assistance in the rest of the State outside NYC

The most significant difference driving the disparities between NYC and the rest of the State is the lack of housing assistance outside NYC. As the *EtE Blueprint* recommends, housing assistance must be expanded as a critical support for effective HIV care.

Over 4,000 households living with HIV outside NYC remain homeless or unstably housed because *EtE Blueprint* recommendations to ensure access to safe housing as an evidence-based HIV health intervention have been fully implemented in NYC since 2016, but not in any Upstate or Long Island community. Every low-income New Yorker with HIV experiencing homelessness or housing instability should have equal access to critical NYS resources that support housing access and stability repeatedly shown to be critical in order to benefit from HIV treatments, to reduce ongoing HIV transmissions, and to address the stark and persistent HIV health inequities that prevent us from ending our New York State HIV epidemic in every community and population.

Language included in the last three enacted NYS budgets and continued in this year's Executive Budget purports to extend access to the same meaningful HIV housing supports across the State, but as currently written has failed to assist even a single low-income household living with HIV outside NYC. To finally provide equitable Statewide access to HIV housing supports, we urge Governor Hochul and the Legislature to correct the Aid to Localities language and enact necessary Article VII legislation to: i) ensure that every local department of social services provides low-income PWH experiencing homelessness or housing instability access to HIV Enhanced Shelter Allowances for rent reasonably approximate to up to 110% of HUD Fair Market Rates (FMR) for the locality and household size (the standard for Section 8 Housing Choice vouchers and other low-income rental assistance programs); ii) make the NYC-only HIV affordable housing protection available Statewide to cap the share of rent for low-income PWH at 30% of disability or other income; and iii) notwithstanding other cost-sharing provisions, recognize the fiscal reality of communities outside NYC by providing NYS funding to support 100% of the costs of HIV Shelter Allowances in excess of those promulgated by OTDA, and of additional rental costs determined based on limiting rent contributions to 30% of income.

The COVID-19 crisis has added a new level of urgency for action to ensure that every New Yorker with HIV is able to secure the safe, appropriate housing required to support optimal HIV health. A large-scale analysis by the NYS Department of Health found that New Yorkers with HIV have experienced significantly higher rates of severe COVID disease requiring hospitalization and of

COVID-related mortality than the general population. Overall, PWH with a COVID-19 diagnosis died in the hospital at a rate 2.55 times the rate in the non-PWH population, and rates of severe COVID-19 disease resulting in hospitalization were found to be highest among PWH not virally suppressed and those with lower CD4 counts, suggesting that less controlled HIV virus increases COVID-19 severity and death.

Adopt and Implement the New York State Hepatitis C Elimination Plan

The EtE Community Coalition is extremely pleased that on November 17, 2021, Governor Hochul authorized the release of the [New York State Hepatitis C Elimination Plan](#), a set of concrete recommendations developed with broad community and expert input under the direction of a [Statewide HCV Elimination Task Force](#) (HCV TF) led by the NYSDOH and a community co-chair. The 28 individuals appointed to serve on the HCV TF represent diverse backgrounds and expertise such as HCV prevention, clinical care and treatment, research and public health policy, as well as lived experience. Although the Task Force completed its work in June 2019 on a comprehensive set of draft recommendations to eliminate hepatitis C across NYS, the former Governor chose not to release or fund the *HCV Elimination Plan*. Now that the Plan is released, it is imperative to begin implementation of its recommendations without further delay, so are deeply concerned that the FY23 Executive Budget does not include any new funding to support HCV elimination. We call on Governor Hochul to formally adopt the *NYS HCV Elimination Plan*, and urge the Governor and the Legislature to provide at least \$10M in new funding to enable the NYSDOH to begin implementation of this critical and lifesaving initiative.

Scale-Up Harm Reduction Funding and Programming

The EtE Community Coalition welcome and urge the Legislature to support the substantial commitment of funding in the Executive Budget to address substance use disorder and the opioid crisis by increasing access to services, removing barriers to care, and embracing best practices including harm reduction approaches. We applaud the Administration for appropriating over \$200million in Opioid Stewardship Tax proceeds for investments in new initiatives to combat the opioid crisis, as well as additional monies realized through settlement of NYS litigation against opioid manufacturers and distributors. We urge the legislature to support the full range of new investments and initiatives such as expansion of mobile treatment services to expand access to Medication Assisted Treatment, and new funding allocated to the NYSDOH AIDS Institute for additional harm reduction services (\$9million recurring) and Naloxone distribution (\$8million in FY 2023 and \$10million thereafter).

We are particularly pleased by the Administration's commitment to a public health approach to enhance harm reduction services, health monitoring, and evidence-based community interventions by means of collaboration between the NYSDOH and OASAS, including the creation of a Division of Harm Reduction within OASAS. Harm Reduction programs provide essential, evidence-based services for people who use drugs including medical care, education, counseling, referrals, medication for opioid use disorder, and syringe exchange. Harm reduction strategies to improve drug user health, including syringe exchange programs, and peer support, are in urgent need of reinvestment. The dedicated AIDS Institute funding for naloxone will increase access to this highly effective medication for reversing an opioid overdose. We urge DOHMH and OASAS to establish and fund additional Drug User Health Hubs across the State, which offer a unique opportunity to provide on-demand care to people who use drugs, as well as Second-Tier Syringe Exchange Programs to serve hard to reach areas and individuals. Funding point-of-care testing for HIV, STIs and HCV in Syringe Exchange Programs and Drug User Health Hubs would substantially increase

the capacity of the health system to screen for these infections in order to more rapidly engage people with use drugs in treatment and prevention. We look forward to working with OASAS and the DOHMH on scale up of the proven harm reduction strategies funded in the Executive Budget.

Approve and fund overdose prevention centers

Impacts from COVID-19, such as physical distancing and wide-ranging unemployment, have led to isolation, stress, and despair among many people, including people who use drugs and people engaged in sex work. These factors, which increase the risk of overdose, infectious disease, and other poor health outcomes, have been compounded by COVID-related barriers to accessing and implementing harm reduction strategies. It is not surprising that the CDC⁶ has alerted public health departments, healthcare professionals, harm reduction organizations and other first responders of a substantial increase and concerning acceleration in overdose deaths across the United States, including New York.

In addition to the harm reduction interventions and strategies outlined in the Executive Budget, we strongly urge the Hochul Administration to approve and the Governor and Legislature to fund establishment and evaluation of five planned pilot Overdose Prevention Centers (OPCs) across the State to operate over at least two years. 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 worldwide, have been shown to be effective in both 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. Significantly, two OPCS that opened with NYC approval in November 2021 report that as of February 3rd, they have reversed 124 overdoses. Yet, despite the overwhelming evidence and a 2018 promise from Governor Cuomo to authorize the pilots, the State has failed to act. We call on Governor Hochul and the Legislation to authorize and fund the pilots this year. Supporting these efforts with funding from the Opioid Settlement Fund will save countless lives and continue New York State’s longstanding leadership in the opioid response.

Transform New York’s response to homelessness

From our beginning, Housing Works has understood that housing is health care, and has been committed to a low-threshold, harm reduction approach to housing assistance, where admission and retention in housing is based on behaviors, rather than status as a drug user, person with mental health issues, or other condition. Residents are held accountable, as we all are, for the behaviors and conditions necessary to live safely with neighbors, are entitled to privacy within their own home, and are encouraged to feel safe to share behavioral health needs or crises without concern about jeopardizing housing security or being required to engage in a particular course of treatment.

Housing Works has evolved in response to client needs from an initial 40-unit city-funded HIV housing program in 1990, into a large multi-service organization that offers integrated medical, behavioral health and supportive services, and almost 600 units of housing, including Housing

⁶ <https://emergency.cdc.gov/han/2020/han00438.asp>

Works-developed community residences that serve people with HIV who face particular barriers to both the housing market and retention in effective HIV care.

Then came 2020, with New Yorkers experiencing homelessness at particular risk of COVID-19 disease and poor COVID outcomes. Homelessness remains at record levels in NYC. When the COVID crisis began in March, approximately 70,000 persons were sleeping in City shelters each night, including over 19,000 single adults in congregate settings where numerous persons sleep in a single room and share bathrooms and other common areas. Thousands more New Yorkers were struggling to survive on the streets or other places not intended for sleeping, while contending with a drastic reduction in access to food, bathrooms, showers, and other resources typically provided by drop-in centers and other settings that were rapidly closing to them.

Not surprisingly, as of the end of October, the NYC Department of Homeless Services (DHS) had tracked 104 deaths from COVID-19 among people experiencing homelessness, including 95 sheltered individuals. An analysis of available data, conducted by the Coalition for the Homeless in collaboration with researchers at New York University, found that through the end of October, the age-adjusted mortality rate due to COVID 19 among sheltered homeless New Yorkers was 406 deaths per 100,000 people, 70% higher than the overall NYC mortality rate of 231 deaths per 100,000 people.⁷

We established Housing Works early in the AIDS crisis, years before effective antiretroviral therapies became available, to meet the needs of homeless New Yorkers with HIV whose lack of safe housing put them at great risk for TB and other life-threatening infections unavoidable in crowded congregate shelters or while living on the streets. In 2020, we found ourselves in the midst of another deadly pandemic for which there was no prevention or cure, and that like HIV, poses a particular threat to persons experiencing homelessness, who have no safe place to shelter from exposure to the virus, or to recover from COVID-19 disease. Finding it unacceptable to leave New Yorkers experiencing homelessness at heightened risk of COVID-19 infection and poor health outcomes in congregate shelters or on the streets, Housing Works is grateful to have the opportunity to operate a 170-room New York City Department of Homeless Services (NYC DHS) isolation hotel that provides New Yorkers experiencing homelessness a safe, private room in which to recover from COVID-19, 24-hour medical staff, three meals a day, and behavioral health care as needed. We have served over 500 guests so far, applying lessons learned from years of providing harm reduction housing for people with HIV.

Our experience has demonstrated that a true harm-reduction approach is critical to successful voluntary isolation – even down to providing unhealthy snacks and cigarettes for smokers, so that they don't need to go down the street to the bodega – and that voluntary isolation is critical to successful contact tracing and disease management, so that vulnerable folks are not afraid to be tested or to share their contacts for purposes of tracing. Private rooms are both humane and necessary – especially for people with mental health issues who cannot manage a shared space with a stranger. Onsite medical and behavioral health services are also key. Most of our isolation residents showed up with multiple chronic conditions that had been untreated or undertreated and presented health issues as serious or more serious than COVID-19 infection. Finally, we've learned that good case management, even during a short (14+ day) stay, can be life-altering if we take the opportunity

⁷ See [Age-Adjusted Mortality Rate for Sheltered Homeless New Yorkers](#)

to identify needs and explore options. Sometimes this means refusing to transfer a resident until an appropriate discharge plan is in place.

When the City shut down the subway system, displacing scores of homeless people who refuse shelter care, we and other advocates demanded action from the City, and we are pleased to report that Housing Works will shortly enter into an agreement with NYC DHS to open a stabilization hotel for people experiencing homelessness on the streets, in the subways, or other places not meant for sleeping. So, we continue to learn about the needs of people experiencing homelessness in our City.

Most significantly for Housing Works, once we became involved for the first time in the City's homeless response, what we came to deeply appreciate is how awful and dehumanizing the City shelter system is, and we increasingly came to believe that the Coronavirus is providing us with an opportunity to transform the way homeless people are treated in New York City.

What is needed to transform our homeless response? Resources of course, but what is perhaps more vital are new approaches, a new vision for what is acceptable, and of course, collaboration to build and sustain the political will for systemic change.

Continue to fund creation of supportive housing for those who need it

Housing Works is very pleased to see \$250 million in the FY22 executive budget for supportive housing, moving forward the State's commitment to create 20,000 new units, and we urge the Legislature to approve this funding. We also welcome the Five-Year Capital Plan commitment of capital funding to further the State's investment in the construction of high-quality, affordable housing as part of the Governor's State infrastructure plan.

Transform underutilized hotels and commercial properties into affordable housing

Housing Works also strongly supports the Governor's State of the State comments endorsing strategies to facilitate conversion of underutilized commercial spaces to housing, as well as provisions included in the Transportation, Economic Development and Environmental Conservation Article VII bill that would establish a five-year period during which property owners can convert office buildings and hotels to residential use in New York City boroughs outside of Manhattan and in certain parts of Manhattan. However, the Governor has made no mention of state financial assistance for such conversions, which tend to be so costly as to be uneconomical. We call on both the Governor and the Legislature to build upon this innovative opportunity to put in place guidance and capital resources that will ensure that properties are available to meet the urgent need for housing that is affordable for low-income New Yorkers, and that non-profits like Housing Works have the opportunity to pursue use of these properties for housing with deep affordability and for supportive housing programs.

Seek 1115 waivers for new Medicaid investments in housing as health care

At Housing Works, we have formed an internal visioning committee research and explore models of support and housing assistance for New Yorkers experiencing homelessness. Let me share some of our ideas, including the stabilization model we hope to open soon in the mid-town transportation hub between 34th and 42nd Streets.

Seeing the COVID crisis as a pivotal opportunity for new Medicaid investments to improve health outcomes and reduce costs among homeless persons with chronic medical and behavioral health issues, Housing Works has proposed to NYS three potential 1115 waiver applications:

1) Comprehensive Care for the Street Homeless: From Street to Home

This proposed waiver would seek a Medicaid match to existing City and State homeless service dollars that would allow the development and operation of programs that would combine key elements of existing street-based medicine, drop-in centers, and Safe Haven programs operating in NYC to create a single, holistic model that supports street homeless individuals in receiving community-based healthcare and stabilization services needed to move them along the housing continuum from the street to permanent housing.

2) Medical Respite

Housing Works is pleased to see and supports Executive Budget language in the Health and Mental Hygiene Article VII bill that would allow the Department of Health to authorize and implement licensed medical respite pilot programs for people experiencing, or at risk, of homelessness who have a medical condition that would otherwise require a hospital stay or who lack a safe option for discharge and recovery.

To advance this much-needed model of care, Housing Works proposes a waiver to authorize a Medicaid match to existing City and State homeless service dollars that would allow use of Medicaid dollars to support program costs for room and board as medical care. Medical Respite programs provide a safe place for homeless individuals to recuperate following an acute inpatient stay or to recover from a medical or behavioral health condition that cannot be effectively managed in a shelter or on the street but does not require inpatient hospitalization.

3) Medically Enriched Supportive Housing

A third Medicaid waiver would authorize the State to create and operate Medically Enriched Supportive Housing (MESH) programs to comprehensively meet the needs of homeless individuals with complex chronic health conditions and repeated hospitalizations or stays in a medical respite, by placing them in supportive housing staffed by a team of integrated health care professionals. MESH will address the needs of individuals who need more intensive services than those available in supportive housing but who do not qualify for assisted living programs or skilled nursing facilities.

Even short of such Medicaid waivers, we at Housing Works are excited by the prospect of moving towards value-based Medicaid reimbursement models that will allow greater flexibility to provide the care, including housing, required to improve health outcomes among people with chronic conditions who are experiencing homelessness.

Re-envision our response to the experience of homelessness

Housing Works is even now working to combine funding sources to shortly open an exciting new pilot “street to home” program with support from the Department of Homeless Services – our Comprehensive Stabilization Services Pilot Program. In response to the COVID crisis, DHS is funding stabilization hotels for homeless single adults, both to de-densify congregate shelters, and for those who sleep on the street because they refuse placements in city shelters. However, these stabilization hotels do not receive funding to provide medical or behavioral health care, despite residents’ needs for services to address multiple co-morbidities.

Housing Works is close to finalizing a contract with DHS to support an integrated Stabilization Center that combines stabilization hotel beds and a drop-in center with onsite health and supportive services. A harm reduction stabilization hotel will operate 24/7/365 and offer residents private rooms, intensive case management services, access to onsite medical and behavioral health services, and peer supports at the co-located drop-in center. Located in an underutilized hotel, the Stabilization Center will offer primary care and behavioral healthcare services, case management support, housing placement assistance, and navigation and referral services.

The overarching goal of the Stabilization Center – like all Housing Works services – is to improve the health and well-being of clients experiencing street homelessness by providing low-threshold services delivered in a respectful manner using a harm reduction approach. We plan to evaluate the pilot rigorously, to continue to build our own competence to offer effective services, and to provide the evidence necessary to support advocacy for system-wide change. We are actively exploring opportunities presented to repurpose other underutilized hotels and commercial spaces to create affordable housing, including supportive housing programs.

We cannot end homelessness in New York unless we address its drivers. Those include the gross lack of affordable house, mass incarceration that removes people from the workforce and deprives them of access to low-income housing, and the insistence on treating mental illness and substance use disorder among low income New Yorkers of color as criminal justice rather than public health issues. And we certainly do nothing to help homeless people by warehousing them in mass congregate shelters designed to strip them of their autonomy and even of their dignity. In a world grappling with the COVID pandemic and its aftermath, we must insist on policies, investments and innovation that treat people who find themselves homeless as people worthy of dignity, autonomy, respect and care. We look forward to working with all of you towards this vision of a transformed New York homelessness response. Equally urgent is our request that the Legislature work with us to address the drivers of homelessness in order to meet real housing need in a manner that supports every person's basic human rights.

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

Regulate adult use of Cannabis using a restorative justice approach

Housing Works also supports the Governor's announced plan 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, we urge the Governor and the Legislature to ensure that both the creation of a legal market itself and a significant portion of tax proceeds 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.

Continue to expand access to health coverage

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, Housing Works is pleased that the

Executive Budget continues to reduce barriers to Essential Plan coverage. To live up to this moment in history, we must continue to 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.

Repeal the Medicaid Global Spending Cap

The Medicaid global cap was introduced in 2011 as a mechanism to limit growth in Medicaid spending and instill discipline in Medicaid budgeting. The cap was set at an arbitrary, fixed moment in time and not designed to keep pace with program growth. Medicaid is a critical safety net program and is a lifeline for PWH. It should be afforded the opportunity to grow in times of economic downturn or hardship, such as the COVID pandemic, to meet real need. We note that the Executive Budget changes the Global Cap indexed growth metric in an effort to more accurately reflect changes in enrollment and utilization. However, any cap on the Medicaid program remains arbitrary as it does not reflect actual need or real growth. Continuing to place a cap on Medicaid spending disproportionately impacts people living with disabilities, under-resourced communities of color and safety net providers, like community health centers and HIV service programs that rely upon Medicaid as a significant coverage source for their patient base. It is time to repeal the Medicaid global cap.

Ensure Adequate and Timely Rates for HIV Special Needs Plans

New York's Medicaid Managed Care HIV Special Needs Plans (HIV SNPs) are highly effective in addressing the needs of PWH and those at heightened risk of HIV infection, achieving high rates of viral load suppression and dramatically lowered inpatient and acute care costs. However, rate setting delays and inadequate rates threaten to undermine their effectiveness. HIV SNPs receive rates as late as 21 months after their effective date, and limits imposed by the global cap have reduced SNP rates at a time when membership has expanded to include people of trans experience and other medically vulnerable groups. We support the Executive Budget's proposals to increase SNP rates to the middle or high end of the rate range and to increase all Medicaid rates by 1% to support increased pay for health care workers. We also support the Executive Budget proposal to restore the 1.5% Medicaid across the board cuts to fee-for-service providers implemented in the FY21 budget. These measures will help sustain the effective care management provided by HIV SNPs, and must be coupled with timely rates. Rates that are late and inadequate negatively impact the SNPs, providers, and most importantly, SNP members, by limiting the available provider network which impedes access and quality of care. Timely and adequate HIV SNP rates are essential to EtE efforts and greater health equity.

Exempt Lifesaving HIV Antiretroviral Drugs from Prior Authorization and Other Restrictions

We oppose and are deeply concerned by the Executive Budget proposal to discontinue Prescriber Prevails in Medicaid fee-for-service and managed care. Elimination of Prescriber Prevails and utilization tools such as prior authorization and step therapy can restrict access to medically necessary drugs. These barriers are harmful to patient access and can prevent individuals from receiving the medication they need in a timely manner. Delaying access to these medications for individuals who currently have, or are seeking to avoid, HIV/AIDS can be life threatening and stall the State's EtE progress. We urge the Governor and Legislature to preserve Prescriber Prevails for all Medicaid enrollees. At a minimum, we call on them to amend insurance law and § 272 of the Pub. Health Law to add new language that provides: "Antiretroviral drugs prescribed to a person enrolled in a public or private health plan for the treatment or prevention of the human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS) shall not be subject

to a prior authorization requirement, step therapy, or any other protocol that could restrict or delay the dispensing of the drug.”

Address Severe Under-Investment in the Workforce and Infrastructure of Nonprofit Organizations

Nonprofit service organizations that have been on the front lines of both the HIV and COVID responses face ongoing and new challenges as the result of years of severe under-investment in their workforce and essential infrastructure needs – leaving them struggling to attract and retain staff while also dealing with inadequate or outdated systems for information technology, electronic data, financial management, human resources and other key functions. Inadequate State contract reimbursement rates have resulted in poverty-level wages for human services workers, who are predominantly women and people of color, and limit the ability to invest in critical systems. Essential human services workers are among the lowest paid employees in New York’s economy, resulting in high turnover and serious disadvantage in an increasingly competitive labor market. Building infrastructure capacity is not only essential to effective and efficient service delivery but will be required to in order for community-based nonprofit providers to prepare for, negotiate, and participate in coming value-based payment arrangements for service delivery.

We welcome the 5.4% Cost of Living Adjustment (COLA) for human services providers included in the Executive budget, but while critical, this step will not address the fundamental issue of inadequate compensation. We call for a \$21/hour minimum wage for all New York State funded health and human service workers and a comprehensive wage and benefit schedule comparable to compensation for State employees in the same field, and for the same 5.4% COLA for the workers in the Health Home Care Coordination program, which is flat-funded in the Executive Budget. We also urge the Governor and Legislature to invest in the infrastructure needs of nonprofits providing critical services for the most vulnerable New Yorkers—at a minimum by taking action in this year’s budget to increase the indirect rate on NYS contracts from the current 10% to a nonprofit’s established federally-approved indirect rate.

In conclusion, Housing Works calls on the Governor and the Legislature to be bold when it comes to addressing the State’s unprecedented public health crises. Our historic progress towards ending the State’s HIV epidemic shows us what can be achieved by implementing evidence-based policies.

Thank you for your time.

Sincerely,

Charles King

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