NYS 2021-22 Joint Legislative Budget Hearing on Health
Housing Works Testimony

February 25, 2021

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 2020 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 plan to end our HIV/AIDS epidemic by the end of 2020. 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 (CVG)**,[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.

When I testified at this hearing last year I noted that 2020 presented the opportunity for a historic year of action in addressing the State's longstanding HIV, hepatitis C (HCV), and opioid crises. None of us could have predicted then the unprecedented health emergency we are still struggling to understand and contain – or how the COVID-19 pandemic would jeopardize our progress to date on these public health goals while once again laying bare the stark and persistent health inequities experienced by the most vulnerable New Yorkers. And while I did express concern last year about a rushed MRT II process that would not allow for adequate review by the legislature, I would never have predicted that process would place at grave risk the health of New Yorkers who rely on our health care safety-net.

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 they

[1] For more information, see https://www.covid-19workinggroupnyc.org
[2] For more information, see https://www.savenysafetynet.com

have never been more important and yet 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 touch on the status of our State's historic plans for Ending the HIV Epidemic and Eliminating HCV, the worsening overdose crisis, and what the COVID-19 crisis 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.

Preserve New York's Essential Safety-Net Providers

Governor Cuomo's budget proposals, if unchanged, 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.

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 this year, providing free community COVID-testing services in hard-to-reach, heavily impacted communities, and could be engaged to stand up large-scale vaccination efforts in these same communities if provided the opportunity and resources. Housing Works was not allowed to begin vaccinating our patients until just last week, and still does not have either the vaccines or the support required to reach our broader community. Even among patients, the $18 vaccine administration fee we receive does not cover the staffing required, much less the counseling necessary to address legitimate vaccine hesitancy in communities with ample reason to fear the health system.

Yet, instead of bolstering community health centers and supporting them to address COVID-19 disparities, these providers have been attacked over the last year with a 20% withhold on their NYS contracts, and now face an even more devastating loss of Federal 340B drug discount savings. We understand the fiscal challenges our State faces. But even if there were not billions in much needed Federal aid on the way, it should be unthinkable to ask the most vulnerable low-income New Yorkers to shoulder this burden through cuts to critical health services in the middle of a pandemic.

Make no mistake, if 340B savings are lost, when combined with the 20% withhold on all non-profit contracts, clinics in medically underserved neighbors will close, critical services will be eliminated, avoidable inpatient and emergency department costs will soar, and people will die.

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

The most serious threat to the health of low-income New Yorkers is the planned Medicaid pharmacy "carve-out." Language adopted in last year's NYS budget – a result of the 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.

The federal 340B drug discount program has allowed safety-net health care providers such as Housing Works to obtain pharmaceutical drugs from manufacturers at reduced costs and to reinvest the savings realized to expand the type, quality and volume of their health care services, serve uninsured and underinsured patients, and address social determinants of health by offering the full complement of clinical and support services needed to overcome barriers to care (e.g., housing assistance; subsidized transportation; food and nutritional supports; access to legal services, etc.).

Housing Works currently invests 340B savings to support otherwise unfunded or underfunded services necessary to improve access to quality care and address the barriers faced by the marginalized populations we serve. Our FQHCs provide comprehensive prevention and care services for over 15,000 individuals annually, over 70% of whom rely on Medicaid, and a majority of whom face multiple barriers to health care access and effective care. Almost 90% of patients we have served in the last year live below 150% of the Federal poverty level, 41% are experiencing homelessness, and 17% are uninsured. Approximately 84% of people served by Housing Works are Black (52%) or Latinx (32%), approximately 30% are cisgender women, and over one-third identify as lesbian, gay, bisexual, transgender, gender non-conforming, or gender queer (LGBTQ+), with 11% of all patients identifying as people of trans experience.

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 lost revenues and increased costs due to the COVID crisis. Loss of 340B savings would force Housing Works to significantly restructure our health services and dramatically reduce the types and reach of the services we provide, jeopardizing health outcomes among some of New York's most vulnerable residents. Loss of 340B savings would directly and significantly impact Housing Works' ability to provide integrated services that include HIV prevention, testing and care for uninsured patients, outreach to shelter residents and other people experiencing homelessness, HIV and HCV counseling and testing, case management and care coordination, access to transitional and permanent supportive housing, and other "non-medical" services required to engage and retain marginalized people in our primary health, dental, and behavioral health care, including needle-exchange and other low- threshold harm reduction interventions.

The Governor's FY22 budget proposal to address the devastating loss of 340B savings with distribution of a $102 million fund for providers is woefully inadequate and no substitute for the 340B program. This $102million allocation (changed in the 30-day amendments to include Ryan White 340B covered entities previously overlooked, but with no increase in the amount of the

amount of the fund), 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 has been so ignored that it has informed DOH it refuses 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 in the current budget year, 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.

Significantly, the services made possible by 340B savings not only promote optimal health outcomes in medically underserved communities but are also central to NYS's efforts to realize important public health goals, including NYS's plans for ending the HIV epidemic, for eliminating HCV, for addressing the opioid crisis and stopping overdose deaths, and for ending the COVID-19 crisis. As a member of the EtE Coalition, Housing Works is particularly concerned that safety-net providers' loss of 340B savings will drastically undermine our significant progress to date towards our shared goal to end New York's HIV/AIDS epidemic by stopping new infections and ending AIDS deaths. In particular, these services are critical to reducing the persistent health disparities experienced by the people served by Housing Works and other safety-net providers—New Yorkers who face barriers to effective disease prevention and treatment due to race, ethnicity, gender identity, sexual orientation, status as a drug user or sex worker, or other sources of bias, discrimination, and exclusion in health delivery. These are the same patients – low income people, people of color, and people with comorbidities – who have been most affected by COVID-19.

The pharmacy benefit carve-out will victimize these communities again, by limiting their access to care and support in the midst of a global pandemic. While we strongly believe it is imperative to entirely reject the "carve-out" for safety net providers participating in the 340B drug discount program, preventing the planned April 1, 2020 implementation is a critical first step. Housing Works, the EtE Coalition and the Save NY's Safety Net Coalition therefore call on the New York State Legislature to pass, and the Governor to sign, legislation introduced by Assembly Member Gottfried and State Senator Rivera (A.10960/S.8948) that will protect New York State's safety net providers and HIV Special Needs Plans by stopping the Medicaid pharmacy carve-out to allow a three year period to fully consider the impact of the carve-out, as well as potential alternatives.

Reverse New York State's 20% withhold on non-profit contracts

Safety-net health centers and other community-based health services have also been hit hard by the Governor's withhold since June 2020 of 20% of all State contracts with non-profit organizations, while for-profit contractors are left whole. We are glad to see that the Executive Budget proposes to reduce the withhold to 5%, and to restore the lost 15% of funding retroactively. However,

[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

restoration of these funds cannot undo the harm to programs and their clients during the months that funds were withheld. As one example, the 20% withhold on contracts with syringe exchange providers and their supplier created a statewide syringe shortage forcing people to share and/or reuse their syringes which increases the risk of infection. As the result, NYS has seen an increase of hepatitis C infections, HIV clusters, and skyrocketing overdose deaths. Likewise, HIV/AIDS service providers were left without the resources they needed to provide critical HIV services during a global pandemic. Not even a 5% cut to such critical services can be justified going forward, and we urge the Governor and the Legislature to restore these contracts in full, including retroactive payment of the full 20% withheld to date.

Restore Article 6 State reimbursement to ensure a resilient NYC public health infrastructure
As you know, over the last two years the Governor made drastic cuts in Article 6 State reimbursement for NYC public health activities, which were included in the enacted NYS Budgets. 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 have been able to mitigate some of the impact of this reduction in State reimbursement through allocations in the NYC budget. But even before the COVID-19 crisis, this restoration of lost funds was not sustainable, as the NYC administration made clear. And this past year, as never before, has shown the importance of a strong, resilient public health system in New York City.

Yet rather than restore the lost funding, the Governor's FY22 Executive Budget proposes a further devastating cut to State reimbursement for NYC public health activities in the midst of a global pandemic – another targeted reduction to just 10% reimbursement in NYC only, compared to 36% in other parts of the State. The impact of this further cut is estimated at $35-$40 million annually – a devastating reduction in public health spending that puts the health and lives of New Yorkers at risk. In addition to the COVID crisis, NYC faces unique public health challenges, including HIV, viral hepatitis, TB, sexually transmitted infections, and other disease outbreaks such as the recent measles epidemic. We also face other public health crises, including the rising number 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 New Yorkers experiencing homelessness. Programs serving all of these vulnerable populations are harmed by these State cuts. Reduced State reimbursement also filters down with a devastating impact on community-based organizations, as cuts to their NYC contracts that reduce capacity 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.

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 FY22 Executive Budget, we are deeply concerned by the Governor's proposed 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 recent 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 last December, Governor Cuomo correctly described the tremendous progress we had made by the end of 2019 towards our EtE goals. But he failed to acknowledge the deep setbacks to our efforts caused by the co-occurring COVID-19 pandemic — setbacks that will require redoubled effort in the months and years ahead. It is too early to fully assess the impact of COVID-19 on HIV prevention and care efforts, but we do know 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 the positive 2019 data revealed 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]

These disparities are driven in large part by Governor Cuomo's refusal to date 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 has 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.

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[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 February 2, 2021, from www.etedashboardny.org/

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.

Governor Cuomo was very effective at forcing New York City to spend its money to ensure that all low-income people with HIV in NYC have access to housing, but he refuses to spend one dime to make the same thing happen in the rest of the State. But it isn't just that our Governor likes to claim victory on the cheap. The truth is that Governor Cuomo has been dishonest. In 2017 I got a call from the Governor's counsel saying that the Governor was going to make rest of State rental assistance happen. For three years in a row now, the Budget has included either the unfunded option for local districts to provide the assistance, and/or a $5 million dollars for a housing pilot that would leverage matching funds from health system contributions, but with a poison pill put in it by Budget Director Robert Mojica that guarantees that not one penny of this money will be spent. Indeed, as we have predicted for three years, not a single local department of social services has opted to provide the assistance and not a single department was able to secure a partner to propose a housing pilot – with the result that as many as 4,200 low-income people with HIV in the rest of the State outside NYC remain homeless or unstably housed.

At least this year the Governor was honest enough to eliminate the pilot language from the FY22 budget. We call on Legislature to strike the rest of the cynical and meaningless rest-of-state rental assistance language in the FY22 Executive Budget, repurpose the $10million in reappropriated pilot funding for the last two budget years to a generic fund to support rest of state HIV housing, and work with Housing Works and the EtE Coalition to pass legislation that will enable all local districts to approve rents under the NYS HIV Enhanced Shelter Allowance (ESA) program that are in line with local fair market rents and extend the 30% affordable housing protection to eligible low-income persons with HIV who live outside of NYC. And because EtE Community Coalition members have been told by social services commissioners outside NYC that they lack the resources required to expand housing options for their community members with HIV who remain homeless or unstably housed, the State must provide the funding to cover the costs of the program over and above the local social service district's share of the basic $480 per month rental assistance they are required to provide under the existing State ESA regulations. Such legislation has been introduced in past years, and we stand ready to work closely with past and/or new sponsors to review and refine draft language.

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 a December 2020 Health Advisory

was issued by the CDC[6] to alert 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 provisional data indicating a 21% increase in overdose deaths for NYS as a whole for the 12 months ending June 2020, and a 23% increase in NYC.

Especially in light of these disturbing trends, this is 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.

Release and fund the NYS Hepatitis C Elimination Plan

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 still have not been released. And let us be real – you can't eliminate HCV 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 HCV across this State unless we are willing to invest the resources to address the social determinants that are fueling both of these epidemics.

Act to address NYS failures in our COVID-19 response

Recent revelations have brought appropriate attention to the failures of NYS in preventing and reporting COVID mortality in NYS nursing homes. However, this is only one of a number of marked failures in our State's COVID response to date.

Most recently, State and City vaccine efforts have been hindered by an unproductive "command and control" approach that is exacerbating rather than ameliorating racial and ethnic disparities. Centralized vaccine finder websites require individuals to navigate to each vaccine provider's website to try to register for one of precious few vaccination slots, often answering the same intake questions over and over again with each new attempt to obtain an appointment. Vaccine intake forms that ask for identifying information such as a social security number may deter many individuals from receiving vaccines out of fear of deportation or other consequences of sharing intimate information, or because they lack such identity documents. Low-income and older New

[6] https://emergency.cdc.gov/han/2020/han00438.asp

Yorkers who lack internet access or facility and the time and resources required to compete effectively for limited vaccine slots have been left behind.

It is no surprise that recently released demographics show that the NYC and NYS vaccine rollout to date has been marked by the same health inequities seen in COVID-19 infections and mortality. Based on NYS data, as of February 19, 2021, almost 60% of those vaccinated in NYC were White, and in every region outside the City at least 84% of New Yorkers vaccinated were White.[7] Current NYC data indicate that 42% of all NYC residents vaccinated to date identify as White, compared to only 12% who identify as Black.[8] And the full extent of disparities remains unknown, as NYC DOHMH cautions that no race/ethnicity information has been recorded for over a quarter (26%) of all persons vaccinated, despite a CDC mandate to collect this information.

The COVID-19 Working Group NY has made some common-sense recommendations, such as requiring use of a standard vaccine intake form, or at least binding rules, that avoid the most common barriers. A more effective, language-accessible means for making vaccine appointments by phone, universal language accessibility, and stronger partnership with community health centers as vaccination partners. As noted above, community health centers have only recently been authorized to vaccinate their patients and could play a much broader role in the communities where they are trusted sources of information and care for low-income, marginalized New Yorkers. We thank Assembly Member Gottfried and Senator Rivera for their letter of February 22, 2021, to NYS and NYC officials in support of the CWG concerns and recommendations, and I have attached both letters to my testimony for your consideration and urge the Governor and Legislature to act quickly to ensure equitable vaccine access. The City and State must do everything in their power to ensure that all of our communities – particularly those who endure increased COVID risk coupled with multiple burdens, including limited English language proficiency, digital illiteracy, and lack of connectivity – are able to easily schedule vaccination appointments and receive vaccines.

The disjointed, uncoordinated, and lethargic response to the needs of homeless and incarcerated populations during the COVID-19 outbreak has also been absolutely unacceptable.

In particular, the State and the Department of Corrections and Community Supervision (DOCCS) were slow to implement regular testing and provide PPE and have not taken meaningful efforts to reduce the prison population. The results of this inaction are clear: continued fear, suffering, and death. According to DOCCS data, 5758 incarcerated people have tested positive for COVID, and 466 have active cases now. There have been 32 confirmed deaths, although it is possible that these deaths, too, have been undercounted.

New York State's decision to provide vaccines to people in congregate settings like shelters and nursing homes but not jails or prisons, and to correctional staff but not incarcerated individuals, is simply not good public health policy. It is one of many failures we have seen in the State's response to COVID-19 in prisons and jails. We urge the Governor and Legislature to take action immediately authorize vaccinations for incarcerated individuals and implement meaningful decarceration across the system.

[7] https://covid19vaccine.health.ny.gov/vaccine-demographic-data
[8] https://www1.nyc.gov/site/doh/covid/covid-19-data-vaccines.page

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 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.

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 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.

Support and scale up MRT I Supportive Housing Pilots

As you know, the MRT I Affordable Housing Workgroup identified increasing the availability of affordable supportive housing for high–utilizers of Medicaid members who are homeless or living in institutional settings as a significant opportunity for reducing Medicaid cost growth. Since the 2011 recommendations, NYS has invested in housing pilots to improve the quality of care to the vulnerable Medicaid population. Rigorous evaluation of the pilots has demonstrated their efficacy in improving health outcomes, and their cost effectiveness as a health intervention. Housing Works calls for ongoing funding and scale up of these MRT I supportive housing programs. We have been unable to determine whether the Executive Budget includes ongoing funding for the MRT I NYS DOH housing pilots that support rent and services for some 5,600 formerly homeless individuals and families 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. However, it is time to transform these housing models from pilot efforts to ongoing programs, and we call on the Governor and the Legislature to fully fund these critical programs and support scale up to meet actual need.

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 wavier 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 NYC homelessness response.

Equally urgent is our request that the Legislature work with us to transform our current State and local responses to the experience of homelessness to meet real 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.

Support the merger of OASAS and OMH, and integrated licensing of medical and behavioral health services

Housing Works and the EtE Coalition strongly support the Executive Budget proposal to integrate OASAS and OMH to create a new State agency: the Office of Addiction and Mental Health Services (OAMHS). It is our strong hope that the merger will not only break down silos and streamline bureaucracy but also produce a united entity that is informed and guided by the more progressive OASAS approaches and policies – including the adoption of harm reduction approaches to integrated behavioral health services and support for co-location of behavioral and health care services as well as the provision of mobile and other services without walls.

One area of particular concern has been the lack of coordination between the OMH system and HIV prevention and health care. Unaddressed behavioral health needs negatively affect access to HIV prevention and care, and there is a significant need for integrated, affordable, high-quality and culturally sensitive medical and behavioral health care in New York.[9] People living with or at heightened vulnerability to HIV are more likely than the U.S. population as a whole to have mental health challenges, and these mental health issues can have a significant impact on an individual's ability to access and benefit from HIV prevention and care services—delaying diagnosis and linkage to HIV care, and/or resulting in interruption of treatment as people with HIV move in and out of mental health service settings.[10]

Indeed, in addition to breaking down silos between substance use and mental health care through the new single behavioral health entity, it will be essential to further break down silos between the new OAMHS and the NYS Department of Health. Housing Works and the EtE Coalition strongly urge the Legislature to support the Governor's direction to OMH, OASAS and DOH to establish a single, integrated license for outpatient mental health, substance use disorder, and physical health services. Such system-level strategies are needed to implement models for care integration, training, protocols, best practices, and evidence-based screening tools, in addition to developing a behavioral health workforce culturally responsive to and representative of populations disproportionately impacted by HIV and other chronic health conditions.

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

[9] Remien RH, et al. Mental health and HIV/AIDS: The need for an integrated response. *AIDS,* 2019; 33(9):1411-1420.

[10] See: Feldman MB, et al. Utilization of Ryan White-funded mental health services and mental health functioning among people living with HIV in New York City, Journal of HIV/AIDS & Social Services, 2018; 17(3): 195-207.

Executive Budget includes elimination of $20 premiums for Essential Plan enrollees with income levels between 150 and 200 percent of the Federal Poverty Level, effectively eliminating premiums for all members in the Essential Plan. 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.

Regulate adult use of Cannabis using a restorative justice approach
Housing Works fully 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.

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. 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.

Thank you for your time.

Sincerely,

Charles King
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