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New York

AARP New York

Testimony for the
Manhattan State Budget Forum

March 2, 2019

1216 Fifth Ave

New York, NY 10029

Introduction

Good afternoon.. I am Leo Asen, and I am the State President for AARP New York. AARP is a social mission organization with 2.6 million members in New York State. I would like to submit the following testimony regarding the Human Services portion of the Executive Budget, and other critical budget items impacting older New Yorkers and their families.

First, I would like to highlight the enormous positive impact that older New Yorkers have on the state's economy, what AARP refers to as the "Longevity Economy." The Longevity Economy is the sum of all economic activity that is supported by the consumer spending of households headed by someone age 50 or older—both in New York, as well as spending on exports from New York to other states and Washington, DC. This includes the direct, indirect and ripple effects from the spending of those employed either directly or indirectly. I have attached a brief of the study that AARP conducted with Oxford Economics that provides data sources and more detailed information on the following points I am going to discuss.

In New York State, people over 50 represent 35 percent of the state's population. However, they contribute to the economy in a positive, outsized proportion to their share of the population. The total economic contribution of people over 50 – **the Longevity Economy - accounted for 50% of New York's GDP, equaling a staggering $704.4 billion. This supported 55% of New York's jobs (6,638,000), 51% of labor income ($456.6 billion), and 47% of state and local taxes ($75.2 billion).**

The $704.4 billion impact of the Longevity Economy was driven by $391.1 billion in consumer spending by age 50-plus households in New York, or 56% of total comparable consumer spending. The categories where Longevity Economy spending accounted for the largest share of total consumer spending were health care (66%), utilities (56%), and entertainment (56%).

People over 50 also make a significant contribution to New York's workforce, with 67% of people 50-64 employed. Overall, people over 50 represent 34% of New York's workforce. Among employed people, 13% of those 50-64 are self-employed entrepreneurs, compared with 9% of those 25-49.

Clearly the 50-plus in our state are having a great economic impact. These individuals may also be engaging in caregiving activities for older relatives, as well as caring for their own children. We need to make investments in this population in a way that can ease some of the burdens they face when trying to care for an elderly parent or spouse. This investment would go a long way in their lives.

AARP strongly supports Governor Cuomo's recognition of New York's 50 plus with the State Prevention Agenda and Health Across all Policies approach, which was the driving force behind his historic action making New York the first state to join the AARP-World Health Organization Network of Age-Friendly States and Communities, and thereby committing to make New York more livable for people of all ages.

Caregiving – Help For Middle Class New York Families

Family caregivers, who provide unpaid services to aging loved ones, are the backbone of the long-term care system. According to State Office for Aging (SOFA), there are approximately 3 million family caregivers in New York who provide more than 2.6 billion hours of care to loved ones each year. The annual economic value of this unpaid care is $32 billion.

Family support is a key factor in determining an older person's ability to remain in his or her home and community and out of taxpayer-funded institutional care settings such as nursing homes. However, the care provided by family members comes at a cost, both to the caregiver and to their families, and as our population ages there are fewer caregivers to care for more frail elderly.

A 2016 survey conducted by Siena College shows that the majority of New York State Generation Xers and Baby Boomers would prefer to receive long-term care services at home rather than in a long-term care facility. It is clear from "Countdown: New York's Vanishing Middle Class" that middle class New Yorkers face a looming crisis. They are ill-prepared to pay for long term care services and may require Medicaid-funded nursing homes or home care. This current situation is indicative of the need for public policy changes and funding that will help people age and be cared for at home.

The situation is especially dire in communities of color, as reported in the "Disrupting Disparities" campaign AARP New York is conducting with the Hispanic Federation, Asian American Federation, NAACP of New York and New York Urban

League, which has included research, community and opinion leader forums, and reports. Nationally, African American/Blacks, Hispanic/Latinos and Asian American/Pacific Islanders are going to nursing homes in increasing numbers, while the number of Whites going to nursing homes decreased, suggesting unequal access to home and community-based services (HCBS)[1].

There are thousands of individuals statewide seeking non-Medicaid home- and community-based services through programs such as the Expanded In-home Services for the Elderly Program (EISEP) and Community Services for the Elderly (CSE), which provide services such as transportation, adult day care, home delivered meals, and respite. But thousands of families are languishing on waiting lists. Many counties do not keep lists, and many New Yorkers who are eligible to receive these services are not even aware of them.

The Governor's FY 2019-2020 Executive Budget recognized that additional resources are necessary to provide for the growing need for home- and community-based services. The Executive Budget proposal adds a $15 million investment to the Expanded In Home Services for the Elderly Program (EISEP), which is an historic increase by this Governor for these programs and services to help older New Yorkers age in place and provide their family caregivers with much-needed respite.

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[1] https://18672-presscdn-pagely.netdna-ssl.com/wp-content/uploads/2018/01/AARP_DisparitiesPaperSummary_Booklet_FINAL.pdf

AARP asks that the Legislature accept this budget addition and increase it to a total of $25 million for non-Medicaid home- and community- based services to ensure that all older adults who need these vital services are able to access them.

Family Caregiver Tax Credit

A new approach to help people age in their communities and support family caregivers is the creation of a family caregiver tax credit. While respite is essential to providing family caregivers relief from their duties, family caregivers also need help with the financial toll of caring for their loved ones.

Caregiving expenses could include payments made by the family caregiver for goods and services such as home health agency services, adult day care, personal care attendant services, homemaker services, respite care, health care equipment, home modifications, and transportation, all of which work to keep the older person living independently in their home.

AARP conducted a study[2] among family caregivers caring for an adult over the age of 18 to explore the out-of-pocket costs and the financial strain on the family caregiver. In addition to out-of-pocket costs, this study explores other financial and personal strains that family caregivers may experience as result of caregiving.

- The report, which determined the amount of money that family caregivers spent over the last year, yielded striking findings: More than three quarters

[2] https://www.aarp.org/content/dam/aarp/research/surveys_statistics/ltc/2016/family-caregiving-costs.doi.10.26419%252Fres.00138.001.pdf

(78%) of caregivers are incurring out-of-pocket costs as a result of caregiving. This report estimates that family caregivers, on average, spent roughly $6,954 per year on out-of-pocket costs related to caregiving in 2016.

- Household expenses garner the largest share of family caregivers' out-of-pocket spending with 41% of total spending. This includes rent/mortgage payments, home modifications, as well as other household expenses. Medical expenses account for the second largest share of caregivers' spending (25%) which includes assisted living or skilled nursing facilities, insurance costs, and other medical expenses.
- Family caregivers for adults with dementia reported nearly twice the out-of-pocket costs ($10,697) than those caring for adults without dementia ($5,758).
- A financial strain measure (annual caregiver expense divided by their annual income) shows caregivers are spending, on average, nearly 20% of their income on caregiving activities.
- Hispanic/Latino family caregivers spend an average of $9,022, which represents 44 percent of their total income per year. By comparison, African American family caregivers spend $6,616, or 34 percent; white family caregivers spend $6,964, or 14 percent; and Asian Americans/Pacific Islanders spend $2,935, or 9 percent.

- Long-distance family caregivers had the highest out-of-pocket costs at $11,923 compared with family caregivers living with or nearby their care recipients.
- Many family caregivers also need to cut back on other spending which can undermine the family caregiver's future financial security. One in six (16%) have reduced contributions to their retirement savings.

AARP recommends that the legislature include a family caregiver tax credit in the final state budget. The tax credit would be for individuals with a gross income of $75,000 or less and couples with a gross income of $150,000 or less. The credit we propose would not exceed $3,500, or fifty percent, of the total amount expended. This modest but well-deserved tax break for the middle class saves all New York taxpayers money in the long run by enabling older adults to age at home, and out of taxpayer-funded institutions across the state.

<u>Optional Private Pay Model for SOFA Services</u>

The Executive Budget includes a proposal that will go further to help older New Yorkers access long term services and supports and provide respite for family caregivers by allowing individuals to purchase services through SOFA if their income is 400% above the Federal poverty line.

AARP supports expanding access to these services for those who have the means to pay with private funds, and recommends the Legislature include this provision in the enacted budget.

Senior Financial Exploitation

Unfortunately, many older adults fall victim to financial exploitation when unscrupulous individuals misuse a vulnerable person's wealth and assets for their own personal gain. This can result in older adults losing their often limited income, and with that, their ability to pay for necessities such as food, rent and health care costs.

Financial exploitation of older adults is a growing problem in New York State and across the country. According to a 2016 study by the New York State Office of Children and Family Services (OCFS), approximately five million older adults are exploited every year nationwide. In New York State, the number of reported cases of financial exploitation increased by more than 35% between 2010 and 2014.

We also know that financial exploitation is widely underreported. A Lifespan study estimates that 260,000 older New Yorkers fall victim every year, and for every one case that is brought to the authorities, approximately 23 cases go undetected. The OCFS Bureau of Adult Services estimates that elder financial exploitation in New York costs a total of $1.5 billion dollars, including financial damage both to victims and to the state.

We are pleased that the Governor maintained $500,000 in funding for the Enhanced Multidisciplinary Teams (EMDTs). It is our understanding that this funding will be used to draw down $2 million in Federal funding through the Office of Victim Services to maintain and expand the EMDT program.

AARP recommends that the legislature accept the funding for the EMDTs and add $200,000 in the SOFA budget for Lifespan of Greater Rochester, which provides much-needed services for vulnerable adults through their regional elder abuse intervention programs.

Kinship Care

Kinship care refers to grandparents, other relatives, and family friends who are raising children. More than 200,000 children live in kinship families, but fewer than 3,700 are in foster care, despite the similar causes for care.

The New York State Kinship Navigator program has noted that the heroin/opioid crisis is forcing more children into the arms of relatives and that Kinship care has become one of the state's most valuable child welfare resources, and is a vital part of providing safe and stable homes for children impacted by the opioid epidemic.

Currently, the 22 OCFS-funded kinship care programs cover 22 counties, with the Navigator covering the remaining 40. The local programs and the Kinship Navigator are vital to the local kinship communities, enabling new kinship families to care for children, especially those whose parents have succumbed to drug/opioid abuse.

The Governor's proposed FY2019-20 budget only provides $338,750 for local kinship programs and $220,500 for the navigator program. Such a low level of funding would greatly hamper the ability of these programs to carry out their missions.

AARP requests that the legislature add $1.9 million, as it has done in the last three budget cycles, to the kinship care programs in order to maintain the progress the state has made in in kinship care services, as well as adding $100,000 to the Kinship Navigator program so it can continue to provide services to counties not covered by the existing OFCS kinship programs.

Housing

AARP strongly supports the Governor's proposal to make it illegal for landlords to discriminate against potential tenants based on the lawful source of income that tenants use when paying rent. Currently, individuals aged 50+ are among the thousands of New Yorkers being discriminated against because they use non-wage income, such as Social Security, to pay for their housing. Protections against this discrimination would allow aging individuals to choose appropriate housing instead of forcing these individuals into costly institutions.

Over 576,000 low-income New York families rely on federal rental assistance to pay for their housing.[3] Of these families receiving rental assistance, almost 40% use Housing Choice Vouchers (HCVs) to cover rental expenses.[4] These vouchers require families to be responsible for finding suitable housing where the owner agrees to rent under the program.[5] Discrimination emerges as landlords have the ability to turn down these families due to the income utilized when paying rent. This discrimination restricts housing choice, concentrates poverty, and stifles mobility. Disproportionately and adversely impacted are African American communities, individuals with disabilities, and

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[3] https://drive.google.com/file/d/1xtUuyH8YzbalB_LLMZSgtkO9VGkp8KZR/view
[4] https://drive.google.com/file/d/1xtUuyH8YzbalB_LLMZSgtkO9VGkp8KZR/view
[5] https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/about/fact_sheet

households headed by females or individuals 62 years of age or older. These groups typically rely heavily on HCVs.[6]

The success rate of HCV users in finding a decent home is significantly higher where local or state law protects against discrimination based on source of income. This proposal aims to include "source of income" as a protected class. This would prohibit landlords from discriminating against individuals who use non-wage income or funds from federal, state or local governmental entities to pay for all or part of their housing.

The types of income that are protected include child support, alimony, foster care subsidies, income derived from Social Security, and any form of public or housing assistance.

Current law does not protect renters from "source of income" discrimination. It is now more important than ever to ensure that consistent, statewide discrimination protections are in place as our population continues to age and rely on programs such as the Housing Choice Voucher. Enacting source of income protections would promote true housing choice for New York's lowest income residents and those aged 50+.

In addition AARP is in strong support of the Governor's proposal that places limits on security deposits not to exceed two months' rent, including the first month's rent and supports the call to strengthen rent laws and end vacancy decontrol to prevent erosion of affordable housing in New York.

Additional Budget Requests

In addition to the health- and human services-related initiatives outlined in this testimony, AARP requests that the legislature address other priorities aimed at making

[6] http://journals.sagepub.com/doi/pdf/10.1177/0885412216670603

New York State and its hundreds of towns, villages and cities more age-friendly; disrupting disparities in communities of color when it comes to health, community, and economic security; and providing older New Yorkers and their families the tools they need to remain active, contributing residents of the empire state. Specifically, we urge the legislature to:

- Accept the Governor's proposal of $4 million to administer the Secure Choice Savings Program to allow more New Yorkers access to retirement security;
- Allocate $1 million in state funding to establish the Office of the Independent Utility Consumer Advocate to fully represent ratepayers in matters affecting the reliability and affordability of essential utility services in New York State;
- Add $20 million in the enacted budget to continue vital housing counseling and legal services programs that assist older New York homeowners with foreclosure and mortgage-related fraud; and
- Accept the Governor's language to extend and expand the school zone speed camera program in New York City and work to make our streets safer for people of all ages.

Conclusion

Thank you again for allowing AARP to submit testimony on behalf of our 2.6 million New York State members and their families regarding the Human Services Budget in New York State. The priorities I have outlined will enhance the quality of life for all New Yorkers as we age and help create a climate in which all people can live with dignity and purpose, fulfilling their goals and dreams right here in the Empire State.

For Immediate Release:
February 4, 2019

Contact:
Chyresse Wells, cwells@corningplace.com
C: 518.860.0938 // D: 518.689.7270

RPEA Calls for Equity for Retired Public Employees in the 2019-20 State Budget

Retirees Should Not Be Asked to Subsidize Amazon Tax Breaks

RPEA Requests Funding Be Reinstated in the 2019-20 Budget to Maintain Support for Health Insurance for a Growing Number of Retirees

Calls for Equal Access to Health Care Services that Active Public Employees Receive, and Retired Employees Deserve

The Retired Public Employees Association (RPEA) today called on the New York State Senate and Assembly to reinstate funding for retiree health insurance that was cut from Governor Cuomo's Executive Budget following an historic $2 billion tax subsidy deal with multinational technology company, Amazon.

"We find it unconscionable that Governor Cuomo would propose increased costs for retiree health insurance while giving Amazon $2 billion in tax breaks," **said RPEA President Jack McPadden.** "We are requesting a continuation of funding in the 2019-20 State Budget at the current year level to support New York's retired public employees and help meet their health care needs. We are also asking our elected officials to ensure that access to skilled nursing services is available to everyone – regardless of age."

More than 250,000 retirees participate in the New York State Health Insurance Plan (NYSHIP).

Specifically, RPEA is asking legislators and state officials to:
- **Eliminate** the proposed Cap on Medicare reimbursement;
- **Restore** the reimbursement of the surcharge that certain enrollees pay due to their income; and
- **End** age discrimination, which is preventing retirees that are 65 and older from equal access to skilled nursing facilities.

RPEA provided testimony on Monday, February 4, 2019 to the State Legislature on the issues outlined above. This year, RPEA is celebrating 50 years of service advocating on behalf, and in the interest of, New York State retired public employees.

For 50 years, the Retired Public Employees Association (RPEA) has been a powerful advocate for more than 400,000 public service retirees. Learn more at: https://rpea.org.

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Retired Public Employees Association

Retired Public Employees Association

CELEBRATING 50 YEARS 1969 2019

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John J. McPadden, *President* Edward C. Farrell, *Executive Director*

RPEA Testimony before the Joint Fiscal Committees of the Legislature

Workforce Development Hearing

Hearing Room B

February 4, 2019

John McPadden	Edward Farrell
President	Executive Director

Chairwoman Krueger, Chairwoman Weinstein, members of the Senate Finance and Assembly Ways and Means Committees thank you for the opportunity to speak to you this afternoon.

My name is Jack McPadden, President of the Board of Directors of the Retired Public Employees Association (RPEA) and I am testifying with Ed Farrell, RPEA's Executive Director, on behalf of retired public employees and their spouses/partners.

RPEA

RPEA, which is celebrating its 50th year, is a non-profit association organized to promote and protect the interests of the more than 400,000 retired State and local municipal employees in the State Retirement System. The Association is governed by a volunteer Board of Directors, Chapter officers, and Committee members. We have a network of 14 local Chapters, most of which are located in New York State. Contrary to popular perception, nearly 80% of public employee retirees remain New York State residents, driving $8.2 billion into the State's economy. According to the State Comptroller, public sector retiree's annual spending is responsible for over $12 billion in economic activity and the creation of roughly 60,000 jobs.

The Covenant with Retirees

State retirees' pension and health care benefits are derived from the express and implied future agreements of our employers. Once we retire, we all rely on those promises for a financially secure and well-deserved retirement. While health insurance benefits for retirees are not constitutionally guaranteed as are our pensions, as a responsible employer and as a matter of sound public policy, the State has included retirees in NYSHIP for accessible and affordable health insurance coverage.

Currently, eligible NYSHIP retirees pay the exact same premium contribution as their counterpart active State employees. However, the State has realized significant cost savings for retiree health insurance by requiring that all retirees participating in

NYSHIP enroll in the federal Medicare program upon turning 65. As a requirement for Medicare enrollment, such retirees must pay Part B standard premiums while they are also required to pay the full NYSHIP premium percentage contribution to the State for their health insurance coverage. Additionally, some higher income retirees also pay a Medicare Part B and Part D Income Related Monthly Adjustment Amount (IRMAA) surcharge.

Because these actions save the State money, the Legislature provided for full reimbursement of all Medicare Part B premiums. Chapter 602 of the Laws of 1966 created Section 167-a of the Civil Service Law to offset this additional cost to the enrollee, so that the enrollee's total cost for their health insurance would remain unchanged, thereby creating a covenant with Medicare eligible retirees.

The Executive Budget – Breaking the Covenant

- ***Capping Medicare Reimbursement***

I call your attention to the most egregious part of the Executive Budget, from RPEA's perspective, the "capping" of the Medicare Part B premiums at the current year level. Current language in the Civil Service Law requires that retirees be reimbursed the "premium charge", with no reference to a specific dollar amount. The Governor recommends that language be inserted which would cap future reimbursement at an amount equal to the current year Medicare basic premium of $135.50 per month. It is a given fact that health insurance premiums increase on a regular basis and it is horrible public policy to insert a specific dollar amount into the statute. As future premiums increase, and the cap language prevents full reimbursement to Medicare eligible retirees, the State will have broken the covenant it made with retirees by forcing them into Medicare upon reaching the age of 65. This is not an acceptable option.

- ***Eliminating IRMAA Reimbursement***

Also, as he did in previous Executive Budgets, the Governor proposes the elimination of the Part B IRMAA surcharge reimbursement. Thankfully, the Legislature rejected those efforts. Now, unfortunately, it's back! NYSHIP retirees pay this surcharge on a monthly basis and are reimbursed in the following year.

We thank you for your past support, and again urge that these two proposals be deleted once again from the budget.

Other Initiatives with Fiscal Implications

- ***Full Reimbursement for Prescription Drugs***

I point out that the State has saved money on retiree drug prescription coverage by blending NYSHIP prescription drug coverage with Medicare Part D. As Medicare retirees discovered, there is a Part D IRMAA surcharge which the State has refused to reimburse, because Section 167-a of the Civil Service Law does not apply to prescription drug coverage. This surcharge ranges from $12 to $77 per month out-of-pocket cost for each retiree. The insignificant savings to the State breaks faith with the spirit and intent of the original 1966 Medicare reimbursement law. To state the obvious, Part D of Medicare is in fact Medicare, and should be reimbursed.

- ***Increase Survivor's Benefit***

There exists in statute a Survivors Benefit Program of $3,000. This benefit was initially intended to help defraying burial expenses. It has remained unchanged for nearly 50 years. Legislation has been introduced to increase that amount and we urge that it be included in the final budget.

- ***Access to Skilled Nursing Facilities (SNF)***

As stated previously, in 1966, legislation was passed to integrate retirees over the ago of 65 into the newly enacted Medicare Program. The Department of Civil Service, writing in support of the signing of that bill, noted that "this federal benefit would be in addition to any benefits available under the State Health Insurance Plan". That is no longer true.

Medicare primary enrollees in the Empire Plan are eligible for only 20 days SNF coverage (fully reimbursed), and are required to spend 3 days in the hospital to be eligible for coverage. Empire Plan enrollees under age 65 are eligible for 365 days fully reimbursed coverage, with no required hospital stay. Needless to say, older enrollees are more likely to need such care. We believe this policy to be age discrimination and urge you to amend the law to rectify it.

- ***Recent Management/Confidential Retirees***

In 2009 and 2010 Management/Confidential employees had their previously authorized salary increases withheld as part of the plan to reduce the state deficit. Starting in 2015, current M/C employees received those previously withheld increases, but those who had retired did not receive them, as they were no longer on the payroll.

Those salary increases for 2009 and 2010 were earned by Management/Confidential employees, even though the eventual payment was deferred. The State saved $450 million through that salary deferral. We urge you to provide the funding for those M/C employees who retired between 2009 and 2015, as has been done for those still employed.

- ***In Closing***

I note that the Executive's stated rationale for all these ill-conceived proposals is that retiree health care costs are "<u>beyond the benchmark growth rate of 2% per year</u>". This may well be the most disingenuous statement in the entire Executive Budget. The Committees are fully aware that <u>NO</u> health insurance costs would meet Governor Cuomo's self imposed 2% range. As a matter of fact, retirees are in the same health care plan, and pay the same exact premiums as active employees. To somehow infer that retirees are challenging the State's ability to remain economically competitive is simply not true. As noted earlier, retirees are major economic contributors to New York's economy and should no be singled out for discriminatory treatment.

Therefore, we rely on you, our elected representatives, to provide budget oversight of the Executive branch of government to protect our health care benefits—to make sure that the promises made are promises kept.

Thank you for allowing us to testify this afternoon on behalf of all public employee retirees.

PEOPLE'S BUDGET FORUM
MARCH 2 ,2019

Senator Elizabeth Krueger, Senator Brian Benjamin, Senator Brad Hoylman, Senator Robert Jackson, Senator Brian Kavanagh, and Senator Jose Serrano.

My name is Mario C Henry and I come here to address certain questions involving the proposed State Budget that impact on senior citizens. I am a member of New York StateWide Senior Action Council, Retired Public Employees Association, and the Public Employees Federation. In particular I am concerned how this budget impacts on the crisis the state faces in the shortage of home health care workers and the impact the budget has on retired state workers living on fixed incomes.

There is a crisis in New York State involving the worsening shortage of home health care workers. Many potential clients are not being served due to a shortage of home health care workers. The workers are paid at minimum wage, they have no benefits, and they have no career ladder. Many providers of home health care workers, with no home health care workers to provide, aren't even keeping track of clients who are not being served.

I can speak from personal experience. My mother suffered from Multiple Sclerosis for 40 years and was bed ridden for 14 years, 9 at home 3 in a nursing home. The home health care worker made it possible for me to care for her while working at my job in the New York State Department of Labor.

In this direction the Governor's budget is proposing an additional 15 million dollars for the Expanded in-home Services for the Elderly program (EISEP) which is part of the Department for the Aging. This is a step in the right direction but the additional funds could be better assigned to the Community Services for the Elderly program (CSE) of the same Department. StateWide's experience is that the CSE has greater flexibility and transparency and could better handle this additional funding.

There is a recurring problem in the Governor's budget as it relates to retired State workers. Upon reaching 65 all retirees are required to apply for medicare and make that their primary medical insurance coverage their state plan being secondary. In recognition of the enormous savings the state was receiving with this arrangement the state reimbursed the retiree for the medicare premium. As in the past the Governor has proposed the reimbursement be frozen at the current level even as the premiums will continue to increase. The plan also calls for reducing the reimbursement for those earning over $ 85,000. The plan also calls for reducing the reimbursement for drugs costs not fully paid for by medicare.

State retirees are on a fixed income. They are not in a position to cover increase costs due to higher medicare premiums. The state is already saving an enormous amount of money by forcing retirees to made medicare their primary coverage plan. The legislature must again, as it has in the past, delete the Governor's proposal.

In the face of the growing deficit, the Governor has proposed reducing reimbursements for medicaid providers. From my own experience medical service providers experience long delays in reimbursement at relatively low reimbursement rates. Many providers over the years have left the program for these reasons. Reducing the reimbursement rates will only drive more off the program.

One last point. I was appointed to the Advisory Committee for the Aging on May 5, 2015. The committee is mandated under section 210 of the Elder Law. The committee was created to give voice to the consumer. To date the committee has never been called to meet. I would hope it would be called to meet someday.

This concludes my statement.

Mario C Henry

STATE WIDE

New York StateWide Senior Action Council, Inc

Improving The Lives of Senior Citizens & Families in NY State

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Governor's Proposed NYS Office for the Aging Budget SFY2019 -2020

New fiscal year starts April 1, 2019 Analysis prepared by NY StateWide Senior Action Council

Program Name	2015-16 Final Budget	2016-17 Final Budget	2017-18 Final Budget	2018-2019 Final Budget	Difference final 2018-19 compared to 2017-18	2019-20 Governor's Proposed Budget
EISEP Expanded In-home Services for the Elderly	$50,012,000	50,120,000 Note $108,000 more than 2015-16	50,120,000	50,120,000	same	65,120,000 +$15m with SOFA flexibility to change spending
WIN – Wellness in Nutrition (formerly SNAP)	$27,326,00	27,483,000 Note $157,000 more than 2015-16	27,483,000	27,483,000	same	27,483,000

 as of Jan. 20, 2019 Analysis prepared by NY StateWide Senior Action Council Contact: Maria Alvarez or Gail Myers 518-436-1006

Program Name	2015-16 Final Budget	2016-17 Final Budget	2017-18 Final Budget	2018-2019 Final Budget	Difference final 2018-19 compared to 2017-18	2019-20 Governor's Proposed Budget
CSE (Community Services for the Elderly)	$27,796,000	28,933,000 Note $1,197,000 more than 2015-16	29,808,000 note $875,000 more than 2016-17 added by Legislature	31,183,000 $2.25 m added by Legislature	+ $1,375,000	31,183,000

 as of Jan. 20, 2019 Analysis prepared by NY StateWide Senior Action Council Contact: Maria Alvarez or Gail Myers 518-436-1006

275 State Street, Albany, NY 12210 • (518) 436-1006 • Fax (518) 436-7642
www.nysenior.org

STATE BUDGET ISSUES IMPACTING OLDER NEW YORKERS AND THEIR FAMILIES
State Fiscal Year (SFY) 2019-2020 - April 1, 2019 – March 31, 2020
(Proposed by Governor- January 15, 2018)

A. *STATEWIDE' S PROGRAMS*

- **Patients' Rights Hotline and Advocacy Project:** *Increase StateWide's Patient Rights Helpline funding with $100,000 appropriation.* Governor's Proposed funding is $31,500. Current state funding is $131,500. (A2003/S1503, Page 6 – Lines 22-25)
- **Managed Care Consumer Assistance Program (MCCAP):** *Increase funding* for StateWide's MCCAP counseling services to improve community outreach and ensure that more NY residents get Medicare premium and drug coverage assistance. Add $1million to the totals received by six Not for Profit Agencies providing these services, thereby increasing StateWide's funding by $200,399. (A2003/S1503, page 5, Lines 40-41)

B. *The NYS Office for the Aging (NYSOFA)*

- **Community Services for the Elderly (CSE):** We are pleased that the Governor's proposed budget maintained the SFY 2018-19 level of funding for CSE, including the additional funds appropriated by the Legislature. Constituents continue to report unmet needs, particularly in home care services throughout the state, regardless of the ability to pay or source of payment. *Increase appropriations to the Community Services for the Elderly program to reduce waiting lists* where targeted by a **local** office for the Aging.

- **EISEP (Expanded In-Home Services for the Elderly:** EISEP provides non-medical in-home services, case management, non-institutional respite and ancillary services. EISEP assists older adults (non-Medicaid enrollees) who want to remain at home and need assistance with Activities of Daily Living (ADLs) such as dressing, bathing and personal care, and Instrumental Activities of Daily Living (IADLs) such as shopping and cooking. *Provide sufficient funding to local offices for the aging to meet the minimum wage and cost of living increases needed to recruit and retain a qualified workforce for case management and home care services.*

- **The Governor's Executive Budget proposed two new budget items related to services for older New Yorkers through the NYS Office for Aging that are of concern:**

1. **adding $15m to the EISEP program while granting expanded authority to NYSOFA to adjust budget lines.** (A2003/S1503, Page 3, Lines 13-37)

   This proposal adds new funding to NYSOFA programs from the Medicaid Global Cap, based on the assumption that Medicaid will achieve savings by clients using Aging services and preventing or delaying Medicaid eligibility, <u>a philosophy that we support.</u>

   However, the budget fails to recognize that the greatest unmet need, and therefore the reason for most waiting lists, is the shortage of home care workers to provide assistance to older residents in their homes. <u>Strategies need to be developed to support home care worker and case management recruitment and retention.</u>

   <u>New authority is granted to NYSOFA</u> to distribute these new funds for any type of service, not just EISEP, based on where NYSOFA believes there is a need for services. This means that if the funds cannot be spent on EISEP because of the workforce shortage, they can be spent by NYSOFA on any other service and given to any area of the state where NYSOFA chooses.

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   If NYSOFA is to be given new authority to distribute funding as they see fit, there should be:

   a. *Elimination of new authority proposed to allow NYSOFA to <u>decrease</u> spending from any funded program in the aging service budget in order to meet unmet needs,*
   b. *Data reports on where there are shortages of services and the type of services needed, prior to any funds being expended,*
   c. *A requirement that the Advisory Committee on Aging (in current Elder Law Section 210) shall review data reports and advise the Office on distribution of funding allocated under this budget provision.*
   d. *Data reports after spending has been approved to provide transparency on how the money is being spent, in which communities, for which services and by which providers,*
   e. *A report to the Legislature at the end of the fiscal year that identifies where there is unmet need and existing barriers to addressing the need for services.*

f. An evaluation of the funds spent and future budget allocations that are specific to designated program areas rather than the discretion of NYSOFA.

2. **<u>the creation of an optional private pay model.</u>** (A2007/S1507, Part U, Page 111) This language allows local offices for aging to charge individuals above 400% of the Federal poverty limit (Household size 1 = $48,560, 2018 guidelines) <u>above the full cost</u> of the services they receive. Profit resulting from these payments would be reinvested in local aging services. Counties would have the discretion to opt-in to the program.

   The Governor's message claims that middle income New Yorkers "have limited access to government programs under the SOFA network" and that this language "authorizes counties to work with SOFA to allow middle-income New Yorkers to purchase SOFA services with private dollars to expand access to services in their communities." Anyone currently receiving services would not have to pay more for services in the future under this proposal.

   StateWide is concerned that the message to middle-income residents is that they cannot get services now. Many do receive services, such as case management, congregate and home delivered meals, transportation, family caregiver supports, insurance counseling and information and assistance, without consideration of their income. EISEP currently charges those above 250% of FPL full cost.

   Missing from the narrative is that any limitation on services has been two-fold:
   - the government's unwillingness to adequately fund services to keep pace with demand, and
   - the inability to provide EISEP in-home services due to a home health worker shortage that is unaddressed by this proposal.

   <u>*We support initiatives to incentivize innovations for improving access to services for all older residents. We recommend that since the Optional Private Pay Model language is so permissive, and so vague, it might be better examined as a free standing bill with public hearings and debate.*</u>
   <u>*Alternatively, the proposal might make more sense as a demonstration project, for a two year period, with review by the Legislature to continue or expand the proposal after reviewing the protocols developed and receiving assurances that the cost shift onto middle income residents was not burdensome, and the change in accessing services does not impede the ability of lower income residents from receiving services in a timely matter.*</u>

C. **<u>Elderly Pharmaceutical Insurance Coverage</u> (EPIC)** - *<u>The program should be expanded to cover all Medicare enrollees, not just seniors, by eliminating the age threshold.</u>*

The Governor's budget reduces benefit funding by $11,223,000. Justification for this cut is that the Affordable Care Act continues to phase-out the Medicare Part D coverage gap (donut hole) and the state will have a savings as a result.

<u>Rather than cut the funding, we support including all Medicare enrollees in the program to offset Medicare prescription drug costs by including persons with disabilities younger than age 65, so that EPIC works for everyone on Medicare regardless of age. Additionally, we want to see the EPIC program cover medical marijuana.</u>

Update:

State Budget Update – StateWide succeeds with budget amendment request

posted Feb 21, 2019

The legislative budget hearings have concluded and negotiations between the Governor's office and the Legislature have begun, with the goal of adoption of the state budget by April 1 – the beginning of the new state fiscal year.

The Governor has submitted amendments that replace part of the initial budget proposal, these are known as the *"30-day amendments."* Part of those amendments are to address what the Governor predicts to be a significant revenue shortfall, and as a result, his amendments have taken funds from the growth of the state's Medicaid program

We are pleased that those cuts did NOT reduce the Governor's commitment of $15million to office for aging programs in the budget allocation related to community-based services.

NY StateWide Senior Action Council (StateWide) raised concerns about how the distribution of the new $15m of funding would be implemented. Of major concern was budget language that would have allowed the NYS Office for Aging (NYSOFA) to redistribute funding to where they determined there was unmet need for services. We asked for an amendment to eliminate new authority proposed to allow NYSOFA to <u>decrease</u> spending from any funded program in the aging service budget in order to meet unmet needs.

We are pleased that the Governor revised this section of the budget bill based upon StateWide's request for an amendment to address our major concern that funding to approved programs could be reduced. The new budget language does NOT allow NYSOFA to <u>decrease</u> appropriations.

We have expressed our support for the infusion of additional funds to address unmet needs, and have highlighted the need for public disclosure of needs data and transparency on the process that will be used to distribute the new NYSOFA funds. Our advocacy efforts will continue to address the core issues related to unmet needs and waiting lists – the workforce shortage.

One important program to address the home care worker shortage allows consumers to hire their own personal care assistants through the Consumer Directed Personal Assistance Program (CDPAP). This very successful program works in both Medicaid and EISEP (non-Medicaid, non-medical Office for Aging funded home care services) through businesses called Fiscal Intermediaries, that assist the consumer with bill paying and other responsibilities of their new employer-employee relationship.

However, the Governor has proposed cuts in the fees that the Fiscal Intermediaries can charge the state, reducing the administrative fees allowable by underestimating costs. The Governor also plans to reduce the number of these businesses that are allowed. We are concerned that the proposed cuts will make it more difficult for seniors and persons with disabilities to enroll or continue their enrollment in the CDPAP program, even while the office for aging and Medicaid Managed Long Term Care companies have been encouraging those in need of home care services to utilize the consumer directed model to offset the inability of traditional providers to address unmet need. Changes proposed under Medicaid budget language would not only impact Medicaid enrollees – they would further destabilize home care services being delivered under the NYSOFA EISEP model by reducing the fiscal intermediaries that are able to remain in business.

We recommend that the Legislature reject the Governor's proposed limitations to the Consumer Directed Personal Assistance Program to ensure that there are no new barriers to accessing cultural and language competent fiscal intermediaries, and no disruption in continuity of care for the health care consumers and their chosen aides under this model.

Stay tuned for more state budget news from StateWide when the Assembly and Senate release their budget bills as an alternative to the Governor's proposals in the coming weeks.

275 State Street, Albany, NY 12210 • (518) 436-1006 • Fax (518) 436-7642
www.nysenior.org

STATE BUDGET ISSUES IMPACTING OLDER NEW YORKERS AND THEIR FAMILIES
State Fiscal Year (SFY) 2019-2020 - April 1, 2019 – March 31, 2020
(Proposed by Governor- January 15, 2018)

A. *STATEWIDE' S PROGRAMS*

- **Patients' Rights Hotline and Advocacy Project:** *Increase StateWide's Patient Rights Helpline funding with $100,000 appropriation.* Governor's Proposed funding is $31,500. Current state funding is $131,500. (A2003/S1503, Page 6 – Lines 22-25)
- **Managed Care Consumer Assistance Program (MCCAP):** *Increase funding* for StateWide's MCCAP counseling services to improve community outreach and ensure that more NY residents get Medicare premium and drug coverage assistance. Add $1million to the totals received by six Not for Profit Agencies providing these services, thereby increasing StateWide's funding by $200,399. (A2003/S1503, page 5, Lines 40-41)

B. *The NYS Office for the Aging (NYSOFA)*

- **Community Services for the Elderly (CSE):** We are pleased that the Governor's proposed budget maintained the SFY 2018-19 level of funding for CSE, including the additional funds appropriated by the Legislature. Constituents continue to report unmet needs, particularly in home care services throughout the state, regardless of the ability to pay or source of payment. *Increase appropriations to the Community Services for the Elderly program to reduce waiting lists* where targeted by a **local** office for the Aging.

- **EISEP (Expanded In-Home Services for the Elderly:** EISEP provides non-medical in-home services, case management, non-institutional respite and ancillary services. EISEP assists older adults (non-Medicaid enrollees) who want to remain at home and need assistance with Activities of Daily Living (ADLs) such as dressing, bathing and personal care, and Instrumental Activities of Daily Living (IADLs) such as shopping and cooking. *Provide sufficient funding to local offices for the aging to meet the minimum wage and cost of living increases needed to recruit and retain a qualified workforce for case management and home care services.*

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STATE WIDE

New York StateWide Senior Action Council, Inc

Improving The Lives of Senior Citizens & Families in NY State

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Governor's Proposed NYS Office for the Aging Budget SFY2019 -2020

New fiscal year starts April 1, 2019 Analysis prepared by NY StateWide Senior Action Council

Program Name	2015-16 Final Budget	2016-17 Final Budget	2017-18 Final Budget	2018-2019 Final Budget	Difference final 2018-19 compared to 2017-18	2019-20 Governor's Proposed Budget
EISEP Expanded In-home Services for the Elderly	$50,012,000	50,120,000 Note $108,000 more than 2015-16	50,120,000	50,120,000	same	65,120,000 +$15m with SOFA flexibility to change spending
WIN – Wellness in Nutrition (formerly SNAP)	$27,326,00	27,483,000 Note $157,000 more than 2015-16	27,483,000	27,483,000	same	27,483,000

 as of Jan. 20, 2019 Analysis prepared by NY StateWide Senior Action Council Contact: Maria Alvarez or Gail Myers 518-436-1006

Program Name	2015-16 Final Budget	2016-17 Final Budget	2017-18 Final Budget	2018-2019 Final Budget	Difference final 2018-19 compared to 2017-18	2019-20 Governor's Proposed Budget
CSE (Community Services for the Elderly)	$27,796,000	28,933,000 Note $1,197,000 more than 2015-16	29,808,000 note $875,000 more than 2016-17 added by Legislature	31,183,000 $2.25 m added by Legislature	+ $1,375,000	31,183,000

 as of Jan. 20, 2019 Analysis prepared by NY StateWide Senior Action Council Contact: Maria Alvarez or Gail Myers 518-436-1006

Program Name	2015-16 Final Budget	2016-17 Final Budget	2017-18 Final Budget	2018-2019 Final Budget	Difference final 2018-19 compared to 2017-18	2019-20 Governor's Proposed Budget
HIICAP Health Insurance Information, Counseling and Assistance	$921,000	921,000	1,000,000 Note $79,000 more than 2016-17	1,000,000	same	1,000,000
MCCAP (Managed Care Consumer Assistance Program)	$1,767,000	$1,767,000	$1,767,000	1,767,000	same	1,767,000
StateWide's Patient Rights Helpline	$63,000	63,000	63,500 Note $500 more than 2016-17	131,500 Note: $100,000 added by Legislature	+$68,000	31,500
NORCs Naturally Occurring Retirement Communities	$2,027,500	2,377,500 +350,000. more than 2015-16	3,027,500 +650,000 more than 2016-17	4,027,500 Note: $2m added by Legislature	+$1million	4,027,500

Program Name	2015-16 Final Budget	2016-17 Final Budget	2017-18 Final Budget	2018-2019 Final Budget	Difference final 2018-19 compared to 2017-18	2019-20 Governor's Proposed Budget
NNORCs	$2,027,500	2,377,500 +350,000. more than 2015-16	3,027,500 +650,000 more than 2016-17	4,027,500 Note: $2m added by Legislature	+$1million	4,027,500
Senior Transportation	$1,121,000	1,121,000	1,121,000	1,121,000	same	1,121,000
Social Model Adult Day Services (SADS)	$1,072,000	1,072,000	1,072,000	1,072,000	same	1,072,000
SADS Training Grant	$122,500	122,500	122,500	122,500	same	122,500
Respite	$656,000	656,000	656,000	656,000	same	656,000

Program Name	2015-16 Final Budget	2016-17 Final Budget	2017-18 Final Budget	2018-2019 Final Budget	Difference final 2018-19 compared to 2017-18	2019-20 Governor's Proposed Budget
Elder Abuse Education & Outreach	$945,000	945,000	945,000	945,000 Note: $200,000 added by Legislature	+$200,000	745,000
Long Term Care Ombudsman	$1,190,000	1,190,000	1,190,000	1,190,000	Same	1,190,000
Congregate Services Initiative	$403,000	403,000	403,000	403,000	Same	403,000
Caregiver Resource Centers	$353,000	353,000	353,000	353,000	Same	353,000
Assoc. in Aging Training Grant	$250,000	250,000	250,000	250,000	Same	?????
RSVP	$216,500	216,500	216,500	216,500	Same	216,500
Foster Grandparents	$98,000	98,000	98,000	98,000	Same	98,000
Community Empowerment	$122,500	122,500	122,500	122,500	Same	122,500

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Program Name	2015-16 Final Budget	2016-17 Final Budget	2017-18 Final Budget	2018-2019 Final Budget	Difference final 2018-19 compared to 2017-18	2019-20 Governor's Proposed Budget
Elder Abuse Multi-Disciplinary reports of suspected elder abuse or maltreatment		0	NEW 500,000 (added by the Legislature)	500,000	Same	500,000

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275 State Street, Albany, NY 12210 • (518) 436-1006 • Fax (518) 436-7642
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The State Fiscal Year (SFY) 2019-20 Proposed Executive Budget includes many issues impacting older New Yorkers that should be addressed or modified.

OFFICE FOR AGING – The funding items in the NYS Office for Aging are found in a separate document.

DEPARTMENT OF HEALTH

Medicaid –

Reduction in Fiscal Intermediaries for the Consumer Directed Program. The Governor's proposal reduces the number of agents that can be registered as Fiscal Intermediaries and also reduces the administrative fees allowable, by underestimating costs, for the remaining agents' services. The state and Managed Long Term Care companies have been encouraging Medicaid enrollees to receive their services through the consumer directed model, this has been particularly true to meet the need for home care services during the ongoing home care worker shortage. It should be noted that some of the consumer directed fiscal intermediaries also serve the EISEP (non-Medicaid) population, and changes proposed under Medicaid would further destabilize home care services being delivered under the NYSOFA model by reducing the fiscal intermediaries that are able to remain in business.

> Recommendation: Reject the Governor's proposed limitations to ensure that there are no new barriers to accessing culturally and language competent fiscal intermediaries, and no disruption in continuity of care for the health care consumers and their chosen aides under the Consumer Directed model.

Medicaid Spousal Refusal Authority – The Governor's proposal makes it harder for the community spouse to refuse spousal support for the noninstitutionalized spouse, keeping the right only for those enrolled in a Managed Long Term Care (MLTC) or other Waiver, or when the spouse needing Medicaid is in Nursing homes. Spousal refusal has been a useful tool that reduces impoverishment and allows for quicker Medicaid enrollment and start of essential home and community-based services. It also allows for enrollment in the Medicare Savings Program to offset the cost of Medicare premiums and out of pocket costs.

Recommendation: Oppose efforts to constrict the right for spousal refusal

Medicaid Prescription Drug Coverage – The Governor's proposal would increase the copay charged for over-the-counter drugs from $0.50 to $1.00 and eliminate the consumer protection to receiving the right drug by proposed elimination of Prescriber Prevails language from Medicaid fee-for-service and managed care plans.

Recommendation: Oppose these proposals that will negatively impact access to over the counter and prescribed drugs that impoverished patients need.

Change in Payment for Providers to Dually Eligible (both Medicare & Medicaid insured) Patients: Limits the amount paid towards Medicaid Part B deductibles, and ambulance and psychologist services, so that these payments do not exceed the amount that would otherwise be paid for a Medicaid only enrollee. The state is reaping a savings by reducing provider payments, and rules prohibit the providers from billing Medicaid enrollees for shortfalls.

Recommendation: Oppose this provider reduction that may make it more difficult to find medical, psychology and ambulance providers willing to serve the dual eligible population.

Changing Medicaid Transportation Management – Currently, Medicaid Managed Long Term Care clients access transportation services through their MLTC plan. Accessing transportation has been problematic for years, and improvements need to be made.

Recommendation: Proceed cautiously on making additional transportation management changes that may make it more difficult for vulnerable MLTC clients to get to the services they need. Continue to have the MLTC plans manage the transportation service, but improve accountability and clients' rights for advocacy within the plan.

Universal Coverage - We are concerned that the Governor has proposed a commission to study "universal access to high-quality, affordable healthcare....including strengthening our commercial insurance market..." rather than moving forward to establish Improved Medicare for All, as articulated in the model NY Health legislation.

> Recommendation: Do not delay passage of NY Health, a plan that will improve benefits and lower costs for most New Yorkers, and will include coverage for long term care.

EPIC - We oppose cuts to the Elderly Pharmaceutical Insurance Coverage (EPIC) program, as proposed by the Governor. The Governor's budget reduces Aid to Localities EPIC funding by about 9%, reducing program benefit funding by $11,223,000. Justification for this cut is that the Affordable Care Act continues to phase-out the Medicare Part D coverage gap.

> Recommendation: Use the savings to expand eligibility to Medicare enrollees under the age of 65 to offset Medicare prescription drug costs. Additionally, cover medical marijuana under the state's EPIC program.

Home Care: The Governor's proposal does not sufficiently address the crisis in home care and the shortage of home care aides.

> Recommendation: Create incentives for the recruitment and retention of home care workers under both Medicaid and EISEP (NYSOFA program) to truly address the shortage that otherwise will result in more nursing home placements for those who would prefer to receive care at home.

HOUSING

Foreclosure Prevention - Legal help is critical for low-income older adults who are at risk of losing their housing through eviction or foreclosure. The Governor's budget cuts needed resources to support access to legal resources. Funding and services would be drastically reduced as of March 31.

> Recommendation: Restore $20 million in funding to the Homeowner Protection Program to continue critical services for vulnerable homeowners.

STATE RETIREE BENEFITS

State Retiree Health Insurance: The proposals create different levels of premium based on the years of service, eliminate the state's reimbursement for the Medicare

Part B Income Related Monthly Adjustment Amounts (IRMAA) and freeze Medicare Part B reimbursement at 2019 levels.

Recommendation: Oppose. These proposals represent a significant diminishment of established health care benefits for retirees enrolled in the New York State Health Insurance Program (NYSHIP) and transfers some of the state's share of costs to retirees.