



**Testimony submitted to the Joint Fiscal Committees
on the SFY 2023-24 Executive Budget
Health/Medicaid Budget Hearing
February 28, 2023**

Thank you for the opportunity to submit testimony on the 2023-24 New York State Executive Budget. The Schuyler Center for Analysis and Advocacy (SCAA) is a 150-year-old statewide, nonprofit organization dedicated to policy analysis and advocacy in support of public systems that meet the needs of disenfranchised populations and people living in poverty.

Schuyler Center is the home of and participates in the leadership of *Medicaid Matters New York*, a coalition that advocates in the interest of Medicaid enrollees. Schuyler Center also serves on Steering Committees for *Raising New York*, dedicated to the health and well-being of the youngest New Yorkers; *Health Care for All New York*, focused on affordable high-quality insurance for all New Yorkers; and *Kids Can't Wait*, focused on reform and improvement of New York's Early Intervention program. Kate Breslin, Schuyler Center President and CEO, has led several recent initiatives, including the First 1,000 Days on Medicaid, Value-Based Payment for Children and Adolescents, and Value-Based Payment Social Determinants of Health and CBOs. Schuyler Center is also a member of the Steering Committee for Coalition for Healthy Students, New York which is focused on expanding mental health services to children in school settings through changes in Medicaid policy.

Top Recommendations

- Direct the Department of Health to apply for a Medicaid State Plan Amendment to provide continuous coverage for children in Medicaid until they reach age six.
- Oppose Essential Plan changes that exclude immigrants.
- Support \$8.7 million to establish Medicaid reimbursement for community health workers who provide services to children and adults with health-related social needs.
- Support Medicaid reimbursement for licensed mental health counselors, marriage and family therapists, and social workers who provide services in clinics, including community health centers.
- Maternal, infant, early childhood home visiting:
 - Support the additional \$11 million for Healthy Families New York.
 - Support \$3 million for Nurse Family Partnership and add an additional \$1.5 million.
 - Restore \$200,000 and add an additional \$300,000 for ParentChild+ to support further expansion, access, and professional development.
- Programs to assist consumers with finding and using health coverage:
 - Support the \$300,000 cost-of-living increase for the Navigator program and provide an additional increase of \$10.8 million.
 - Create a \$5 million program to fund community-based organizations for health insurance outreach in communities with high rates of uninsured people.
 - Support \$3.5 million for CHA and allocate an additional \$1.734 million.

- Increase Early Intervention provider rates by 11%.
- Include language directing the Department of Health to apply for a Medicaid State Plan Amendment for school health expansion.
- Restore New York City Article 6 Public Health reimbursement rate from 20% back to 36% and engage in a discussion with stakeholders to create permanent increases to Article 6 funding.
- Fund full implementation of childhood lead prevention, screening, and treatment.
- Provide \$250,000 for implementation of the Health Professions Data Law.
- Seriously consider the Governor’s proposal to transfer oversight authority for licensed health professions from the State Education Department to the Department of Health.

Ensure that All New Yorkers Have Health Insurance

One of Schuyler Center’s overarching priorities is ensuring comprehensive and strategic investment in young New Yorkers, with special attention to healthy development when their brains and bodies are most rapidly developing, as this impact can last a lifetime. Affordable, quality health insurance coverage for adults, as well as children, is critical since insurance is the gateway to accessing services that help keep people healthy and treat diseases and conditions early.

Childhood health insurance coverage is associated with better health, reduced school absenteeism, and higher academic achievement for children and, potentially, fewer lost workdays and lower medical debt for their parents. Moreover, children’s healthy development depends on the health and well-being of their parents and caregivers. Ensuring that all parents and caregivers have coverage helps children receive the care and family financial stability they need to thrive.

Provide Continuous Coverage for Children until Age 6

Children in New York are eligible to stay enrolled in Medicaid and Child Health Plus for 12 months. At that point, the child must go through a re-determination and re-enrollment process. During the national public health emergency for COVID, states are required to keep all children continuously enrolled in coverage as long as the emergency is in effect. The national emergency declaration expires in May 2023, so those re-determinations will start again later this year.

Some states are moving to make continuous enrollment permanent for children until they reach their sixth birthday. In September 2022, Oregon became the first state to receive a Medicaid waiver to keep children enrolled in Medicaid and CHIP (Child Health Insurance Program) until age six.¹ Three other states (Washington, New Mexico, and California) are seeking to join Oregon in offering children multi-year continuous Medicaid and CHIP coverage.

Once enrolled in Medicaid or CHIP, it is critical that children stay covered without unnecessary administrative red tape. Even a short gap in coverage can result in a child missing needed care such as treatment for chronic conditions like asthma; left untreated, these conditions are likely to result in visits to the emergency room and missed school days. Gaps in coverage can also create financial hardship. Even if just one family member is uninsured, the whole family is

exposed to incurring medical debt, placing their economic security at risk. Continuous health coverage produces a broad array of benefits for children, families, states, health plans, and providers and promotes health equity by limiting gaps in coverage for low-income children who experience disproportionate rates of health disparities, particularly children of color.²

The end of the national public health emergency provides the impetus for New York to join other states in applying for a federal waiver to provide continuous eligibility to all children who enroll in Medicaid and Child Health Plus until they reach age six.

Essential Plan Health Coverage

Last year, Governor Hochul promised to seek federal funding for expanding Essential Plan coverage to excluded immigrants.³ An estimated 245,000 New Yorkers between the ages of 19 and 64 are uninsured because of their immigration status – their peers with the same income can enroll in public health insurance. Approximately one-third of children in New York live in immigrant households, and some children live in households with persons without documentation.⁴

The Essential Plan is one of New York’s public health insurance programs and currently covers other New Yorkers who earn up to 200 percent of the federal poverty level. It is fully funded by the federal government, and, in fact, the funding formula produces a surplus each year. The trust fund holding this surplus grows by \$2 billion every year; it already contains \$9 billion.⁵ Under federal law, this funding can only be spent on health coverage.⁶

In February, New York issued a draft federal 1332 waiver which could have been the Governor’s vehicle for obtaining federally-funded coverage for excluded immigrants. Instead, it ignores them. Ensuring that all New Yorkers have health insurance would benefit everyone, not just the newly covered. The New York City Comptroller’s office estimates that covering excluded immigrants through the Essential Plan would produce \$710 million annually by preventing premature death, increasing labor productivity, reducing out-of-pocket health care expenses, and reducing uncompensated care.⁷ Health insurance is especially important during a time of global pandemics. Families USA estimates that over 400,000 cases of Covid-19 were linked to a lack of health insurance in New York between February 2020 and February 2021, and over 10,000 deaths.⁸

Including immigrants in the 1332 waiver would replace over \$500 million currently used to fund Emergency Medicaid, because that program would no longer be needed. Currently, Emergency Medicaid covers undocumented people when they have health emergencies. The Essential Plan would give them comprehensive health coverage, with no cost to the State. More New Yorkers would have access to preventive and routine health care instead of only being able to access care after developing a serious health problem, and the State would have more resources for other budget items.

Without the federal waiver, New York’s only other option is using state funding to enroll excluded immigrants into a Medicaid-like program. This is how California, which does not have the Essential Plan, provides health insurance to the same population. In New York, this would cost the state an estimated \$541 million. New York should enact A.3020/S.2237 to ensure that this program is created in the absence of federal support for covering immigrants through the Essential Plan.

The Schuyler Center urges the Legislature to:

- *Include language requiring New York to apply for a federal waiver for continuous eligibility for Medicaid/CHIP for children until they reach age six.*
- *Oppose changes to the Essential Plan unless modifications include all immigrants.*

Maternal and Infant Health

The Executive Budget includes several provisions to improve maternal and infant health but ignores some critical investments in early childhood services that can improve outcomes for children and prevent future costs to the health, mental health, and education systems.

Expand Access to Services in the Early Years

Access to primary care services, including mental health care, is essential to the well-being of families. Community health workers connect families to health care and social service systems. Because they understand the communities they serve, they can facilitate access to services and improve the quality of services through their cultural competence.

The Schuyler Center urges the Legislature to:

- *Support \$8.7 million to establish Medicaid reimbursement for community health workers who provide services to children and adults with health-related social needs, subject to federal approval.*
- *Support Medicaid reimbursement for licensed mental health counselors, marriage and family therapists, and social workers who provide services in clinics, including community health centers.*

Make Maternal, Infant and Early Childhood Home Visiting Available to All Who Need It

Maternal, infant, and early childhood home visiting is recognized across the nation as a uniquely effective approach to family strengthening, with myriad benefits to children and families' health, well-being, and economic security. Home visiting has been proven to improve birth outcomes; increase high school graduation rates for children who received home visiting services while young; increase workforce participation and lower rates of welfare dependency; and reduce instances of child maltreatment. Home visiting is a proven, cost-effective intervention that yields tremendous savings over the lifetime of children in the form of lower health care costs and improved earnings as adults.

Schuyler Center urges the Legislature to support State investment in home visiting to maintain existing programs and expand services to more families. We also urge that additional funding be included to ensure that more families receive needed services.

Specifically, to support home visiting programs and infrastructure, we request the following investments:

- *Support the additional \$11 million included in the Executive Budget for Healthy Families New York.*
- *Support the \$3 million included in the Executive Budget for Nurse Family Partnership and add an additional \$1.5 million.*
- *Restore \$200,000 and add an additional \$300,000 for ParentChild+ to support further expansion of their programs and access and professional development opportunities.*

Adequately Fund Early Intervention and Pre-School Special Education

Early Intervention (EI) provides therapeutic and support services to eligible infants and toddlers under the age of three who qualify due to disabilities or developmental delays. Access to timely services is critical when delays are identified, yet even before the pandemic, data showed that one in four children did not receive mandated EI services within the required period and that racial disparities were persistent.

The State's failure to adequately reimburse Early Intervention providers means young children are losing opportunities to gain developmental progress and lifelong skills because there are no providers available to meet their established need. For years, families, providers, and child advocates have repeatedly communicated the need for investments in EI provider compensation to help recruit and retain the professionals needed to eliminate long wait times; as in prior years, the Executive Budget proposal does not respond to this need.

The shortage of evaluation and service providers and coordinators is a long-standing problem that is worsening, creating even more barriers to accessing the therapies and supports young children need. Reimbursement rates for providers are lower now than 20 years ago. This discourages provider recruitment and retention, leaving families and children waiting for – or being denied – life changing interventions. Since 2017, there has been a 27% decline in children who received timely services, meaning that New York families wait far too long for the State to fulfill its legal responsibility to provide services.⁹ Black and Hispanic children in New York are less likely to be referred at a young age and have services initiated within the legally required 30 days.¹⁰

The *Kids Can't Wait* coalition is concerned about children who need in-person services being limited to remote, telehealth delivery because no provider is available to travel to them. In-person vs. telehealth should be based on the most effective method of service, the needs of the child, and parent preference – not provider availability. We are especially concerned about the inequities of one- and two-year-old children in low-income communities of color being offered services only over a screen while their peers in other communities receive the benefit of in-person therapies. New York has a legal obligation to ensure children who need in-person services have access to them, and professionals who deliver face-to-face services should be compensated for the extra costs they incur, including transportation and travel time.

The Schuyler Center and Kids Can't Wait Coalition urge the Legislature to:

- ***Increase rates for all Early Intervention providers and evaluators by 11% to move New York State closer to meeting the needs of our young children with developmental delays or disabilities.*** The State can use the Covered Lives assessment, signed into law in 2021, which requires private health insurance companies to contribute \$40 million to the Early Intervention program.
- ***Institute higher rates or rate add-ons to cover the higher costs of in-person service delivery to ensure all children who need in-person services have access to them.***

Increase School-Based Health Funding Through Medicaid

The Schuyler Center is a member of the *Coalition for Healthy Students – New York State*, which was formed to expand services for school-aged children by permitting school districts to bill Medicaid directly for essential health and mental health services for all Medicaid-enrolled students.

Now more than ever, it is critical to ensure that student health programs are effective and sustainable and that schools have access to all federal resources available to implement these programs. New York State has an opportunity to expand comprehensive school-based health, mental, and behavioral health services for children in underserved communities by making a simple change to its Medicaid policy.

In 2014, the Centers for Medicare and Medicaid Services (CMS) issued a letter to state Medicaid directors reversing its existing guidance on services that can be reimbursed by Medicaid in school-based settings.¹¹ Schools are now eligible for reimbursement for eligible services provided to all Medicaid-enrolled students. Currently in New York State, only services delivered to students with Individualized Education Plans (IEPs) can be reimbursed by Medicaid. CMS's policy change presents an important opportunity for New York to draw additional federal funds for school health services and expand health services for Medicaid-enrolled children.

To leverage these additional funds, New York State must submit a Medicaid State Plan Amendment (SPA) to CMS to adjust restrictive language in its Medicaid plan based on guidelines before the 2014 change. Seventeen states, including Massachusetts, Florida, and California have successfully expanded their school-based Medicaid programs after CMS made this change. Many other states are expected to do the same.¹²

The Executive Budget did not include any language or appropriation for pursuing this SPA.

The Schuyler Center and the Coalition for Healthy Students urges the Legislature to:

- *Include language in the Final Budget directing the Department of Health to submit a SPA to the federal government which will expand access to care for children in New York.*

Create an Independent Office to Produce Racial and Ethnic Impact Statements for All Proposed Rules and Legislation

New York's pervasive racial and ethnic disparities harm our State and must be urgently addressed through meaningful systemic change. The COVID-19 pandemic provided irrefutable evidence of the long-standing, deeply-rooted racial inequities that have caused increasingly disparate outcomes in New York State and throughout the nation for far too long.

New York can lead the nation in embarking on the path to achieving equity in all policies by establishing an independent office to ensure that the State no longer passes legislation or adopts rules without first examining whether these policies have the potential to create, eliminate, or perpetuate racial and ethnic disparities. Enacting new legislation and rules without first evaluating their potential to disproportionately impact our communities of color only perpetuates these disparities.

To implement this approach, New York will need to invest more resources in legislative and rule-making processes. Furthermore, the evaluation of racial and ethnic impact needs to be insulated from politics – meaning the office producing the impact statements should be independent from both the Legislature and the Governor.

Undoing generations of racial and ethnic disparities and institutionalized harm demands an approach that actively examines the role of legislative and regulatory action in perpetuating inequality.

To ensure that New York's laws truly advance racial and ethnic equity and begin to dismantle systemic racism, Schuyler Center urges the Legislature to:

- *Support the establishment of an independent office or entity tasked with producing racial and ethnic impact statements.*

Public Health

Article 6 Funding for County Health Departments

The Executive Budget increased funding for Article 6 State Aid to local county health departments by \$41 million over last year's enacted budget. However, the formula does not restore New York City's reimbursement rate that was cut with a formula change in 2019.

Local public health departments are an essential part of the infrastructure that protects the health of communities – including preparing and responding to infectious diseases such as COVID-19. Public health programs maintain the health of populations and provide important services, such as preventing and tracking disease outbreaks, preventing injuries, and shedding light on why some of us are more likely to suffer from poor health than others.

The Schuyler Center urges the Legislature to:

- *Restore New York City's Article 6 reimbursement rate from 20% back to 36%.*
- *Engage in a discussion with stakeholders, including the NYS Association of County Health Officials (NYSACHO) to create permanent increases to Article 6 funding.*

Protect Children from Lead Poisoning with Investment in Prevention and Response

Protecting children from exposure to lead is important to their lifelong health. According to the CDC (Centers for Disease Control), there is no safe blood lead level in children. Even low levels of lead in a child's blood have been shown to affect learning, ability to pay attention, and academic achievement. Preventing childhood lead poisoning is critical to improving health and education outcomes for all children.

Though lead can be found in many places in a child's environment, lead exposure is preventable. The Schuyler Center supports the Executive Budget's lead poisoning primary prevention initiative requiring the development of a state rental property registry with proactive inspections to identify lead hazards. However, this must be accompanied by the funding necessary to implement the program. There are actual costs involved for county health departments that include staffing – public health sanitarians, data entry, fringe – supplies, travel, equipment, dust wipe testing, EPA certification, and legal costs. NYSACHO estimates the cost at \$20 million annually. In addition, the State needs to fully fund the costs of implementing care coordination and lead inspection/abatement enforcement activities for children with actionable elevated blood lead levels, estimated at \$36 million annually.

The costs of lead abatement and treatment are high, but the costs of the damage to children's lifelong health and well-being is tremendous. Investment now in abatement and housing rehabilitation will result in fewer children with elevated lead levels and lower related costs in health care and educational remediation for children.

The Schuyler Center urges the Legislature to:

- *Adopt lead prevention initiatives with full funding for implementation.*

Consumer Assistance

The end of the public health emergency means eligibility and renewal processes will change for 9 million New Yorkers. The State and Federal governments took steps during the pandemic to protect people from the churning that often occurs when people renew because of income changes or administrative issues. For example, New York has not required any of the 7 million people enrolled in Medicaid to renew since 2020. People will need help managing these changes without disruptions in coverage or care.

Navigators have helped over 300,000 New Yorkers enroll since 2013 without ever receiving a cost-of-living increase. The Navigator program is a valuable tool for handling the end of the public health emergency. The Community Health Advocates (CHA) program helps people with any type of health insurance access in-network care, manage billing problems, appeal coverage denials, and manage other problems that might prevent them from obtaining affordable medical care. Services are provided by a network of community-based organizations in every part of New York.

The Schuyler Center and Healthcare for All New York urge the Legislature to:

- *Support the one-year cost-of-living increase of \$300,000 included for the Navigator program in the Executive Budget and increase funding from \$27.2 million to \$38 million to reflect ten years without appropriate increases.*
- *New York should also create a \$5 million grant program to fund community-based organizations to conduct outreach in communities with high rates of uninsured people.*
- *The Executive Budget includes \$3.5 million for CHA. The Legislature should allocate an additional \$1.734 million.*

Fund Implementation of the Health Professions Data Law

The Executive Budget does not include critical funding (\$250,000) for the Center for Health Workforce Studies (CHWS) that is necessary to implement the health professions data law enacted in 2021.

The health professions data law requires licensed health professionals (inclusive of nurses, therapists, social workers, technicians, etc.) to answer a small number of questions as part of the tri-annual re-registration process. This includes providing information about their demographics, education, and practice activities to assist the State in health planning, education, emergency preparedness, etc.

Funding in the form of a minimum annual allocation of \$250,000 is needed to launch, manage, and sustain the successful collection of data and continued analysis for the State's licensed health professionals.

The health workforce is a vital part of health care delivery. Efforts to improve the quality of health services and expand access to care depend on the availability of an adequate supply of appropriately trained health workers. It is particularly critical now to understand the availability of health professionals in response to the pandemic and to analyze providers of behavioral health to determine unmet needs. As New York continues to reform Medicaid, expand mental health and addiction services, and prepare for new health services, robust information about the current workforce is necessary to evaluate existing programs and plan for future training and workforce needs.

The Schuyler Center urges the Legislature to:

- *Include funding of \$250,000 in the final budget for the Center for Health Workforce Studies so the health professions data law can be implemented. This funding will ensure that New York has the data necessary to develop the right workforce for a changing health care landscape.*

Seriously Consider the Executive Proposal Regarding Oversight of the Health Professions

The Executive Budget proposes transferring oversight authority for licensed health professions from the State Education Department to the State Department of Health. Current authority for the licensing of health professionals and statutes governing scope of practice reside at the State Education Department. This change would shift oversight to the Department of Health for all health professions.

The pandemic highlighted the fragmentation of health care workforce licensing, regulation, and administration. Provider organizations in child development, mental health, and child welfare have long lamented staffing shortages associated with challenges and delays in licensing and credentialing, in addition to reimbursement. Initiatives to understand New York's workforce distribution, streamline licensing of health professionals, improve the ability of health professionals to practice effectively as teams, and expand underserved communities' access to crucial services have been stymied.

The present system is broken. This proposal should ignite policymaker attention and debate to the urgency of strengthening the health workforce by improving New York's processes for licensing, credentialing, and addressing scope of practice and to thoughtful consideration of where that authority should rest.

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

Bridget Walsh
Senior Policy Analyst
bwalsh@scaany.org
518-463-1896

www.scaany.org

-
- ¹ Chiquita Brooks-LaSure to Dana Hittle, “Oregon Section 1115 Demonstration Approval Letter,” September 28, 2022, available at <https://www.oregon.gov/oha/HSD/Medicaid-Policy/Documents/2022-2027-1115-Demonstration-Approval.pdf>.
- ² Brooks, T. and Gardener, A., “[Continuous Coverage in Medicaid and CHIP](#)” (Georgetown University Center For Children and Families, July 19, 2021).
- ³ [Governor Hochul Announces Agreement on FY 2023 New York State Budget - YouTube](#)
- ⁴ [2023 State of New York’s Children](#), Schuyler Center for Analysis and Advocacy
- ⁵ Bill Hammond, “The Essential Plan’s accumulated surplus balloons to \$8 billion, with no fix in sight,” September 8, 2022, The Empire Center, <https://www.empirecenter.org/publications/the-essential-plan-surplus-balloons-to-8-billion/>.
- ⁶ NY State of Health, ‘Essential Plan Expansion 1332 Waiver Submission and Review of Public Comments,’ <https://info.nystateofhealth.ny.gov/1332>.
- ⁷ New York City Comptroller Brad Lander, “Economic Benefits of Coverage for All, March 2022, <https://comptroller.nyc.gov/reports/economic-benefits-of-coverage-for-all/>
- ⁸ Bureau of Consumer Financial Protection, “Medical Debt Burden in the United States,” February 2022, https://files.consumerfinance.gov/f/documents/cfpb_medical-debt-burden-in-the-united-states_report_2022-03.pdf
- ⁹ [Annual Performance Report State Systemic Improvement Plan December EICC Meeting](#), NYS Department of Health, December, 2022.
- ¹⁰ [Early Intervention Program Data: Race and Ethnicity For the Period July 2017 – June 2020](#), NYS Department of Health, Bureau of Early Intervention. August 2021
- ¹¹ [Medicaid Director Letter](#), December 2014, US Department of Health and Human Services, Centers for Medicare & Medicaid Services
- ¹² [State Efforts to Expand School Medicaid Through the Free Care Policy Reversal](#), February 2023. Health Schools Campaign.