

**Testimony before the Joint Fiscal Committees
on the SFY 2009-10 *Executive Budget*
Health/Medicaid Hearing
February 2, 2009**

**Submitted by
Karen Schimke, President/CEO
Schuyler Center for Analysis and Advocacy**



*Shaping New York State public policy
for people in need since 1872*

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My name is Karen Schimke and I am President and CEO of the Schuyler Center for Analysis and Advocacy (SCAA). The Schuyler Center for Analysis and Advocacy (SCAA) has provided a strong advocacy voice for our state's most vulnerable citizens for over 135 years.

SCAA is very pleased that in a difficult fiscal year the *Executive Budget* contains some important investments in health care. From expanding public health insurance to additional money for critical public health programs, the *Executive Budget* takes steps to improve the health of New Yorkers. The Budget also continues some challenging initiatives designed to rationalize the way New Yorkers receive health care services

Insurance Expansions

We believe that all New Yorkers should have health insurance and strongly support the proposals in the Executive Budget to expand, simplify and improve health insurance coverage. We heartily agree with Commissioner Daines that Medicaid, Family Health Plus and Child Health Plus are first and foremost health insurance programs and enrollment should be encouraged and supported.

Medicaid, Family Health Plus and Child Health Plus are lifelines for families, especially during difficult economic times. Many of the proposals in the Executive Budget have been circulating in New York for years and have been implemented in many other states. In fact, the national trend has been to reduce the number of barriers to enrollment in insurance programs. This year 41 states do not require parents applying for Medicaid to have a face-to face interview, up from 35 states in 2002. Likewise, 23 states have eliminated the asset test, up from 19 in 2002.¹

If New York is to move toward electronic applications to improve take-up rates and reduce errors, it will need to eliminate archaic policies that were once considered necessary. New technology can improve accuracy and put in new safeguards against fraud. Many of the barriers to enrollment also amount to a 100% audit of every enrollee. This is a costly and labor intensive

¹ Ross, D., Marks, C., Challenges of Providing Health Coverage for Children and Parents in a Recession: A 50 State Update on Eligibility Rules, Enrollment and Renewal Procedures and Cost-Sharing Practices In Medicaid and SCHIP in 2009. Kaiser Commission on Medicaid and the Uninsured. The Henry J. Kaiser Family Foundation, January 2009.

process that is unnecessary when other methods of verifying the accuracy of data can be employed.

The time has come to re-think the enrollment process and revise policies to move administrative procedures to the 21st century.

The last public insurance issue we want to raise is Child Health Plus mental health parity. Advocates have received mixed messages about the impact of the parity clauses in the federal SCHIP reauthorization bills moving through Congress. While the federal bill may force the state to bring parity to Child Health Plus we remain unclear as to whether this will be the case in any law signed by President Obama. We ask that the Legislature commit to ensuring that Child Health Plus in New York State is finally brought in line with other health insurance by including mental health parity as defined by Timothy's Law.

Reimbursement

SCAA recognizes that the proposed changes to the Medicaid reimbursement system are complex and the consequences of these—individually and in totality—will be profound for many sectors of the health care industry. ***We support the direction that the Department of Health has taken in the development of a reimbursement policy that is more transparent, better reflects the needs of Medicaid patients and moves services to the outpatient setting.***

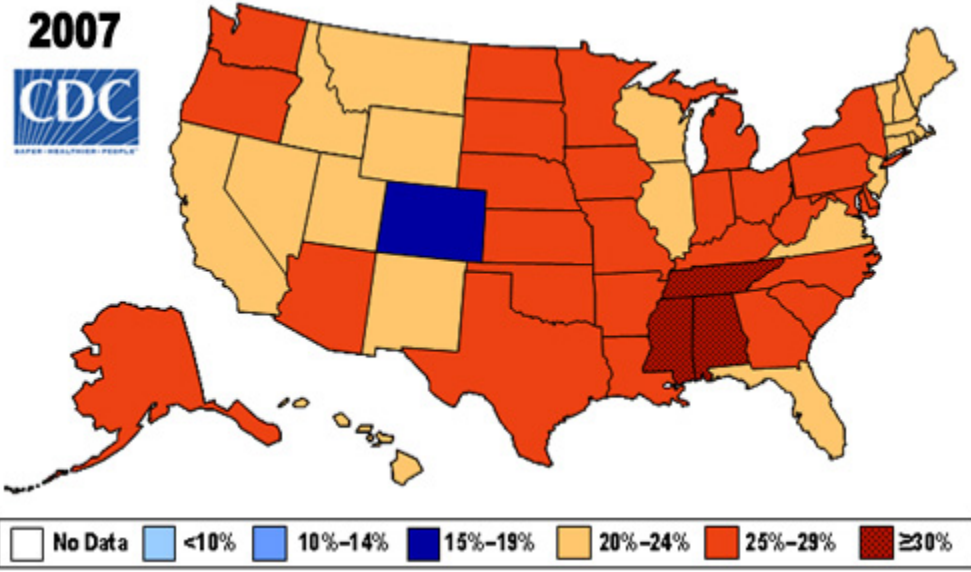
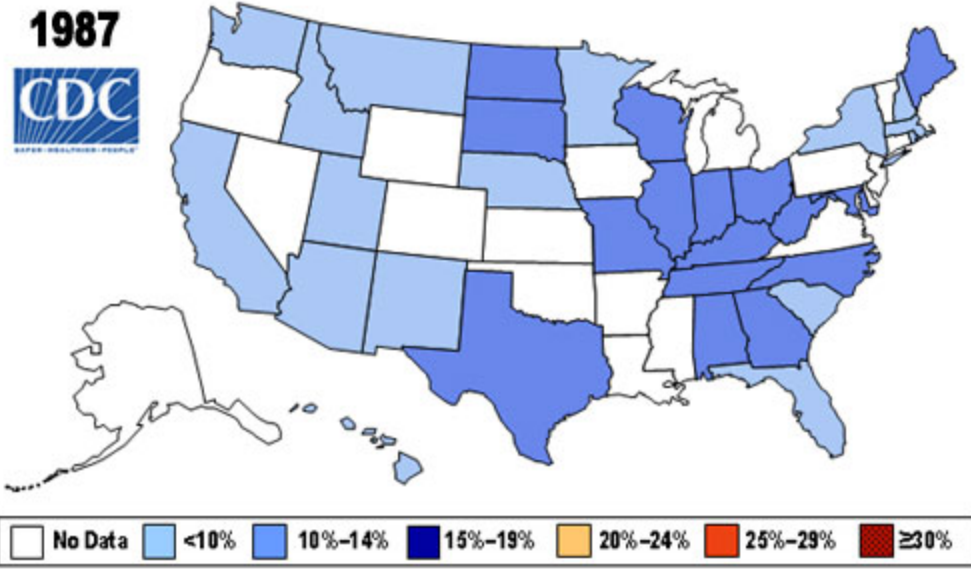
We ask that during this time of transition that the needs of safety net institutions are recognized and protected. Reimbursement policies are fraught with unintended consequences. It is imperative that low-income patients have access to high quality services, while institutions that serve those patients remain competitive in the shifting environment. During any transition period there should be constant monitoring of these safety net institutions to ensure that they can continue to provide needed services to their communities.

Public Health Initiatives

Over the years, SCAA advocated greater state funding for public health. Even when the state is facing dramatic fiscal problems, we are heartened that the Executive Budget preserves important public health programs and even finds money for some small investments to protect children.

Soft Drink Tax

Of all the proposals in the Executive Budget this year, the one that seems to have generated the most press is the tax on sugary soft drinks and juices. ***We support this tax because we believe that it will have the desired effect of reducing the consumption of these beverages which have been linked repeatedly in medical studies as one of the biggest contributors to the obesity epidemic.*** One in every four New Yorkers is obese and judging by trends, things won't improve without drastic interventions.



Obesity is linked to higher rates of any preventable illnesses such as diabetes, heart disease, cancer, asthma and hypertension. High sugary soft drink consumption increases the risk of diabetes by 83% in women according to a study in the Journal of the American Medical Association. And a study from Harvard Medical School determined that each additional 12 ounce sugary soft drink consumed per day increases the odds of a child becoming obese by 60%. Not only do these illnesses increase health care costs – including the costs of Medicaid, Child Health Plus and Family Health Plus – they take a terrible personal toll on individuals and families as well as decrease productivity and the ability to work.

If the sugary soft drink tax helps to achieve an overall 5% reduction in consumption, that would result in an average of 4,100 calories saved per year per person, or about 1.2 pounds. According to public health professionals this reduction, along with other measures to educate the public and encourage physical activity would go a long way in helping slow down the obesity epidemic.

In addition to obesity, sugary soft drinks are also one of the leading contributors to dental disease. Dental caries (tooth decay) is the single most common chronic childhood disease—5 times more common than asthma and 7 times more common than hay fever.² There is a known positive association between carbonated soft drinks and dental diseases.³ In fact, carbonated soft drinks have a ten-fold higher erosive potential as compared to juices. Children who frequently drink acidic, sugar-rich soft drinks, are at a higher risk of developing cavities (caries).⁴

Although dental caries is preventable, many children unnecessarily suffer because of poor oral care and the inability to access preventive and treatment services in a timely manner. Untreated dental disease in children can lead to chronic pain, medical complications, early tooth loss, impaired speech development, poor nutrition and resultant failure to thrive or impaired growth, inability to concentrate in school and missed school days, and reduced self-esteem.

In New York State, as of 2006, 54% of children have had a caries experience and 33% of 6-8 year olds have untreated dental caries. The caries experience increases in low socioeconomic individuals and racial minorities.⁵ Children from lower income groups in New York State, New York City, and in Rest of State experienced more caries (60%, 56%, and 66%, respectively) and more untreated dental decay (41%, 40%, and 42%, respectively). New York State spent approximately thirty million in Medicaid funding in 2006 on caries-related services (restoration, endodontics and extractions) for children less than 20 years old.⁶

We urge that for public health reasons, the Legislature pass the tax on sugary soft drinks.

Childhood Lead Poisoning

We strongly support the additional funding for childhood lead poisoning prevention (\$2.5 million). Even in these difficult economic times the investment in preventing childhood lead poisoning will save the state significant amounts of money down the road and save children and their families from the devastating personal costs of this condition. We urge that these funds be retained in the final budget.

Adult Homes

² U.S. Department of Health and Human Services, *Oral Health in America: A Report of the Surgeon General*, Department of Health and Human Services, National Institutes of Health, Editor. 2000: MD.

³ Lim, S , Sohn W,et.al, Cariogenicity of Soft Drinks, Milk and Fruit Children: A Longitudinal Study Juice in Low-Income African-American *J Am Dent Assoc* 2008;139:959-967

⁴ Jensdottir T, et al Immediate erosive potential of Cola drinks and orange juices. *J Dent Res* 2006 85(3):226-230.

⁵ New York State Department of Health, Bureau of Dental Health , *The Impact of Oral Disease in New York State*, December 2006, pg 15.

⁶ Data from the New State Department of Health Office of Health Insurance Programs.

SCAA has been a strong advocate for the needs of adult home residents with psychiatric disabilities. This population was ignored for years by public policy and the agencies charged with protecting them. Through the efforts of organizations like the New York State Coalition for Adult Home Reform (NYSCAHR) and the efforts of legal and lay advocates, the voices of adult home residents are starting to be heard here in Albany.

Fully Fund Lay Advocacy

The most important advocate for adult home residents is the Coalition for Institutionalized and Aged Disabled (CIAD). This small organization works day to day with residents directly in adult homes. Every day, CIAD:

- Informs residents of their rights and empowers them to use those rights.
- Strengthens resident councils and brings residents together to learn from each other.
- Mediates between adult home residents and adult home management.
- Works with adult home residents on individual concerns/complaints.

For many years the Legislature has recognized the accomplishments of CIAD by funding them with a small amount of money. ***We ask that this funding be fully restored so that residents can continue to have a advocate in their corner.***

We are also concerned about the funding cut to the state ombudsman program. Ombudsmen work to ensure that in areas of the state where CIAD staff can't reach that adult home residents are receiving proper services. We ask that the state ombuds program be protected.

Fully Fund QUIP and EnAble

The Executive budget also includes funding of \$2.6 million for QUIP and \$2.4 million for EnAble but this is only half of the funding that these important programs have received in the past. The Legislature must restore the funding they provided to the programs to ensure they are funded at the same level as last year: \$2.7 million for QUIP and \$1.9 million for EnAble.

QUIP and EnABLE provide an opportunity for resident empowerment. Residents vote on how they want the QUIP and EnABLE funding to be used.

- QUIP funding has been used for: clothing, increased recreational activities, telephone services and telephones in resident rooms, computers (hiring additional staff and staff trainings), furnishings, equipment, improvements to the physical environment of the facility, maintenance and repairs, air conditioning, vocational and educational opportunities, training for independent living, and ID cards.
- EnABLE funding has been used for: GED programs, outside trips such as to educational and cultural activities (botanical gardens, concerts, lectures, museums, ballparks), job and vocational training, computer training, health and wellness awareness and preventive health care skills, nutrition programs, money management, and resident medication management.

Long-Term Care

Much of the debate around long-term care will center around proposed budgetary cuts to both institutional and home- and community-based services. While SCAA has strong views on these budget cuts, we would prefer to start with the Department of Health's structural proposals – the most creative and well-thought-out proposals that the state has seen in many years.

We support the Executive Budget proposal to develop a uniform assessment tool for home care services. Today, each long-term care setting is its own planet, and each county its own universe. The uniform assessment tool is the first step toward knitting together the state's fragmented, inefficient and inequitable long-term care system. We do not favor the creation of a rigidly task-oriented tool or one that would add a layer of bureaucracy and hours of paperwork to already overloaded providers. But the Department understands these pitfalls and appears to be on track to avoiding them. While the uniform assessment tool is still in the early stages, it holds out the promise of bringing smarter government to long-term care.

We conceptually support a proposal to shift reimbursement for Certified Home Health Agencies (CHHAs) to episodes of care. Medicare already funds CHHAs based on episodes of care. Shifting Medicaid to the same system will rationalize the provision of services to clients. This change is long overdue. However, any change in reimbursement methodology is fraught with complexity and the potential for unintended consequences. So we urge the Department to step carefully and seek public input along the way.

Finally, we conceptually support the proposal to establish a Long Term Care Assessment Center in New York City, followed by expansion statewide. If implemented effectively and in good faith, this system could establish consistent standards for long-term care assessment statewide. The current system of having each county responsible for its own assessment process leads to wide variations in assessment and treatment. As a result, some senior citizens and disabled clients are almost certainly not getting the care they deserve. A Long Term Care Assessment Center would impose common statewide standards, potentially improving the quality of care while reducing its cost. However, it is a big project to take on, and we need to know much more before endorsing the specific proposal on the table.

We oppose several other proposals offered by the Department of Health:

- ***We oppose the elimination of CHHA subcontracting to licensed home care services agencies (LHCSAs).*** Some LHCSAs have played games with the state's Medicaid reimbursement, and actions must be taken to curb inappropriate activity. But this step will also punish honest LHCSAs and create unnecessary turmoil in the long-term care sector.
- ***We oppose the inclusion of personal care services in the Medicaid managed care plan benefit package.*** The personal care program suffers from the absence of a care management function for its clients. Managed care offers a viable model for embedding personal care within such a system, but only if carried out by providers with the right experience and commitment. In this case, the providers who would be

- taking charge of personal care services do not have adequate experience or demonstrated commitment to the special needs of long-term care clients.
- ***We oppose the permanent reduction of 3.5% to the reimbursement of personal care and long-term home health care.*** It is certainly understandable that the Executive Budget would call for cuts to home care providers along with everyone else. But New York is seeking to grow the home care sector as a less-expensive alternative to nursing home care. So budget cuts will have the perverse effect of making home care less attractive and forcing more clients into expensive nursing home settings. The fiscal interests of the state would be better served by apportioning these cuts elsewhere.

Thank you.