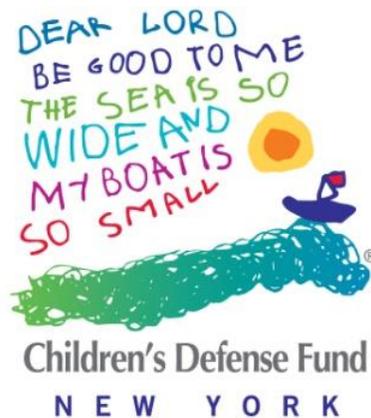


Joint Legislative Hearing on Health and Medicaid
2015-2016 Executive Budget Proposal

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Testimony of The Children's Defense Fund – New York

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The Children's Defense Fund's (CDF) Leave No Child Behind® mission is to ensure every child a healthy start, a head start, a fair start, a safe start and a moral start in life, and successful passage to adulthood with the help of caring families and communities. CDF provides a strong, effective and independent voice for all the children of America who cannot vote, lobby or speak for themselves. We pay particular attention to the needs of poor children, children of color and those with disabilities. CDF – New York's unique approach to improving conditions for children combines research, public education, policy development, community organizing and advocacy activities, making us an innovative leader for New York's children, particularly in the areas of health, education, early childhood and juvenile justice.

We would like to thank the Assembly and Senate committees for this opportunity to submit testimony on the Health and Medicaid related proposals in the Governor's Executive Budget for State Fiscal Year 2015-2016.

Overview

CDF-NY is committed to ensuring equitable, barrier-free access to health coverage for New York children and families. Governor Cuomo's Executive Budget proposal takes significant steps to advance children's access to health care. Specific proposals CDF-NY applauds include:

- Funding to support the administrative functions of the soon to be implemented Basic Health Program (BHP);
- a new broad-based funding mechanism for funding the New York State of Health: The Official Health Plan Marketplace ("The Marketplace");
- \$2.5 M in funding for state-wide consumer enrollment assistance programs.
- \$5 M in funding to promote coordination between health homes and the criminal justice system.
- Raising the age of criminal responsibility to facilitate rehabilitation and improve safety and mental health outcomes for adolescents.

We believe these initiatives will enable New York to extend health care coverage to its most vulnerable populations. However, CDF-NY urges the Legislature to act to further safeguard children's access to care and more broadly promote greater connectivity to critically needed health care services. We request that the Legislature:

- Expand the BHP to further extend coverage to New Yorkers, specifically immigrant populations and unaccompanied minors.
- Fully fund the Consumer Assistance Enrollment program at \$5M, an additional \$2.5M more than the Executive Budget proposal.
- Support designated funding to guarantee that children maintain access to crucial school-based health center and behavioral health care services during these transitions.

CDF-NY is a steering committee member of the Health Care for All New York (HCFANY) coalition, a statewide coalition of over 170 organizations dedicated to securing quality, affordable health coverage for all New Yorkers. Our testimony today reflects several items on the HCFANY legislative agenda for the 2015-2016 New York State Budget.

Basic Health Program – Administrative Funding

The implementation of New York's Basic Health Program (BHP), established in last year's budget, will help secure continuity of coverage for many low and moderate income New Yorkers. The BHP will extend coverage to individuals earning between 133% and 200% of the federal poverty level (FPL) and

legally present immigrants earning up to 200% FPL at little to no monthly premium and cost sharing. The BHP will additionally help to secure continuity of care for children. Studies have shown that when parents have consistent and reliable access to health coverage, children are better able to access health care services. One out of three children covered by the state's Child Health Plus program is from a family earning between 150% and 200% FPL. It is precisely the parents of these children that will benefit from access to the BHP. These children will likely become more securely connected to care once their parents are able to do so themselves.

CDF-NY strongly supports Governor Cuomo's allocation of funding for New York State's Basic Health Program in his FY2015 Executive Budget. The BHP is poised to save the state approximately \$300 million, which will go towards ensuring the Medicaid budget remains below the global cap. This savings will be achieved by an influx of federal dollars used to cover populations of New Yorkers under the BHP. While federal dollars provide funding for covered services, federal restrictions keep the state from using this funding for administrative purposes. Accordingly, the state must make an investment of state dollars to finance the administrative tasks of the program. Successful implementation of the Basic Health Program will guarantee efficient implementation and help extend coverage to many low- and moderate-income families, thus facilitating better access to care for children living near the poverty line.

Basic Health Program – Immigrant Coverage

Undoubtedly, the BHP will open up affordable, comprehensive coverage for many New Yorkers earning below 200% FPL. Several immigrant groups, however, will be excluded from coverage under the proposed BHP eligibility standards. CDF-NY asks the Legislature to ensure that all classes of immigrants, who are income eligible, be able to enroll in the BHP. Where certain immigrant populations are not eligible for federal matching funds, the state should use state funding to offer BHP coverage to these populations.

Under *Aliessa v. Novello*, certain groups of immigrants, those defined as Permanent Residents Under Color of the Law (PRUCOL), are guaranteed access to state-funded Medicaid coverage even if they do not elicit federal matching funds. The ruling deemed these same immigrant populations, contingent upon income eligibility, eligible for New York's Family Health Plus program, which will be replaced by the Basic Health Program. As the Basic Health Program's eligibility requirements are currently drawn, the majority of this population is eligible for federal funding under the Basic Health Program, but certain subpopulations are ineligible for Marketplace federal assistance and thus ineligible for participation in the Basic Health Program. CDF-NY believes each subpopulation of PRUCOL immigrants deserve access to coverage under the BHP, as they would have under Family Health Plus.

CDF-NY urges the Legislature to act to ensure that immigrant populations currently ineligible for BHP are given access to coverage through an allocation of state dollars to develop a state-only BHP and asks the Legislature to consider using the Basic Health Program as a mechanism for extending coverage to undocumented New Yorkers.

Broad Based Funding for the NY State of Health: Official Health Plan Marketplace

The Governor's Budget includes a proposal that would enact a small assessment on health insurance plans to finance the operation of the Marketplace. This new assessment, rendered on plans sold on and off the

Marketplace, will enable the Marketplace to continue enrolling substantial numbers of New Yorkers in affordable coverage, while minimally increasing insurance premiums by no more than \$25 annually. **CDF-NY supports this legislation because of its potential to support children and families in accessing health coverage.** New York's Marketplace has been a leader in national enrollment, connecting nearly 2 million New Yorkers with health insurance coverage since the Marketplace opened in October 2013. These impressive enrollment numbers can be attributed to the strong functionality of a well-funded Marketplace. **To maintain such high enrollment figures, the Legislature should support and approve this new funding mechanism proposed in Part G of the Governor's Health and Mental Hygiene Article VII Legislation.**

Consumer Assistance

The Governor's FY2015 Executive Budget provides \$2.5M for state-wide consumer assistance through the Community Health Advocates program, which offers case management and complex system navigation assistance for health insurance consumers. While we strongly support the budget allocation included in the Governor's Budget, fully funding the program at \$5M will create a broader network of support, particularly upstate, that meets the demand for post-enrollment dispute resolution. **CDF-NY asks the Legislature to fully finance the Community Health Advocates program at \$5M.**

School-based Health Center Funding

School-based Health Centers (SBHCs) are critical health care access points for over 160,000 New York children. For many students, SBHCs are the only option for receiving comprehensive health care services, including primary care, chronic disease management, behavioral health care services and more. The state has slated SBHCs providers to transition from fee-for-service Medicaid into Medicaid managed care beginning on July 1, 2015. Without careful consideration given to the unique nature of this service and the vulnerable populations that access it, the transition could threaten the financial viability of SBHCs, causing a potential loss of \$16.2 million in reimbursement statewide, and could weaken the existing school-health infrastructure. SBHCs must be held harmless during this transition to ensure students' maintain access to appropriate, high-quality school-based health care.

Given the already fragile nature of SBHC financing, CDF-NY asks the Legislature to restore funding for SBHCs at last year's level of \$21.2M. The Executive Budget proposal eliminates this discrete funding stream for SBHCs. Instead, funding for 41 health programs would be consolidated into the Maternal and Child Health block grant, reducing overall funding by 15 percent. Under this proposal, SBHCs would need to compete with other programs for Maternal and Child Health block grant funding for less available funding. **Additionally, CDF-NY asks the Legislature to restore \$557,000 in HCRA funding to support core services for children and adolescents served by SBHCs.** *These grants are a critical source of funding accounting for 42 percent of total funding,* allowing SBHCs to provide a comprehensive array of services that promote substantial improvements to children's health. These funding sources allow SBHCs to provide services that may not be typically covered by Medicaid, or may not be reimbursed under public insurance programs because of confidentiality concerns, such as reproductive and behavioral health services.

Children's Behavioral Health Funding

In its current form, the children's behavioral health infrastructure does not have the capacity to meet the high prevalence of need among children. The State plans to bring certain children's behavioral health services into mainstream Medicaid managed care beginning on January 1, 2016. The movement of special populations of children, who currently receive services through fee-for-service Medicaid and/or daily per diems such as children with serious emotional disturbance, developmental disabilities, and children in foster care into managed care, if not handled properly, could further weaken this infrastructure. With the level of service access already so low, children cannot afford to have their behavioral health treatment options limited any further.

The Governor's Budget includes a number of separate allocations for the transition of both the child and adult behavioral health populations into Medicaid managed care. The budget re-appropriates \$20M from last year for the behavioral health transition, including \$6M for provider training, \$12M for health technology for non-Medicaid providers, and \$2M for country regional planning efforts, as well as \$68M for the Balancing Incentive Program managed care preparedness funding. The budget also includes \$22.5M to implement the children's health home program, which will be essential to the behavioral health transition.

CDF-NY supports the Governor's inclusion of this funding for children's behavioral health initiatives in his FY2015 Budget. However, we recognize that it falls short of adequately addressing the needs of children's behavioral health providers and consumers. CDF-NY, along with a coalition of children's behavioral health advocates, believes that New York State should set aside 25 percent of the allocated transition funds to address critical infrastructure needs that will prepare children's behavioral health providers, by facilitating:

- **Provider readiness;**
- **Workforce development;**
- **A robust benefit package;**
- **Rapid access to acute stabilization services;**
- **Expanded early childhood mental health services; and**
- **Enhanced intermediate levels of care.**

Dedicated funding is critically needed to preserve and, eventually, enhance children's access to behavioral health services. By setting aside funding to support provider infrastructure, the State can help ensure that children's behavioral health needs are met.

Child Health Plus Rate Setting for Behavioral Health Services

Inadequate reimbursement rates are a chief reason for the insufficiency of the children's behavioral health infrastructure. On average, providers receive approximately \$67 for an outpatient behavioral health visit for a child covered under Child Health Plus. The APG rate for the same service is approximately \$130.¹ Under the existing rate structure, clinics that provide critical services to a patient population that consists of a larger percentage of Child Health Plus consumers find it more difficult to remain financially sustainable. The proposed increase in reimbursement will enable clinics to better meet the critical

¹ New York State Coalition for Children's Mental Health Services, "Testimony of Andrea Smyth, Executive Director: The Joint Legislative Budget Hearing on Mental Hygiene." February, 2014.

behavioral health care needs of children. Connecting children to quality, community-based outpatient behavioral health care improves a child's overall health and social outcomes, while promoting a more efficient use of care. For these reasons, **CDF-NY supports the Governor's proposal to align Child Health Plus rates for ambulatory behavioral health services with the existing Ambulatory Patient Group (APG) rate as outlined in Part C of the Governor's Health and Mental Hygiene Article VII Legislation.**

Health Homes and Criminal Justice System Coordination

The Governor's Budget includes \$5M in funding to promote coordination between health homes and the criminal justice system. **CDF-NY supports the Governor's allocation to support coordination of care in this way.** Better coordination between the criminal justice system and health care providers and insurers will help secure not only better health care outcomes for justice-involved adolescents and young adults, but also improved social and educational outcomes. Specifically, appropriately connecting youth to services upon release from criminal justice settings helps to encourage successful re-entry, reduce recidivism and maintain public safety.

Raising the Age of Criminal Responsibility

The Governor's Executive Budget includes a proposal to Raise the Age of Criminal Responsibility. New York is one of only two states in the country to automatically charge youth as adults at the age of 16 years old. In 2013, 34,000 16 and 17 year olds were arrested and involved in New York's adult criminal justice system, subject to adult jails and prisons, and saddled with criminal records that negatively impact the rest of their lives. Processing young people in the adult criminal justice system increases their likelihood of being abused, and increases the likelihood that they will recidivate and return to the criminal justice system in the future. The Governor's proposal would raise the age of criminal responsibility to 18 years old by 2018, remove all youth under 18 from adult prisons and jails and provide diversion and other treatment and mental health services to justice-involved youth and families. **CDF-NY supports raising the age of criminal responsibility and believes these important elements of the Governor's proposal will facilitate rehabilitation and improve safety and mental health outcomes for adolescents.**

Thank you for carefully considering our testimony. If you have any questions or you would like further information, please contact me at aleonard@childrensdefense.org or (212) 687-0642.