

BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

JOINT LEGISLATIVE HEARING

In the Matter of the
2025-2026 EXECUTIVE BUDGET
ON HEALTH

Hearing Room B
Legislative Office Building
Albany, New York

February 11, 2025
9:34 a.m.

PRESIDING:

Senator Liz Krueger
Chair, Senate Finance Committee

Assemblyman J. Gary Pretlow
Chair, Assembly Ways and Means Committee

PRESENT:

Senator Thomas F. O'Mara
Senate Finance Committee (RM)

Assemblyman Edward P. Ra
Assembly Ways & Means Committee (RM)

Senator Gustavo Rivera
Chair, Senate Committee on Health

Assemblywoman Amy Paulin
Chair, Assembly Committee on Health

Senator Jamaal T. Bailey
Chair, Senate Committee on Insurance

2025-2026 Executive Budget
Health
2-11-25

PRESENT: (Continued)

Assemblyman David I. Weprin
Chair, Assembly Committee on Insurance

Senator Patrick M. Gallivan

Senator John C. Liu

Assemblyman Khaleel M. Anderson

Senator Brad Hoylman-Sigal

Assemblyman Edward C. Braunstein

Senator Pamela Helming

Assemblyman John T. McDonald III

Assemblywoman Jessica González-Rojas

Senator Daniel G. Stec

Assemblyman Jake Ashby

Assemblywoman Michaelle C. Solages

Assemblyman Jarett Gandolfo

Assemblyman Josh Jensen

Assemblymember Alex Bores

Assemblywoman Jen Lunsford

Senator Lea Webb

Assemblyman Jake Blumencranz

2025-2026 Executive Budget
Health
2-11-25

PRESENT: (Continued)

Senator George M. Borrello

Assemblywoman Nikki Lucas

Assemblywoman Dr. Anna R. Kelles

Senator Samra G. Brouk

Assemblywoman Jo Anne Simon

Senator Steven D. Rhoads

Assemblyman Jonathan G. Jacobson

Assemblywoman Karines Reyes

Assemblyman Harvey Epstein

Senator Nathalia Fernandez

Assemblyman Andrew Hevesi

Senator Julia Salazar

Assemblywoman Jodi Giglio

Senator Christopher J. Ryan

Assemblyman Steven Otis

Assemblyman Matt Slater

Senator Jack M. Martins

Assemblyman Demond Meeks

Assemblywoman Linda Rosenthal

Assemblyman Daniel J. Norber

Assemblyman Simcha Eichenstein

2025-2026 Executive Budget
 Health
 2-11-25

PRESENT: (Continued)

Senator Joseph A. Griffo
 Assemblyman Ken Blankenbush
 Assemblywoman Phara Souffrant Forrest
 Senator Robert Jackson
 Assemblyman Patrick J. Chludzinski
 Assemblyman Brian Maher
 Senator Kristen Gonzalez
 Assemblyman Philip A. Palmesano
 Assemblyman Noah Burroughs
 Senator Bill Weber

LIST OF SPEAKERS

	STATEMENT	QUESTIONS
Dr. James V. McDonald Commissioner NYS Department of Health		
-and-		
Amir Bassiri NYS Medicaid Director		
-and-		
Adrienne Harris Superintendent NYS Department of Financial Services	20	39

2025-2026 Executive Budget
 Health
 2-11-25

LIST OF SPEAKERS, Continued

STATEMENT QUESTIONS

Bea Grause President Healthcare Association of NYS (HANYS)		
-and-		
Leon Bell Director of Public Policy NYS Nurses Association		
-and-		
Cora Opsalh Director, Health Fund 32BJ Benefit Fund		
-and-		
Helen Schaub Vice President and Interim Political Director 1199SEIU		
-and-		
Kenneth E. Raske President Greater New York Hospital Association	301	317

2025-2026 Executive Budget
 Health
 2-11-25

LIST OF SPEAKERS, Continued

STATEMENT QUESTIONS

Louise Cohen		
CEO		
Primary Care Development		
Corporation		
-and-		
Mia Wagner		
Senior Health Policy Analyst		
Community Service Society of NY		
-on behalf of-		
Health Care for All		
New York Campaign		
-and-		
Lara Kassel		
Coalition Coordinator		
Medicaid Matters New York		
-and-		
Eric Linzer		
President & CEO		
NY Health Plan Association	361	375

2025-2026 Executive Budget
 Health
 2-11-25

LIST OF SPEAKERS, Continued

STATEMENT QUESTIONS

Bill Hammond Senior Fellow for Health Policy Empire Center -and- Sebrina Barrett President & CEO LeadingAge New York -and- Linda Beers President New York State Association of County Health Officials -and- Megan C. Ryan CEO & President Chief Legal Officer Nassau Health Care Corporation -and- Rose Duhan President & CEO Community Health Care Association of NYS	401	419
---	-----	-----

2025-2026 Executive Budget
 Health
 2-11-25

LIST OF SPEAKERS, Continued

STATEMENT QUESTIONS

Jonathan Teyan
 President & CEO
 Associated Medical Schools
 of New York

-and-

Katelynn Ethier
 Executive Director
 New York American College of
 Emergency Physicians

-and-

Christopher R. Arnold
 Mid-Atlantic Region Liaison
 United States Department of
 Defense State Liaison Office

-and-

Dr. Paul Pipia
 Immediate Past President
 Medical Society of the
 State of New York

459

472

2025-2026 Executive Budget
 Health
 2-11-25

LIST OF SPEAKERS, Continued

STATEMENT QUESTIONS

Michael Grossfeld President Agencies for Children's Therapy Services (ACTS) -and- Maureen O'Grady Chair, Public Policy Committee New York State Association for Behavior Analysis -and- James Spiers Founding Member New York Water Safety Coalition -and- Brigit Hurley Chief Program Officer The Children's Agenda -and- Maggie Collins Director of Public Policy Alliance of NYS YMCAs	496	513
---	-----	-----

2025-2026 Executive Budget
 Health
 2-11-25

LIST OF SPEAKERS, Continued

STATEMENT QUESTIONS

Kristin DeVries Director, Government Relations NYS Health Facilities Association/ NYS Center for Assisted Living (NYSHFA NYSCAL) -and- Lindsay Heckler Managing Attorney Center for Elder Law & Justice -and- Chris Vitale Legislative Director Empire State Association of Assisted Living -and- Dan Lowenstein Senior Vice President of Government Affairs VNS Health	526	539
--	-----	-----

2025-2026 Executive Budget
 Health
 2-11-25

LIST OF SPEAKERS, Continued

STATEMENT QUESTIONS

Bryan O'Malley
 Executive Director
 Consumer Directed Action
 of New York

-and-

Lindsay Miller
 Executive Director
 New York Association on
 Independent Living (NYAIL)

-and-

Ilana Berger
 Political Director
 Caring Majority Rising

-and-

Al Cardillo
 President & CEO
 Home Care Association of
 New York State

-and-

Amy Robins
 Senior Director of Policy
 PHI

563

580

2025-2026 Executive Budget
 Health
 2-11-25

LIST OF SPEAKERS, Continued

STATEMENT QUESTIONS

Alec Ferretti
 Director
 Association of Professional
 Genealogists
 -and-
 D. Joshua Taylor
 President & CEO
 NY Genealogical and
 Biographical society
 -and-
 Reverend Dustin G. Longmire
 Cochair
 Schenectady County Food Council
 Advocacy and Empowerment
 Working Group
 -and-
 Dickran Jebejian
 Director of Policy
 Met Council
 -and-
 Alyson Rosenthal
 Chief Program Officer
 West Side Campaign Against Hunger
 -and-
 Natasha Pernicka
 Executive Director
 The Alliance for a
 Hunger Free New York
 -and-
 Angela Pender-Fox
 Associate Executive Director
 The Food Pantries for the
 Capital District

607

630

2025-2026 Executive Budget
 Health
 2-11-25

LIST OF SPEAKERS, Continued

STATEMENT QUESTIONS

Jeanne M. Chirico
 President & CEO
 Hospice and Palliative Care
 Association of NYS

-and-

Michael Davoli
 Senior Government Relations
 Director

American Cancer Society
 Cancer Action Network
 (ACS CAN)

-and-

Corinne Carey
 Senior Campaign Director
 Compassion & Choices

-and-

Charles King
 President & CEO
 Housing Works

654

666

CHAIRWOMAN KRUEGER: Hi. My name is Liz Krueger. I am the chair of the Senate Finance Committee.

I am joined by my partner in these budget hearings, Gary Pretlow, the new chair of the Ways and Means Committee for the Assembly -- although I feel like he pretty much has the hang of it already.

We're going to start out by just giving you a couple of rules of the road for the day before I officially open the hearing.

So people always get confused, so we keep trying to repeat these all the time. There's these clocks here that if you're on the dais you can see the time, and if you're testifying you can see the time. So government representatives get 10 minutes each to testify. Everyone else, on all the other panels for the rest of the day, only get three minutes to testify.

Then, for asking questions of the government panel, the chairs of the relevant committees get 10 minutes. The

rankers of the relevant committees get five minutes. Everyone else gets three minutes to ask questions, both of the government panel and then for the rest of the day -- and it's going to be a long day; get comfortable in your chairs, everyone -- we all just get three minutes to ask and answer.

Perhaps the most important thing to remember about this exercise in democracy: That clock is for you to ask the question and have time to get the answer.

So some of my colleagues enjoy asking a three-minute question and then they stare at you as the red light goes beep, beep, beep. You don't get to answer. They don't get an answer. You might be able to say "I could get back to you later at another time." And we encourage you to try to answer as many of our questions as possible and to follow up with us.

But it's usually us who don't seem to grasp that if you use up all your time asking questions, you don't give anybody

1 time to answer you.

2 The other I guess rule of the road
3 that I advise, even if you're sending us
4 30 pages of testimony -- and it goes up on
5 the website for everyone in the State of
6 New York to look at, and all of us have it --
7 you have so little time to present, practice
8 in advance what your bullet points of the
9 most important issues are, rather than
10 attempting to read your testimony.

11 When I see someone come in and they
12 start to open their pages I just want to go
13 oh, no, no, no, this isn't going to work.

14 So I try to tell everybody in the
15 beginning, bullet-point your most important
16 highlights. Again, we all have the written
17 testimony, and it is online on both the
18 Senate and Assembly budget hearing websites,
19 and all 19.5 million New Yorkers get to read
20 it and even follow up with you.

21 Okay. So with that, I think those are
22 the general rules of the road. So now I'm
23 going to officially open the hearing.

24 So good morning. I'm Senator Liz

1 Krueger, chair of the New York Senate Finance
2 Committee and cochair of today's budget
3 hearing.

4 Today is the seventh of 14 hearings
5 conducted by the joint fiscal committees of
6 the Legislature regarding the Governor's
7 proposed budget for the state fiscal year
8 '25-'26. These hearings are conducted
9 pursuant to the New York State
10 Constitution and Legislative Law.

11 Today the Senate Finance Committee and
12 Assembly Ways and Means Committee will hear
13 testimony concerning the Governor's proposed
14 budget for the following agencies:
15 Department of Health, Department of Financial
16 Services.

17 Following each testimony there will be
18 some time for questions from the chairs of
19 the relevant committees, and then also other
20 legislators will have time to ask as well.

21 I'm now going to introduce members
22 from the Senate, and Assemblymember Gary
23 Pretlow, chair of Ways and Means, will
24 introduce members of the Assembly.

1 And then we will also make sure that
2 Senator Tom O'Mara, ranking member of
3 Finance, introduces his members and
4 Senator Ra -- Senator? -- Assemblymember Ra
5 introduces his members from the minority in
6 the Assembly.

7 And I'm just pulling up my list. Of
8 course we have Gustavo Rivera, the chair of
9 the Health Committee. We have Senator Brouk,
10 Senator Fernandez, Senator Ryan,
11 Senator Webb, Senator Hoylman-Sigal.

12 I'm going to turn it over to Gary for
13 the Assembly.

14 CHAIRMAN PRETLOW: Thank you, Senator.

15 With us we have our chairperson of the
16 Health Committee, Amy Paulin, and chair of
17 the Insurance Committee, David Weprin. We
18 also have with us Assemblymember Bores,
19 Assemblyman Epstein, Assemblywoman Forrest,
20 Assemblyman Hevesi, Assemblywoman Lunsford,
21 Assemblyman McDonald, Assemblyman Otis, and
22 Assemblywoman Solages.

23 CHAIRWOMAN KRUEGER: And then
24 Senator O'Mara, for your members.

1 SENATOR O'MARA: Yes, thank you.

2 We're joined on the minority side with
3 our ranking member of the Health Committee,
4 Pat Gallivan, and Senators Jack Martins and
5 Joe Griffo.

6 CHAIRWOMAN KRUEGER: Great.

7 Assemblymember Ra?

8 ASSEMBLYMAN RA: Good morning.

9 We are joined right now by our ranker
10 on Health, Assemblyman Josh Jensen, as well
11 as Assemblymembers Norber, Slater and
12 Gandolfo.

13 CHAIRWOMAN KRUEGER: Okay, great.

14 So now we're going to start with our
15 first panel, for people who have the list,
16 and that is New York State Department of
17 Health, James McDonald, commissioner;
18 New York State Department of Health,
19 Amir Bassiri, Medicaid director; and New York
20 State Department of Financial Services,
21 Adrienne Harris, superintendent.

22 And I think we probably should go in
23 that order, if that's okay with you all. You
24 each get 10 minutes. Thank you.

1 DOH COMMISSIONER McDONALD: Well, good
2 morning, Chairpersons Krueger, Pretlow,
3 Rivera and Paulin. It is good to be with you
4 here today to talk about the Governor's
5 budget for next year.

6 And I want to make sure people know
7 Amir Bassiri, who's joining me today, is our
8 Medicaid director, to help me out with any
9 Medicaid-specific questions I may not know.

10 One of the things we did in 2024 was
11 update the mission of the New York State
12 Department of Health. Our mission is to
13 protect and promote the health and well-being
14 for all, built on a foundation of health
15 equity. And that mission hasn't changed. I
16 think it's more important today than it ever
17 was.

18 Before I get into the budget, I do
19 want to acknowledge we're going through a
20 federal transition. It's creating a little
21 bit of impact for our budget and just in
22 general, and we're in Day 22 of the
23 transition so far.

24 And the budget that we're going to

1 talk about was predicated on the federal
2 government fulfilling its obligation to
3 New Yorkers, maintaining its existing
4 agreements with the New York State Department
5 of Health. We do expect the federal
6 government to honor these commitments that it
7 made to the people of New York.

8 I do want to provide a little bit of
9 context about the budget. We're at a
10 \$252 billion state budget. It's an increase
11 of 13 billion from last year. The entire
12 Department of Health budget that's proposed
13 in front of you today is 113.6 billion.

14 So the Department of Health is
15 45 percent of the entire state budget. We're
16 an increase of a little over 8 billion from
17 last year. Medicaid's a little over
18 \$93 billion, up from \$86 billion last year.
19 And the essential plan accounts for
20 13.2 billion. And that leaves 7 billion for
21 the department to do everything else it does.
22 That's all of our public health work,
23 everything we do for WIC, everything we do
24 for Early Intervention, Wadsworth and really

1 so much more.

2 And just as a note of context again,
3 so in total roughly 65 percent of the
4 Department of Health's budget comes from
5 federal funds, and it's primarily from
6 Medicaid, the Essential Plan, federal grants,
7 WIC, all that tied together. And I do think
8 it's important to note that Medicaid does so
9 much more than provide direct patient care.
10 The 1115 amendment we did was a good example:
11 How it's going to improve population health,
12 expand and enhance our healthcare workforce,
13 and help safety-net hospitals.

14 Medicaid currently insures 7 million
15 New Yorkers, down from a peak of 8 million
16 during the public health emergency.

17 The Essential Plan covers 1.6 million
18 New Yorkers, an increase of 400,000, mostly
19 because of changes we made last year that
20 allowed more people to be eligible for the
21 Essential Plan.

22 This budget does build off last year's
23 Safety Net Transformation Program by
24 investing \$1 billion for capital

1 expenditures, an additional 300 million --
2 that's 600 with the federal match -- in
3 operating support for the MCO Assessment and
4 for the approved Safety Net Transformation
5 projects.

6 Other investments from the MCO
7 Assessment include up to 305 million -- 610
8 with the federal match -- for hospitals; up
9 to 200 million, so 400 million with the
10 federal match, for nursing homes and
11 long-term care; and up to 50 million --
12 100 million with the federal match -- for
13 physician fees to help physician fees come up
14 to 90 percent of Medicare from 80 percent.

15 There's an additional 10 million --
16 20 million with the match -- for Federally
17 Qualified Health Centers.

18 I do want to talk about a little bit
19 about workplace. The department has a
20 comprehensive approach to supporting the
21 healthcare workforce. This includes our
22 \$694 million investment under the
23 1115 waiver. It also includes 48 million in
24 that space for loan repayment. And we

1 partner with you in several workforce
2 initiatives. One's the Area Health Education
3 Centers. We also partner on our Diversity in
4 Medicine initiative. We also have
5 22.5 million in our Increasing Training
6 Capacity of Statewide institutions. We also
7 have roughly \$20 million in our Healthcare
8 Education and Life Skills Program.

9 One of the things that we keep
10 hearing, though, as we go through our various
11 healthcare facilities is how much they're
12 concerned about scope of practice in their
13 workforce. So there are a couple of
14 proposals I'll just mention really quickly.

15 One is joining the other 49 states so
16 a medical assistant can give a vaccine.
17 Thank you to Chair Paulin for meeting with us
18 and for your interest on this.

19 Another is, you know, nursing homes
20 have asked us, could a certified medication
21 aide give a medicine in a nursing home, like
22 38 states make this possible. I think those
23 are really good things we should do.

24 There's other proposals here regarding

1 emergency medical services. One is for
2 New York to have EMS be an essential service,
3 so when someone calls 911 there's an
4 ambulance there no matter where they are in
5 the state.

6 And the other proposal this year in
7 EMS is really to get strategic plans for all
8 of our county EMS agencies. There's
9 \$5 million in the budget so each one of our
10 EMS services can do that.

11 I just want to talk a little bit about
12 the investment this year in nutrition. So
13 access to healthy food -- I think we all know
14 healthy food is really, really important.
15 This year we have an additional 23.3 million
16 for our Hunger Prevention and Nutrition
17 Program, which brings our total investment to
18 57 million. That's a -- we have another
19 \$5 million boost to our Nourish New York
20 program, bringing our total investment to
21 \$55 million.

22 There's an increase of 9.5 million to
23 our WIC program. So that's going to bring
24 our total state investment to 26.3 million,

1 and we add that to our 578 that we get from
2 the federal government. We haven't had
3 waiting lists for WIC in 30 years, and hoping
4 we're not going to have them this year as
5 well.

6 Additionally, there's a proposal for
7 universal free breakfast and lunch for kids
8 in school that would save kids up to \$1600
9 per child, helping expand eligibility to an
10 additional 300,000 students.

11 I was intrigued by the Governor's
12 Unplug and Play proposal, a nice investment
13 in playgrounds and parks, encouraging our
14 kids to get outside and off those cellphones.
15 And it's great to see there's a proposal so
16 that kids aren't using cellphones in school.
17 It's \$138.5 million for the schools to
18 implement the program they need.

19 There's also a \$5 million investment
20 this year to help kids swim, so for swimming
21 lessons. It's hopefully something we can do
22 to get kids exercising and, just as
23 importantly, prevent accidental drowning.

24 The department does a lot with

1 overdose work. You know, we're making some
2 progress as a state. If you look at the most
3 recent available data, August of '24 to
4 August of '23, there's a 24 percent decline.

5 There's two proposals in this budget
6 to make buprenorphine more available, one for
7 paramedics, the other for anyone in a
8 healthcare facility, aligning with the
9 federal law.

10 I want to shift now and just talk
11 about there's an investment in reproductive
12 health, an additional \$20 million to build on
13 previous support so providers can do
14 medication abortions.

15 And I do want to just talk a little
16 bit about maternal health. We have a pretty
17 comprehensive program towards maternal
18 health. It's a very important issue to me.

19 In addition, we have \$4.5 million
20 annually to work collaboratively to improve
21 clinical quality of care within our regional
22 perinatal centers.

23 Additionally, we leverage funds from
24 Medicaid, including our \$50 million two-year

1 investment to support specific birthing
2 hospitals' initiatives so they can implement
3 strategies like reducing maternal mortality
4 and reducing severe maternal morbidity.

5 Contracts have been awarded to nine
6 hospitals, and projects include implementing
7 strategies to reduce unnecessary C-sections,
8 fetal heart rate monitoring training for
9 providers and nursing staff, and expanding
10 doula programs and services and reducing
11 disparities in maternal health through racial
12 equity, implicit bias, and
13 trauma-informed-care trainings for staff.

14 The budget also includes a continued
15 annual funding of \$5 million to promote
16 women's health, \$4 million to address
17 maternal mortality, and \$33 million to
18 address maternal and infant mortality.

19 Other maternal health initiatives
20 outlined in this budget include paying a
21 birthing person on public assistance a
22 hundred dollars per month during pregnancy
23 and \$1200 when their baby is born, to assist
24 with expenses.

1 In closing, we're at a unique time in
2 our nation's history, and this budget is
3 predicated on the federal government honoring
4 our agreements. I'm hoping we can work
5 together to help all New Yorkers achieve
6 health. And we define health as an optimal
7 state of physical, mental and social
8 well-being.

9 And thank you. I look forward to your
10 questions today.

11 CHAIRWOMAN KRUEGER: Thank you (mic
12 off; inaudible).

13 DFS SUPERINTENDENT HARRIS: Good
14 morning, Chairs Krueger, Pretlow, Bailey,
15 Weprin, Rivera, and Paulin, ranking members
16 O'Mara, Ra, Helming, Blankenbush, Gallivan
17 and Jensen, and all distinguished members of
18 the New York State Assembly and Senate.

19 My name is Adrienne Harris, and I am
20 the superintendent of the Department of
21 Financial Services. Thank you for inviting
22 me to today's hearing.

23 Today DFS is widely considered one of
24 the premier financial regulators in the

1 world, a role we take seriously. The
2 department's mission dictates our
3 responsibility to protect consumers and
4 markets while also helping to grow a robust
5 and thriving marketplace where companies want
6 to do business.

7 But when I joined the department more
8 than three years ago, it was underfunded and
9 without adequate investment in human capital,
10 technology or risk management procedures.
11 Thanks to the support of the Governor and the
12 Legislature, we are rebuilding DFS.

13 Today I will highlight three areas as
14 a testament to our transformation: Our
15 positive impact on New Yorkers, how we have
16 cemented DFS as a preeminent global
17 regulator, and all we have done to create a
18 modern, operationally resilient organization.

19 Central to transforming DFS is our
20 expanded focus on kitchen-table issues that
21 directly impact the lives of New Yorkers.
22 During my tenure we have returned
23 \$645 million to New Yorkers, setting record
24 highs for restitution each year. In 2024

1 alone, we returned more than \$228 million to
2 consumers.

3 We have increased access to affordable
4 banking services, allowing state-chartered
5 institutions to offer "Bank On" accounts and
6 approving seven new banking development
7 districts across the state. We saved
8 New Yorkers \$22 million in check-cashing fees
9 by creating a fairer fee methodology, and
10 have proposed regulations to expand the
11 community recidivist renovate reinvestment
12 act to non-bank mortgage lenders and to
13 eliminate exploitative overdraft fees.

14 We have protected consumers from
15 discrimination in insurance products, setting
16 clear guardrails around the use of AI and
17 underwriting and prohibited insurers from
18 discriminating against affordable housing
19 providers in their coverage and rate
20 decisions.

21 Further, we prohibited life insurers
22 from offering inferior products to low-income
23 households and consumers of color.

24 We are taking steps to address the

1 cost of prescription drugs through our
2 regulation of pharmacy benefit managers.
3 Since DFS was given the authority to regulate
4 PBMs in 2022, we have hired more than
5 25 experts to our PBM team, completed the
6 licensure of all PBMs operating in the state,
7 and adopted market conduct regulations.

8 And we are tackling the health equity
9 gap by eliminating cost-sharing for insulin
10 and ensuring New Yorkers have timely access
11 to mental health and substance use
12 treatments.

13 We also have proposed a regulation
14 requiring health insurers to collect
15 voluntarily disclosed demographic data from
16 policyholders. This information can be used
17 to develop data-driven policy solutions to
18 combat discrimination and address systemic
19 health inequities.

20 Beyond creating and promulgating
21 policies to empower and protect New Yorkers,
22 we continue to strengthen DFS's role as a
23 global regulator. Since August 2021, DFS has
24 adopted or amended 54 regulations, issued 98

1 pieces of regulatory guidance, and closed 117
2 enforcement actions resulting in more than
3 \$418 million in penalties.

4 But we do not churn out new rules or
5 guidance for the sake of it. We prioritize
6 data-driven decision making and strive for
7 flawless execution. In turn, other states
8 and jurisdictions have followed our lead.
9 Our nation-leading cybersecurity regulations
10 have been adopted by over half of states and
11 both national associations for banking and
12 insurance commissioners have published model
13 laws based on it.

14 In 2023 we amended the regulation to
15 keep pace with the evolving cybersecurity
16 landscape, and to better protect financial
17 institutions and consumers from cyber
18 threats.

19 DFS also has been a pioneer in the
20 regulation of cryptocurrency, yet when I came
21 to DFS we had a lot of work to do to
22 operationalize our regulatory framework.
23 Today we have one of the most sophisticated
24 virtual currency teams in the world, with

1 more than 60 experts.

2 This team prevented FTX, Voyager and
3 Celsius from operating in New York. They
4 protected New Yorkers when algorithmic
5 stablecoins crashed, and secured
6 \$2.1 billion in digital assets for consumers
7 in New York and around the world from
8 Gemini Trust Company.

9 Regulators around the world call us
10 every day wanting our counsel as they seek to
11 build similar cryptocurrency frameworks. And
12 as Congress continues to contemplate
13 legislation for a federal framework,
14 legislators on both sides of the aisle
15 regularly seek the department's expertise.

16 Third, I want to highlight DFS's
17 leadership in climate. Since the formation
18 of the climate division during my tenure, the
19 department has issued guidance to the
20 insurance, banking and mortgage industries,
21 setting detailed expectations on managing the
22 financial and operational risks from climate
23 change.

24 Because climate change

1 disproportionately impacts low- and
2 moderate-income communities, our banking and
3 mortgage guidance makes clear that entities
4 cannot meet climate objectives at the expense
5 of their fair lending obligations.

6 DFS's leadership has required a new
7 foundation of operational excellence and
8 resilience. Thanks to support from the
9 Governor and Legislature, we were able to get
10 DFS fully funded for the first time in its
11 history in fiscal year 2023, allowing us to
12 better deliver on our mission for
13 New Yorkers.

14 Since January 2022, we have hired or
15 promoted more than 1,000 individuals, 548 new
16 staff and 481 promotions. We created the
17 first ever data governance and pharmacy
18 benefit teams, hired the department's first
19 ever chief technology and chief risk
20 officers, created an executive role to lead
21 operations and onboarded 179 financial
22 services examiners, the first hired since
23 2018.

24 But our work can't stop there. The

1 entities regulated by DFS are sophisticated
2 and rapidly changing, creating more risk and
3 uncertainty for markets and consumers. The
4 department's mandates and responsibilities
5 have expanded over the past 12 years, while
6 our current FTE target is significantly lower
7 than when DFS was created.

8 While we have made incredible progress
9 to reduce the staffing deficit built over a
10 decade, the department remains
11 underresourced. To effectively execute our
12 mission, DFS continues to require significant
13 workforce investments.

14 In addition to our staffing efforts,
15 the department has also embarked on a
16 complete technology overhaul. The realtime
17 data analysis needed to be a forward-looking
18 regulator is not possible with outdated
19 technologies and incompatible systems. A
20 significant component of our modernization is
21 DFS Connect, a single portal that will
22 transform all facets of how DFS engages with
23 stakeholders.

24 But I believe the most important and

1 tangible outcome of our renewed operational
2 vigor is the department's ability to respond
3 in a crisis.

4 In March 2023 banks across the country
5 unexpectedly began to fail, including
6 Signature Bank in New York. Teams from
7 across the agency worked tirelessly together
8 to protect consumers and businesses during
9 the bank's closure and in the aftermath.
10 Moreover, our teams' work during that time
11 was critical to safeguarding the global
12 financial system.

13 Having weathered that crisis, I know
14 the DFS team can make progress towards
15 solving some of the state's most entrenched
16 issues, including the current state of the
17 livery insurance market. The companies
18 operating in the space, including the largest
19 carrier, have generally set inadequate rates,
20 creating multiple insolvencies and leading to
21 instability across the market.

22 Shockingly, company management,
23 regulators and policymakers have known about
24 this and allowed it to go on for decades.

1 I've met with drivers, base operators, and
2 other stakeholders in the industry who are
3 entitled to a stable and well-functioning
4 market, but those individuals have not been
5 well-served by their insurance providers for
6 years.

7 Last year DFS published the first
8 reports of examination of the largest livery
9 insurers in nearly 40 years, giving
10 policymakers the data they need to develop
11 solutions. Thank you to the Governor and to
12 the Legislature for already removing a
13 provision in the Insurance Law that permitted
14 livery insurers to reduce rates without DFS's
15 prior approval.

16 The Governor's 2026 Executive Budget
17 includes three additional proposals to help
18 stabilize the market. I look forward to
19 discussing these and other policy initiatives
20 included in the budget, including proposals
21 to address overdraft fees, establish
22 oversight for buy now, pay later, and require
23 PBMs to publicly disclose details about their
24 rebate agreements.

1 Before I close I want to express my
2 deep gratitude to the DFS team for all they
3 do to advance the DFS mission, and to you and
4 your colleagues for your consistent
5 collaboration.

6 I look forward to your questions
7 during today's hearing.

8 CHAIRWOMAN KRUEGER: (Inaudible.)

9 DOH COMMISSIONER McDONALD: Again,
10 Amir is just here to help if there's some
11 technical issue on Medicaid that I don't
12 know. So thank you.

13 CHAIRWOMAN KRUEGER: Okay. Our first
14 questioner will be Senator Samra Brouk.

15 SENATOR BROUK: Honored. So nice to
16 see you all. I have to say thank you,
17 Commissioner, not just for your testimony but
18 also for your visits to Rochester.

19 I wanted to start with kind of
20 bringing back something that I brought up
21 last time we were at this budget hearing,
22 which was the fact that we had just passed a
23 day in Rochester at our local hospital with
24 the highest capacity on record. The sad part

1 is I'm here to report that we are blowing
2 past those records and sit here today with
3 over 120 percent capacity at some of our
4 local hospitals.

5 And as I think about specifically in
6 the Rochester area, I think we have very
7 acute challenges that are sometimes not faced
8 in other parts of the state, including the
9 fact that we have the fewest hospital beds
10 per capita of any community in New York
11 State. In addition to the fact that we have
12 one of the most rapidly aging populations
13 compared to other parts of the state.

14 So we are obviously grateful that the
15 Governor has included no cuts to Medicaid.
16 That's a good starting point. But we're very
17 concerned that what's in the Executive Budget
18 is not going to suffice to solve the very
19 real crisis that we're in. We're in a
20 position now where if you go to a hospital,
21 it is not guaranteed that you may get that
22 care because we are unable to discharge
23 enough patients to open up those beds.

24 So my question to you is, you know,

1 given the federal climate, given where we are
2 now, what is the plan for sustainable funding
3 to actually make sure our healthcare system
4 can stay afloat and serve the patients that
5 it needs to?

6 DOH COMMISSIONER McDONALD: I agree
7 with you on Rochester. I think it's -- I've
8 been out there several times now, but one of
9 the things we've recently got is some data.

10 One of the things we're looking at is
11 called the complex discharge problem. And
12 we're seeing people are stuck in hospitals
13 longer in that area than in other parts of
14 the state. So I think there is something
15 different about the Rochester area.

16 When you look at the investments that
17 we're doing from the Managed Care
18 Organization Assessment, they're not across
19 the board rate increases. They're meant to
20 be funds we can put into particular places so
21 we can actually help the state in different
22 parts at the same time. For example, there
23 isn't an across-the-board rate increase for
24 nursing homes. But if you look at the

1 Rochester area in particular, one of the
2 things you see is a lot of people who are
3 stuck in the hospitals need to get to a
4 nursing home.

5 So one of the things that might make
6 more sense is if we have to increase nursing
7 home rates, we don't have to do it the same
8 everywhere in the state. Rochester has a
9 workforce problem, and Rochester has a
10 nursing home problem. So we can deploy those
11 resources in different parts of the state in
12 different ways to help Rochester out.

13 The other thing I want to just get
14 back to is we have got workforce problems
15 here. And one of the things I heard from
16 Rochester in particular was they want
17 certified medication aides in the nursing
18 homes, they want a nurse licensure compact.
19 And I think they're right. I think those are
20 good things.

21 The one thing I want to caveat about
22 the MCO Assessment is you asked if it was
23 sustainable. I don't know if it's
24 sustainable. There's a regulation that was

1 enacted through CMS, and if they want to take
2 that away from us, we expect them to change
3 the regulation, not just take it away from
4 us.

5 SENATOR BROUK: Thank you.

6 CHAIRWOMAN KRUEGER: Thank you.

7 CHAIRMAN PRETLOW: Assemblywoman

8 Paulin for 10 minutes.

9 ASSEMBLYWOMAN PAULIN: Thank you so
10 much. Thank you for coming today and for
11 being willing to answer our questions.

12 First, I was very pleased to see in
13 your testimony that there's been nine
14 hospitals that have a contract to help reduce
15 C-sections and address maternal mortality and
16 morbidity. Where are those -- when were
17 those contracts awarded? I hadn't heard
18 about it before.

19 How much are they per hospital? Are
20 they geographically diverse? And, you know,
21 in other words, were they selected? Because
22 C-section rates don't seem to have geographic
23 boundaries. And what is the monitoring
24 process for following the results from those

1 contracts?

2 DOH COMMISSIONER McDONALD: So to
3 answer your question, there's multiple
4 investments to reduce C-sections this year.
5 I did mention the one.

6 Another one I think you might be more
7 interested in is what the Perinatal Quality
8 Collaborative is doing. That is working with
9 70 birthing hospitals that will address
10 80 percent of births in New York.

11 ASSEMBLYWOMAN PAULIN: So what about
12 the nine -- rather than --

13 DOH COMMISSIONER McDONALD: I'm
14 getting there.

15 ASSEMBLYWOMAN PAULIN: Oh, okay. Yes.

16 DOH COMMISSIONER McDONALD: So they
17 are geographically located in different parts
18 of the country. And I don't know off the top
19 of my head how much money they have. I can
20 get it to you.

21 But really the reason why I bring up
22 the Perinatal Quality Collaborative is the
23 project they're working on this year started
24 in October. And what they're really looking

1 at is how to safely reduce C-section rates.

2 And what they're challenging, getting
3 everybody to look at it, is some of the
4 reasons people get C-sections -- at least the
5 most common reason is labor dystocia, or
6 failure to progress.

7 And what they're really challenging is
8 how medicine operates in that area, and
9 really getting to the point of like maybe we
10 need to think differently, acknowledge that
11 the literature shows people labor
12 differently, and not having people go into a
13 C-section as soon as possible.

14 So part of why I'm excited about the
15 Perinatal Quality Collaboratives, they come
16 up with bundles of quality perinatal
17 projects, they work collaboratively with
18 hospitals and regional perinatal centers.
19 This is the type of thing that I think will
20 be a significant change.

21 Because if you look at our data over
22 the last 20 years, it's not really changing
23 the world right now. And I'm particularly
24 concerned about the people who get the

1 first-time C-section. And I think there's a
2 lot of work that we can do in this space.

3 So those are just two examples of two
4 investments. But if you're asking how
5 contracts are awarded for those buying
6 contracts, it's a competitive process.
7 They're geographically located throughout the
8 state, but I don't remember where all nine
9 are off the top of my head.

10 ASSEMBLYWOMAN PAULIN: Could I get a
11 copy of the contract?

12 DOH COMMISSIONER McDONALD: Of course.
13 If it's available to release the contract,
14 I'll give it to you.

15 ASSEMBLYWOMAN PAULIN: Thank you.

16 Next, two not related topics, but a
17 related theme. On Early Intervention and on
18 the monies to the hospitals, in both cases
19 the State Plan Amendments were not filed -- I
20 think Early Intervention was the end of
21 December. I guess I'm asking if the
22 State Plan Amendment was filed for the
23 hospitals at all.

24 And -- so the money didn't go out the

1 door for the -- a percentage of increase for
2 Early Intervention, nor did the money go out
3 the door for the hospitals. And that's very
4 concerning, because that's what we adopted in
5 the budget.

6 So I wondered -- your comments on
7 both, and if the State Plan Amendment was
8 even filed for the hospitals.

9 DOH COMMISSIONER McDONALD: So the
10 State Plan Amendment for Early Intervention,
11 the 5 percent increase, 4 percent modifier,
12 was submitted December 31st, 2024. And not
13 for want of trying to get it out -- the team
14 worked really hard to get that done.

15 We were ready in April, but we had to
16 find savings first. The way the budget was
17 enacted last year, we had to find the
18 savings. We tried really hard to find the
19 savings required in the budget. At some
20 point they just realized we couldn't find the
21 savings, that it was so important we
22 submitted it.

23 Are you talking about the 7.5 percent
24 increase for hospitals that we did? Because

1 that was submitted and approved.

2 ASSEMBLYWOMAN PAULIN: Amir is shaking
3 his head.

4 MEDICAID DIRECTOR BASSIRI: Thank you
5 for the question, Assemblywoman. I think
6 you're referring to the one-time, one add
7 from last year's budget for the hospitals.

8 There is a State Plan Amendment going
9 in. It's intended to be a lump-sum payment
10 before the end of the year, to account for
11 that funding. Unclear on when that will be
12 approved by CMS, but we are planning.

13 ASSEMBLYWOMAN PAULIN: There are
14 rumors out there that only one month of that
15 money was going to be allocated to the
16 hospitals. Is that the case, or is it going
17 to be retroactive to the full amount?

18 MEDICAID DIRECTOR BASSIRI: So it's
19 not necessarily retroactive.

20 The concept is the upper payment
21 limit, meaning, you know, we can pay up to
22 the amount Medicare would have paid for the
23 services. So that difference, which is the
24 amount that was on the scorecard, will be

1 paid lump sum for the entirety of the year.
2 But it's paid in a lump-sum basis if it were
3 to be approved.

4 ASSEMBLYWOMAN PAULIN: Are there
5 concerns -- I have a more detailed question
6 on the federal piece, so maybe I'll save
7 that.

8 But obviously there are concerns at
9 the federal level about approving anything at
10 this point. So -- you don't have to comment.
11 I'm going to move on so I -- because I only
12 have five minutes left.

13 CDPAP. You know, we've seen the
14 commercials, we've seen -- you know, our
15 office has spoken to PPL. There seems -- and
16 advocates, and there seems to be a delay. Or
17 we worry that not all of the current
18 recipients of that assistance are even
19 filing. We understand that there's a 15-page
20 document that each have to fill out per
21 worker. So if somebody has three workers,
22 it's 45 pages of stuff.

23 And so we have concerns, you know, I
24 think collectively whether this is really

1 going to happen by April 1st.

2 So I guess the question is, is there a
3 Plan B? You know, what happens -- you know,
4 we have a short window till April 1st. You
5 know, is there any thinking about doing a
6 phase-in or extending that deadline? I
7 realize that it would have a budgetary
8 impact. But here we are.

9 DOH COMMISSIONER McDONALD: So the way
10 PPL organized the phase-in is it is like a
11 stairway going up. We just looked at data
12 last night; they're actually ahead of the
13 schedule they proposed to us. So we're
14 heading in the right direction.

15 You can register by phone, online.
16 They have over 150 physical locations across
17 the state. But to answer your question, the
18 deadline's April 1st. That's in the law, and
19 that's what we're planning on doing and
20 that's what we expect we will do.

21 There's been a lot of noise about
22 CDPAP. I think people have heard it. I
23 think one of the challenges is the
24 misinformation, and people being told

1 purposely not to sign up isn't helpful. But
2 I can tell you right now -- I looked at data
3 again this morning -- their call center
4 doesn't have wait times for phone calls.
5 They've had over 90,000 calls so far.
6 They're answering people's calls. The
7 average call time is about 18 minutes,
8 because it takes time to get the answers you
9 need to fill it out.

10 So right now it's ahead of schedule
11 and working as designed.

12 ASSEMBLYWOMAN PAULIN: Thank you.
13 That's not what we're hearing out there in
14 the world, but I appreciate your position at
15 this point, and we now understand where you
16 are.

17 Next question. We understand that the
18 Master Plan for Aging is close to being
19 finalized. When will we see the report? Why
20 aren't the preliminary recommendations
21 reflected in the budget as far as we can
22 tell?

23 DOH COMMISSIONER McDONALD: So the
24 Master Plan for Aging is on schedule. The

1 State Office for the Aging -- Greg Olsen,
2 John Cochran -- have been extremely valuable
3 partners. There's been over 400 public
4 meetings on this.

5 So it is on schedule. It's scheduled
6 to be released in early 2025, so around
7 springtime. So really about six, seven weeks
8 from now is what I'm expecting.

9 The reason why there's nothing for the
10 Master Plan for Aging in the budget is
11 because it's not designed to do that. It's
12 meant to be a master plan for aging. People
13 can then see it and then people can respond
14 to it. And then we can decide collectively,
15 together, hey, what do you want to fund?

16 And it's going to be a while. It's
17 not meant to be a one-time-fix-all solution.
18 It's a pretty comprehensive product. I've
19 seen it. So I think, you know, it's going to
20 be one of those things -- I'm looking forward
21 to hearing what everybody has to suggest on
22 how we do this and how we fund it.

23 ASSEMBLYWOMAN PAULIN: Thank you.

24 Now on to the federal government. You

1 know, we talked about the State Plan
2 Amendments. And you can comment now, if you
3 like, about your expectation about them being
4 approved and if there's been conversations to
5 that effect.

6 What is the -- I guess the Executive
7 Budget recommends finding support for
8 6,217 FTEs. How many are funded by the
9 federal government if we see massive cuts?
10 And within Medicaid, how many employees are
11 at the Office of Health Insurance Programs?
12 How many of the 6,217 are paid by the
13 Health Research -- the HRI, or are those FTEs
14 on top of the 6,217? If so, how many are --
15 how many employees are working at DOH?

16 So it's a long question, you know, but
17 I think we're all concerned about what we're
18 going to see with the feds.

19 DOH COMMISSIONER McDONALD: I'm very
20 concerned about what we're going to see in
21 the federal government too.

22 I think, you know, as far as
23 Health Research Incorporated goes, the vast
24 majority are funded by the federal

1 government. I think almost all of them are.
2 And there's roughly 1300 employees who work
3 for HRI. They're funded on all these
4 different various grants that I have. Public
5 Health Infrastructure Grants is an example of
6 a big one.

7 So -- but those grants are safe at the
8 moment. Just so you know, my leadership team
9 and I meet daily to deal with the federal
10 transition, because the threat is
11 significant.

12 Do you want to talk about how many
13 people are funded through Medicaid?

14 ASSEMBLYWOMAN PAULIN: Just -- are
15 they on top of the 6,000, roughly, in --

16 DOH COMMISSIONER McDONALD: Yes. The
17 1300 people I have from HRI are wonderful
18 people, I love them dearly -- they've been
19 with me forever, I love them. But they're on
20 top of everybody else I have working for the
21 state. And they're all funded by grants.
22 And they're all people who I -- I take care
23 of their needs just as well as everyone
24 else's. They're very important to me.

1 MEDICAID DIRECTOR BASSIRI: Yeah, and
2 all of the staff members at the Office of
3 Health Insurance Programs are covered under
4 Medicaid. They're fully protected. No
5 changes that are happening at the federal
6 level will impact their status.

7 ASSEMBLYWOMAN PAULIN: So I've gotten
8 through five questions, and I have 17. So
9 I'm going to ask for my second three minutes.

10 CHAIRMAN PRETLOW: You'll get it at
11 the end.

12 CHAIRWOMAN KRUEGER: I'm sorry, thank
13 you.

14 Senator Brad Hoylman-Sigal.

15 SENATOR HOYLMAN-SIGAL: Thank you.

16 Good to see you, Superintendent and
17 Commissioner.

18 I wanted to ask you, Commissioner,
19 about the recent executive orders on
20 gender-affirming care. As you know, on
21 January 28th President Trump signed an
22 executive order stating that the federal
23 government would not fund, sponsor, promote,
24 assist or support gender-affirming care. And

1 agencies providing federal research or
2 education grants to medical institutions were
3 ordered to ensure that those institutions
4 were not carrying out any gender-related
5 procedures.

6 Now, we know that these policies save
7 lives. The statistics are that LGBTQ young
8 people are four times more likely to attempt
9 suicide than their peers. We know that since
10 states across this country passed
11 anti-transgender legislation, there's been an
12 increase of 72 percent of suicide attempts
13 among young transgender people.

14 We need New York State to stand up to
15 these directives. What is the Health
16 Department doing or saying to protect the
17 well-being of young transgender people?

18 Hospitals, to my knowledge, have not
19 been given any direction. And we know that
20 several hospitals have preemptively made the
21 decision to pause gender-affirming care and
22 appointments in connection with that. That
23 seems to be outrageous and dangerous and
24 demands a very swift response, which as far

1 as I know the State of New York has not
2 delivered to our citizens.

3 DOH COMMISSIONER McDONALD: Yeah, so I
4 think the executive order was mean-spirited
5 and wrong, and it contradicts sound medicine
6 and science. So I just want to be blunt
7 about that.

8 We are actually sending out guidance
9 to hospitals. It's probably going out today
10 or tomorrow. What we really --

11 SENATOR HOYLMAN-SIGAL: Why didn't it
12 go out sooner, Commissioner?

13 DOH COMMISSIONER McDONALD: Because I
14 think -- let me just finish.

15 SENATOR HOYLMAN-SIGAL: I mean, there
16 seems to be a rollover mentality from the
17 State of New York when it comes to federal
18 directives. This has to stop.

19 DOH COMMISSIONER McDONALD: Well, the
20 Attorney General did file suit and get a
21 temporary restraining order with other
22 attorneys general --

23 SENATOR HOYLMAN-SIGAL: What did the
24 Governor say?

1 DOH COMMISSIONER McDONALD: The
2 Governor supports everything the Attorney
3 General and I'm doing here. And part of why
4 we're trying to be really thoughtful about
5 what we say is it's really important to give
6 guidance to hospitals, make sure healthcare
7 workers understand they have an obligation to
8 provide continuity of care, that they simply
9 can't abandon patients.

10 And regardless of a federal executive
11 order, they still have an obligation not to
12 discriminate against their patients and to
13 provide the necessary care.

14 It may seem like it took a long time
15 to get that wording done, but we really
16 needed to do our research and make sure our
17 guidance to hospitals was accurate, right,
18 and compatible with federal law and state
19 law.

20 SENATOR HOYLMAN-SIGAL: When do we
21 expect that letter to hospitals? Because
22 hospital administrators are calling me, a
23 State Senator in Manhattan, asking me what
24 they should do.

1 DOH COMMISSIONER McDONALD: We're
2 sending a "Dear Administrator" letter to all
3 the hospitals. It will either go out today
4 or tomorrow. I looked at the draft last
5 night. I just -- I'm not sure -- it didn't
6 go out last night.

7 SENATOR HOYLMAN-SIGAL: Thank you.

8 CHAIRWOMAN KRUEGER: Thank you.
9 Assembly.

10 CHAIRMAN PRETLOW: Assemblyman Jensen,
11 five minutes.

12 ASSEMBLYMAN JENSEN: Thank you,
13 Chairman Pretlow.

14 Dr. McDonald, New York has
15 consistently over the past few budgets
16 provided capital funding for healthcare
17 providers via the Statewide Health Care
18 Facility Transformation Program. And there's
19 been several awards made recently on the
20 Safety Net Transformation Program.

21 About the older capital program,
22 Statewide IV and V, what is the value of the
23 remaining uncommitted funds?

24 DOH COMMISSIONER McDONALD: So for

1 Statewide IV, there's \$250 million in
2 capital, and that's going to be announced in
3 the next couple of weeks.

4 For Statewide V, there's \$450 million,
5 and that will be announced later on this
6 year.

7 Just to keep it honest about
8 everything, there's also Safety Net
9 Transformation funds -- I don't have an exact
10 dollar amount, but those are coming out this
11 year.

12 Just so you hear it from me, we had
13 \$4 billion worth of ask. We tried our best
14 to meet everyone's needs. We saw a lot of
15 really good ideas.

16 ASSEMBLYMAN JENSEN: I appreciate you
17 jumping ahead, because my next question was
18 going to be about the amount in the safety
19 net.

20 What is DOH doing to ensure that with
21 the billions of amount requested, with the
22 outstanding funds and funds that will still
23 allocated in the soon-to-be-enacted budget,
24 what is DOH going to do to ensure that there

1 is equity across needs and regional balance
2 to ensure that, you know, Western New York,
3 Finger Lakes, North Country, Southern Tier,
4 New York, Long Island are all an getting
5 equitable amount of funding for their needs?

6 Especially in light of my Senate
7 colleague's leading question about, you know,
8 the needs we have in Rochester.

9 DOH COMMISSIONER McDONALD: Yeah, so
10 we do -- I do look at geographic distribution
11 in isolation. And it is different across the
12 state. Like my friends in the North Country,
13 they have real different issues than the
14 folks in downstate. So we do look at that
15 issue. It's important that we do that.

16 But when you look at Safety Net
17 Transformation, those are partnership
18 arrangements. And one of the things that
19 we're seeing is a lot of creative and novel
20 partnerships that far exceeded what we
21 expected. So I'm kind of excited about it.

22 That's why I'm excited about the
23 \$1 billion-plus in this year's budget,
24 because I think we see this is the type of --

1 where healthcare is going. Hospitals do
2 better when they're connected to other
3 hospitals and other partners, whether they're
4 outpatient or hospitals. They do better when
5 they've got the shared brain power, shared
6 governance, shared leadership. So I'm
7 excited about how we're going with Health
8 Safety Net Transformation.

9 ASSEMBLYMAN JENSEN: Thank you.

10 Could you explain the logic of why the
11 budget proposal does not look to restore the
12 cuts in capital reimbursement for nursing
13 homes that have been enacted previously,
14 around 15 percent in aggregate?

15 And without restoration of these cuts,
16 how are nursing homes going to make facility
17 improvements to ensure resident and staff
18 safety, meet debt service obligations, for
19 the projects that are approved and completed,
20 especially the absence of adequate
21 reimbursement rates?

22 DOH COMMISSIONER McDONALD: Yeah, so
23 there is -- a lot of the MCO tax money we
24 have is going to be going towards nursing

1 homes. At least that's what we're planning
2 on doing with that. And that's where we're
3 targeting our investments, so we can offset
4 some of that.

5 I'm not contesting the 15 percent
6 number, but I don't know that that number
7 includes the 7.5 percent increase we did two
8 years ago and the 1 percent increase last
9 year. And then we did a 4 percent -- it was
10 kind of a per-diem increase last year of
11 285 million. So we did -- we're doing a lot
12 of these increases here. But I agree.

13 One of the things nursing homes are
14 struggling with, though, is workforce. We
15 need to find a way to help them lower their
16 costs of labor.

17 ASSEMBLYMAN JENSEN: Well, and I think
18 certainly, you know, we've seen increases in
19 the state previous budgets on reimbursement
20 rates, lump-sum payments. But I think what
21 I've heard from facilities not just in my own
22 community but across the state is that the
23 capital cuts, while they need to invest in
24 their workforce and quality of care, the

1 capital projects and those capital dollars
2 were critically important to ensure that they
3 create home-like environments, especially as
4 acuity levels increase.

5 We talked about the need to ensure the
6 continuum of care, from hospital discharge to
7 appropriate levels of care, meets the needs
8 of everyone who needs it. So I think the
9 capital funding is a critical component of
10 that.

11 Moving on, the 2025 fiscal year
12 included 350 million in state-share Medicaid
13 investments for hospitals and nursing
14 homes -- a \$200 million state share for
15 hospitals, 150 for the nursing homes. The
16 understanding is the 150 million for nursing
17 home rates has been distributed. Has the
18 state's share of the hospital funding been
19 released? And if not, why not?

20 MEDICAID DIRECTOR BASSIRI: I can take
21 that.

22 DOH COMMISSIONER McDONALD: Go ahead.

23 MEDICAID DIRECTOR BASSIRI: That is
24 what Assemblymember Paulin had asked about as

1 well.

2 And so we are in the process of doing
3 that. The State Plan Amendment is effective
4 on March 1st, and that's how the state share
5 would be released at that time.

6 ASSEMBLYMAN JENSEN: Okay. And then
7 just one quick question, because I have
8 13 seconds.

9 Would DOH be supportive of adding
10 dentistry to the Doctors Across New York
11 program or creating a new Dentists Across
12 New York program?

13 DOH COMMISSIONER McDONALD: Can I look
14 into that? Because I haven't thought about
15 that before. It's an interesting idea.

16 ASSEMBLYMAN JENSEN: All right. Thank
17 you.

18 CHAIRWOMAN KRUEGER: Thank you.
19 Senator Fernandez.

20 SENATOR FERNANDEZ: Good morning.
21 Thank you so much.

22 As you know, I'm the chair of
23 Substance Use Disorder for the State Senate,
24 and I have some questions related to that.

1 When people think of --

2 CHAIRWOMAN KRUEGER: Can you speak a
3 little louder towards the mic? Sorry.

4 SENATOR FERNANDEZ: When people think
5 of substance use, it's thought that OASAS has
6 a majority of the work and control, but I
7 know that DOH oversees the Office of
8 Drug User Health as well as other units.

9 Can you tell me what DOH is doing as
10 it relates to substance use disorder and what
11 in this year's budget supports it?

12 DOH COMMISSIONER McDONALD: So a
13 couple of examples that we have in our budget
14 is getting New York State to align with the
15 federal law of three days of buprenorphine to
16 be handed to somebody in a hospital.

17 Another example is three days of
18 buprenorphine to help someone who saw a
19 paramedic to actually get it in the field.

20 We do have an office of drug user
21 health. We also have what's called a PORT,
22 post-opioid response treatment. We also have
23 the Overdose to Action Grant, which really
24 helps us. We also have the State

1 Unintentional Drug Overdose Reporting System
2 data.

3 We have a lot of this mixed in with
4 federal and state funds. We do get some
5 money from the Opiate Settlement Fund as
6 well.

7 SENATOR FERNANDEZ: A question on
8 buprenorphine.

9 Last year the Governor signed a
10 bill -- my bill -- that allows up to a
11 72-hour supply of medication for detox
12 treatment and maintenance, to match federal
13 regulations. How does the Governor's
14 proposal differ from what was signed last
15 year?

16 DOH COMMISSIONER McDONALD: Last
17 year's law was actually narrower than the
18 federal legislation.

19 This year's proposal completely aligns
20 with the federal legislation, because last
21 year it only applied to a healthcare facility
22 that didn't have a pharmacy. Since most
23 hospitals have pharmacies, they weren't
24 eligible. This year we're just trying to

1 bring that together so more hospitals can
2 participate in that.

3 SENATOR FERNANDEZ: Okay. All right.

4 Well, jumping back to the Office of
5 Drug User Health, the Office of Drug User
6 Health is currently running several
7 drug-checking services in the city and across
8 the state. What has been the impact of these
9 programs?

10 DOH COMMISSIONER McDONALD: So what's
11 great about the programs is people come in
12 thinking they have one thing, but they find
13 out they have another. The big mismatch is
14 sometimes they think they have fentanyl --
15 which, you know, it's the illegal fentanyl --
16 but they actually have something different.

17 And sometimes people think they have
18 cocaine, but they have fentanyl. And
19 sometimes they're surprised there's xylazine
20 in this as well. And, you know, this is the
21 whole point, is when you get your illicit
22 drug from a dealer, the dealer doesn't always
23 know what they're giving you.

24 So we've done literally thousands of

1 drug checkings, and we do it in realtime with
2 people when they're right there in front of
3 us, and give them the results.

4 SENATOR FERNANDEZ: So this is a
5 really helpful tool.

6 DOH COMMISSIONER McDONALD: It's a
7 really helpful program, yeah.

8 SENATOR FERNANDEZ: Would you suggest
9 that we expand it and allow more facilities
10 to be able to check the drug supplies?

11 DOH COMMISSIONER McDONALD: Well, it's
12 a great idea. We'll see what's possible.

13 SENATOR FERNANDEZ: Thank you. I have
14 a bill on that too. Thank you.

15 DOH COMMISSIONER McDONALD: Thank you.

16 CHAIRMAN PRETLOW: Change of scenery.
17 Assemblyman Weprin.

18 ASSEMBLYMAN WEPRIN: Thank you,
19 Mr. Chairman.

20 I'm going to ask most of my questions
21 for Department of Financial Services
22 Superintendent Harris, although I do have one
23 or two questions in my 10 minutes for
24 Health Commissioner McDonald.

1 For Superintendent Harris. One is I
2 want to start by saying I think it's terrific
3 that our offices have such a good
4 relationship and meet on a regular basis, and
5 I think that has been productive. This is
6 my -- as you know, my third year as
7 Insurance chair, and I appreciate the ongoing
8 dialogue, you know, on various issues, prior
9 to crises as well as during crises.

10 We understand that the livery
11 insurance market is at a critical juncture
12 right now. Can you take us through your
13 approach to this crisis and how the proposals
14 in the Governor's budget will help to address
15 the situation?

16 DFS SUPERINTENDENT HARRIS:

17 Absolutely. Thank you so much, Chair Weprin.
18 And I as well enjoy the collaborative
19 relationship, and thank you for your
20 partnership.

21 As I noted in my testimony, the livery
22 insurance market in New York State is made up
23 of about three insurers that insure about
24 90 percent of the market. And when we're

1 talking about livery, of course we're talking
2 about yellow cabs, Ubers, Lyfts, black cars.
3 Over the decades those companies have been
4 underpricing their insurance policies below
5 actuarially sound levels in an effort to
6 capture market share, and in doing so have
7 made themselves insolvent. They also delayed
8 paying claims when they come due to drivers
9 and passengers and healthcare providers.

10 So these companies have been insolvent
11 now for decades. As I noted, we just
12 published the first reports of examination of
13 these companies since 1987. We are required
14 by law to examine these companies and publish
15 reports, and we've just done so for the first
16 time in decades.

17 But what we've realized in our
18 examination of the companies and engaging
19 with drivers and brokers and insurance
20 companies is that the market itself is not
21 stable as a result of this underpricing.

22 And so what the Governor has put
23 forward are proposals that will bring
24 additional competition into the market that

1 would allow DFS to set rates in the market
2 like we do in other lines of insurance, so
3 that it brings more insurance companies to
4 the market to give those companies some
5 flex-rating abilities -- just like we do on
6 the private passenger side, because they
7 don't have underwriting experience in the
8 space -- and to allow for group policies as
9 well.

10 ASSEMBLYMAN WEPRIN: Great. We've
11 heard concerns from the livery industry --
12 sorry -- that TED Part BB would allow for
13 higher group policy insurance in New York
14 City that may have an unintended but
15 devastating effect on the New York City
16 for-hire vehicle sector.

17 Their concern is that a big player
18 that meets the operational and financial
19 obligations required to form a group policy
20 will create a group policy and not allow
21 cross-dispatching.

22 Currently drivers carry their own
23 for-hire insurance, as you know, and can
24 receive dispatches from any for-hire base or

1 ride-sharing platform. They worry that group
2 policies will eliminate their ability to rely
3 on cross-dispatching, and most of the supply
4 of drivers will be under the control of large
5 ride-sharing platforms.

6 Can you share your thoughts on this
7 concern?

8 DFS SUPERINTENDENT HARRIS:

9 Absolutely. Thank you, Chair. I think it's
10 a really important consideration. As I said,
11 we've been engaged with drivers, dispatchers,
12 brokers and others and heard some of these
13 same concerns.

14 I think these are concerns that can be
15 addressed in drafting, either as part of the
16 legislation or in regulation that DFS may
17 write as a result of this legislation.

18 So I think we're able to work through
19 these concerns in a constructive way to make
20 sure they're properly addressed.

21 ASSEMBLYMAN WEPRIN: Okay, I
22 appreciate that.

23 In your testimony -- and I know this
24 has been a problem in the past with

1 staffing -- you alluded to the fact that
2 despite the progress you have made on the
3 hiring front, DFS still remains
4 underresourced. Can you please elaborate on
5 what you need to be able to operate at the
6 agency effectively? And what's your current
7 employee count now?

8 DFS SUPERINTENDENT HARRIS: We're just
9 under 1400.

10 ASSEMBLYMAN WEPRIN: How much?

11 DFS SUPERINTENDENT HARRIS: Just under
12 1400.

13 ASSEMBLYMAN WEPRIN: Fourteen hundred.

14 DFS SUPERINTENDENT HARRIS: Mm-hmm.

15 So there's a number of things. As I
16 noted in my testimony, we have a lower FTE
17 cap today than we did when the agency was
18 created 12 years ago, but we have more and
19 more mandates put upon us every year -- which
20 we're grateful to take on. For instance, the
21 pharmacy benefit manager regulation, the
22 regulation of cryptocurrency, climate
23 oversight and other things. And so we need
24 that staff to grow accordingly.

1 As I noted, I'm grateful to the
2 Governor and the Legislature for fully
3 funding the agency for the first time in its
4 history a few years ago. I was challenged at
5 the time to hit that FTE cap and told we
6 weren't going to hit it, but there's nothing
7 I love more than being told I can't do
8 something, because we are about to hit that
9 cap probably in the middle of this year.

10 The Governor has put forward some
11 additional staff for us in the budget, which
12 is incredible, and we're very grateful to
13 that. And we look forward to, you know,
14 hopefully hitting that cap as well, as we
15 staff up. But as you know as well, the
16 federal regulators have been cutting back on
17 their staffs. Just over the weekend the
18 CFPB, the Consumer Financial Protection
19 Bureau, was shuttered. We partner with them
20 quite a bit. And although we don't rely on
21 them for staff or funds, without their
22 partnership on the federal level, that's work
23 that's going to fall to DFS.

24 Similarly, the FDIC, with whom we

1 co-examine banks, just rescinded offers to
2 200 examiners. So that means there will be
3 fewer examiners going in with us when we
4 examine our banking institution, and that's
5 slack that we at DFS are going to need to
6 take up to make sure our institutions are
7 functioning well and consumers are protected.

8 ASSEMBLYMAN WEPRIN: Well, I
9 appreciate that. And I will do everything in
10 my power to help you with those staffing
11 concerns.

12 My final question for you,
13 Superintendent, is about PBMs. And in the
14 Governor's proposal, they're required to
15 produce a report showing the dollar amount of
16 rebates, fees, price protection payments, and
17 any other payments received from drug
18 manufacturers through a rebate contract, and
19 the portion passed on to payers or retained
20 by the PBM.

21 Can you tell us how this provision
22 will benefit consumers in New York State?
23 And will this lead to lower drug prices for
24 New Yorkers, which is something that we are

1 all concerned about.

2 DFS SUPERINTENDENT HARRIS:

3 Absolutely. As you know, sir, prescription
4 drug costs are one of the largest
5 contributors to rising healthcare costs, not
6 just in New York but around the country.

7 And that's why we're so grateful to
8 have the authority to regulate PBMs, as we do
9 now. And we've adopted our market conduct
10 regulation just at the end of last year.

11 What the Governor's proposal does is,
12 as you noted, require PBMs to publish their
13 rebate agreements and additional details so
14 that employers, consumers, can compare plans
15 and make better choices about what's going to
16 suit their needs, because they'll have that
17 transparency and ability to compare the PBMs'
18 rebate plans, the formularies, and that will
19 make the PBMs compete and hopefully bring
20 down costs.

21 ASSEMBLYMAN WEPRIN: I appreciate
22 that.

23 And then I have one or two questions
24 for Commissioner McDonald.

1 Commissioner, I share Chair Paulin's
2 concern about the CDPAPs and the April 1st
3 deadline, which I think is an unrealistic
4 deadline, from everything I've heard from my
5 constituents and other people's.

6 Over 280,000 people rely on CDPAPs.
7 And as of January 31st, the department
8 reported that only 22,000 consumers had
9 completed or started the enrollment process
10 with PPL. Given the staggering numbers of
11 caregivers and care recipients and the work
12 that remains to be done, you know, what is
13 the plan once they do not reach the deadline
14 of April 1st?

15 DOH COMMISSIONER McDONALD: Yeah, so
16 right now they're ahead of schedule, as I
17 said earlier. They're planning on hitting
18 April 1st, and we're holding them to it. We
19 expect the managed care plans to help.

20 One of the things that would help,
21 though, is -- and this is a shared
22 responsibility anyway. The current fiscal
23 intermediaries have not super been helpful at
24 this point. But I think if they would just

1 encourage people to transition, it would
2 help.

3 But there's multiple ways to
4 transition, either by phone, online, the
5 150 different locations. PPL is going to be
6 reaching out to people already. So they're
7 doing a lot to get people on board. But it's
8 an April 1st deadline set in the law.

9 MEDICAID DIRECTOR BASSIRI: And if I
10 could just add, you know, we have been trying
11 to be -- and put out information related to
12 the transition. As you've probably seen, the
13 commissioner's public service announcement,
14 our releases. We've put out tremendous
15 amounts of guidance.

16 And I strongly urge any of you to
17 please let us know if your constituents are
18 informing you about things that are happening
19 that are concerning to you, because there's a
20 large misinformation campaign that we've been
21 working against, and we could use, you know,
22 your help in reaching your constituency.

23 ASSEMBLYMAN WEPRIN: Okay. And on
24 that, my district is a very diverse district

1 in Queens, many different languages spoken.
2 There still is a problem with PPL, from what
3 I've heard, with language translation. I
4 have Bangladeshi, Pakistani, Indian --

5 MEDICAID DIRECTOR BASSIRI: There are
6 no issues with language translation. They
7 have translation in all languages. I can
8 assure you of that.

9 ASSEMBLYMAN WEPRIN: Yeah, if you
10 could follow up on that, because I've been
11 told it's not sufficient. So I agree with
12 you it should be done.

13 CHAIRWOMAN KRUEGER: Thank you.

14 ASSEMBLYMAN WEPRIN: Thank you,
15 Mr. Chairman. My 10 minutes is up.

16 CHAIRWOMAN KRUEGER: Senator Gallivan,
17 five-minute ranker.

18 SENATOR GALLIVAN: Thank you,
19 Madam Chair.

20 Good morning to the panel. My first
21 question is for Director Bassiri.

22 So it appears that overall medical
23 spending is projected to reach approximately
24 \$124 billion in the upcoming fiscal year,

1 which is up from 89 billion just back in the
2 2022 fiscal year. How are you dealing with
3 this? Like what specific reforms are being
4 proposed to manage the growth and ensure the
5 program's sustainability?

6 MEDICAID DIRECTOR BASSIRI: Thank you
7 for the question, Senator.

8 I think part of the increase is the
9 things that we're counting as part of the
10 total budget spending, so Essential Plan and
11 other things. But how we're managing
12 spending growth, as you've seen in last
13 year's budget and the focus on our growth in
14 managed long-term care spending system, which
15 is outpacing all other aspects of the
16 Medicaid budget and crowding out other areas
17 of spending.

18 In essence, you know, back when you're
19 referring to, a few years ago at 86, our
20 managed long-term care program was maybe half
21 to 75 percent of our mainstream managed-care
22 program, the program that covers 5 million-
23 plus New Yorkers.

24 They are now equivalent, if not

1 managed long-term care is exceeding our
2 mainstream program. So that is the primary
3 area of growth that we've been trying to
4 manage, and hoping we will manage and curb
5 the cost trend that we're seeing in the
6 Medicaid program.

7 SENATOR GALLIVAN: So what steps are
8 you taking as far as managing the growth to
9 make sure you're verifying the eligibility
10 with these additional people coming on?

11 MEDICAID DIRECTOR BASSIRI: Yeah. We
12 are certainly verifying the eligibility based
13 on the income levels and other circumstances
14 of households. It's a pretty prescriptive
15 process that we follow.

16 However, with things like the
17 statewide fiscal intermediary that we're
18 implementing and the 600-plus fiscal
19 intermediaries that are doing more than
20 providing fiscal intermediary services, that
21 is what we're really trying to manage and
22 curb the cost trend, because that's where the
23 growth in the program spending is occurring.

24 SENATOR GALLIVAN: Thanks. And I know

1 that the response merits some follow-up on
2 CDPAP, but I'm going to defer to my
3 colleagues because I know many of them have
4 concerns about their particular program.

5 Commissioner, back in 2018, I believe
6 it was, the New York State Drug Take-Back Act
7 was passed by the Legislature, and that
8 obviously has to do with the prescription
9 drugs that are out there, the ones that are
10 unused. We don't want them -- we're dealing
11 with the opioid crisis, of course. We don't
12 want them in the wrong hands.

13 But I don't think that the program has
14 been fully implemented. If I remember
15 correctly, the state engaged two different
16 operators to implement the program statewide.
17 Am I correct in -- am I correct in thinking
18 that the program's not fully implemented?
19 And if that's the case, why not and what are
20 you doing about it?

21 DOH COMMISSIONER McDONALD: Yeah, so
22 my understanding is the program is fully
23 implemented. But I'll double-check and get
24 back to you on that. Because if there's --

1 if you're seeing something that's a
2 challenge, then we obviously need to find
3 out. But I thought it was fully implemented.

4 SENATOR GALLIVAN: What's reported to
5 me is that one operator has fully implemented
6 but the other has not. And so if we could
7 follow up separately, I'd appreciate that.

8 DOH COMMISSIONER McDONALD: Yeah,
9 sure.

10 SENATOR GALLIVAN: Commissioner,
11 again, Safety Net Hospital Transformation
12 Program. This budget appropriates about a
13 billion dollars to support capital
14 improvements to safety-net hospitals and
15 their partners. What specific capital
16 improvements do you envision?

17 DOH COMMISSIONER McDONALD: So what
18 you would see is hospitals partnering with
19 someone else to say, like, Do you need a new
20 emergency department?

21 Like one of the ones we just funded
22 was St. Barnabas in the Bronx. Their
23 emergency department was really small, really
24 outdated, and really, really just not

1 functional for just the patients. They're
2 building a new emergency department with
3 that. That's one example.

4 For other places, what they might be
5 doing is fixing a parking garage, which might
6 be a challenge. For other places, it's going
7 to be something like fixing the mechanical,
8 electrical and plumbing of their place.

9 That may sound a little bit mundane,
10 but if you have a hospital without sound
11 mechanical, electrical and plumbing, like
12 some of our hospitals do, you have sewage
13 backing up in your hospital, and that's not
14 good for anybody.

15 But we're really looking for projects
16 that improve access to care, quality of care,
17 improve outcomes in the community, try to
18 eliminate health disparities, and overall
19 just population health.

20 So there's a number of ways hospitals
21 do this. Some people might need an
22 ambulatory surgical center. Most of medicine
23 is now outpatient, so a lot of this money is
24 probably going to go towards ambulatory

1 projects, and it's going to be geographically
2 distributed across the entire state to meet
3 everyone's needs. It's a lot of money. It's
4 a big investment.

5 SENATOR GALLIVAN: All right, thank
6 you. Across the entire state is key. I know
7 we've talked about it. It's good to remember
8 the needs of the small rural community are
9 just as important as a population of
10 millions.

11 DOH COMMISSIONER McDONALD: That's
12 right.

13 SENATOR GALLIVAN: Thank you. Thank
14 you, Chair.

15 CHAIRWOMAN KRUEGER: Assembly.

16 CHAIRMAN PRETLOW: Thank you. (Mic
17 off; inaudible.)

18 ASSEMBLYWOMAN FORREST: Good morning,
19 all.

20 Commissioner McDonald, you testified
21 today that last year's failed proposal, the
22 nursing compact, is a solution to Rochester's
23 healthcare staffing problems. Does DOH
24 assume that there are not enough nurses in

1 New York State?

2 DOH COMMISSIONER McDONALD: Yes,
3 there's not enough nurses in New York State.

4 ASSEMBLYWOMAN FORREST: Okay. So
5 according to NYSED, New York State Education
6 Department, new RN licenses increased
7 49 percent from April 2018 to January 2025.
8 That's 224,416 new issues. At the same time,
9 RN employment in New York has remained
10 relatively flat at 4 percent, from the same
11 2018 to '23.

12 Licensure isn't the problem. What
13 does DOH think is the real problem?

14 DOH COMMISSIONER McDONALD: So we
15 don't have enough nurses is true.

16 The big issue that I think's going on
17 in New York State is half of the nurses who
18 have a license aren't involved in direct
19 patient care. And I think that is really the
20 critical issue here. So trying to get nurses
21 to come back into direct patient care is
22 something we need to work on.

23 Now, I can tell you what we're doing
24 this year.

1 ASSEMBLYWOMAN FORREST: But I have --
2 but I want to keep on following this direct
3 "get to the bedside," because that's
4 interesting. I have a similar idea of the
5 problem.

6 You know, as a committed bedside nurse
7 I think that when we look at RNs' working
8 conditions, it's terrible. If you want a
9 better solution -- or I don't think a compact
10 is the solution at all. But a better
11 solution is better pay, better working
12 conditions, and better benefits. And that's
13 how you keep your nurses from going out of
14 state but staying in the state.

15 So in the line of better conditions at
16 the job, NYSNA reports that half of ICU units
17 are in violation of the minimum one-to-two
18 ratio required by law.

19 So my last question. How much funding
20 does the Governor give the Department of
21 Health for oversight and enforcement of the
22 new hospital staffing law?

23 DOH COMMISSIONER McDONALD: So we have
24 been enforcing the staffing law this year,

1 and we actually have prosecuted quite a few
2 complaints. You'll start to see fines come
3 out this year. Because just the way the law
4 is constructed, people have a chance to
5 rectify that.

6 I don't know the exact amount, but if
7 you look at enforcement actions of the
8 Department of Health not just for hospitals,
9 but for nursing homes, we've enforced --
10 we've had more enforcement actions this year
11 than any year previous --

12 ASSEMBLYWOMAN FORREST: I have
13 submitted --

14 DOH COMMISSIONER McDONALD: -- for
15 hospitals and nursing homes.

16 ASSEMBLYWOMAN FORREST: -- multiple
17 times, myself, when the unit is not in
18 compliance to the Safe Staffing Law. Very --
19 if none of those complaints from my fellow
20 nurses were investigated. Because we just
21 don't have -- there is no reinforcement,
22 there is no enforcement.

23 DOH COMMISSIONER McDONALD: So we've
24 done more enforcement this year than we've

1 ever done before, not just for hospitals but
2 nursing homes. Record fines in the last two
3 years for both too.

4 ASSEMBLYWOMAN FORREST: Thank you,
5 Commissioner.

6 DOH COMMISSIONER McDONALD: Thank you.

7 CHAIRWOMAN KRUEGER: Senator Tom
8 O'Mara.

9 SENATOR O'MARA: Thank you.

10 I just want to recognize that we've
11 been joined by our ranking member on
12 Insurance, Senator Pam Helming. We've also
13 been joined by Senators George Borrello, Dan
14 Stec, Steve Rhoads, and Jake Ashby.

15 CHAIRWOMAN KRUEGER: Thank you.

16 And we have been joined by
17 Senator Jackson, Senator Liu and
18 Senator Gonzalez. And people are wandering
19 in and out to other committee meetings.

20 Next, to Senator Helming, five
21 minutes, ranker.

22 SENATOR HELMING: Thank you,
23 Senator Krueger.

24 Superintendent Harris, I wanted to

1 thank you for your testimony and also thank
2 you for your accessibility. Your office has
3 been incredibly helpful as we've navigated
4 our way through a couple of natural
5 disasters.

6 I appreciate the opportunity to talk
7 to you last week about primarily what's on
8 the minds of my constituents: Affordability,
9 especially as it relates to car insurance and
10 the skyrocketing costs. I'm not going to ask
11 you a question on it because I feel like
12 we've discussed it. But again, anything you
13 could put out publicly or anything you could
14 point to in the budget that specifically
15 addresses combating the fraud that is
16 occurring.

17 And also, again, something that is
18 important after the natural disasters is just
19 something that you could put out to the
20 public to ensure that there's a healthy,
21 competitive market for homeowner's insurance.
22 People are really concerned after the
23 hailstorms, the flooding, the California
24 fires, and so much more.

1 But again, I have so many questions
2 for the commissioner of health. But again, I
3 want to say thank you to you, and I'll be in
4 touch too to see what we can get in writing
5 that I can could put out to my constituents.

6 DFS SUPERINTENDENT HARRIS: Perfect,
7 thank you.

8 SENATOR HELMING: Thank you.

9 Dr. McDonald, I'd like to start with a
10 question on rural suicide prevention. Both
11 houses last year unanimously passed a bill
12 that the Governor vetoed, with many other
13 bills, citing cost. It was a voluntary
14 commission that was gong to be formed. What
15 specifically is in the budget to address
16 rural suicide prevention?

17 DOH COMMISSIONER McDONALD: There's
18 not a specific budget line that says "rural
19 suicide prevention." That's not in there.

20 But the way we're looking at all of
21 these issues is I do work with the Office of
22 Mental Health quite a bit, but if you look at
23 how we're putting together the 1115
24 amendment, we have these Social Care

1 Networks. What we're trying to do is improve
2 people's individual social determinants of
3 health --

4 SENATOR HELMING: I read the report
5 that went out by the Department of Health a
6 couple of years ago. I've read reports since
7 then. We are seeing an increase in rural
8 suicide. We need to specifically address
9 that. We need to evaluate and understand
10 access to services, et cetera.

11 So I want to move on. I represent
12 several towns in Monroe County and several
13 rural counties. And when you talk about
14 Rochester and the Rochester healthcare
15 system, we should be talking about the
16 Greater Rochester healthcare system, because
17 those two big health systems run everything
18 out in my rural communities. And I feel like
19 we have to scratch and fight to get funding
20 to roll out from those big centers into our
21 rural communities.

22 You mentioned the unique challenges
23 with workforce problems and the nursing
24 homes. What specifically is in the budget to

1 address these issues in the Greater Rochester
2 area?

3 DOH COMMISSIONER McDONALD: So the
4 budget has a lot in there for workforce. And
5 one of the things I didn't mention was
6 training we're doing to help people pay for
7 their training with the health program. But
8 if there's nothing that's --

9 SENATOR HELMING: Dr. McDonald, I'm
10 sorry, but I only have three minutes. So if
11 you could get back to me with specifically
12 what's in there.

13 Last year New York State invested
14 almost \$650 million for training initiatives
15 in our area. I'm very curious, how's that
16 going? Because I continue to hear about the
17 struggles with workforce. I continue to hear
18 about people being held up in emergency rooms
19 or on floors in the hospital where we need to
20 move them out to the nursing homes.

21 But something's broken, and it's not
22 working.

23 DOH COMMISSIONER McDONALD: Well, it's
24 a workforce problem. We just don't have

1 enough workforce. I mean, we don't have
2 enough doctors, nurses, medical assistants.
3 We don't.

4 SENATOR HELMING: I know that. I'm
5 asking you, what are we doing? And how
6 effective has all the money been that we
7 brought you to do it?

8 DOH COMMISSIONER McDONALD: I'm happy
9 to send that to you. We're doing a lot in
10 workforce. I'm happy to send that to you.

11 SENATOR HELMING: Okay, I appreciate
12 that.

13 Moving on, I'd like to align my
14 comments. I continue to get numerous calls
15 from individuals concerned about the CDPAP
16 program, numerous calls. I have -- one of
17 the issues I think in our rural communities
18 is access to healthcare, being able to see
19 providers when you need to. We have a
20 shortage of providers.

21 And one of the things that struck me
22 as odd is the -- in the budget there's
23 something about medical malpractice. And I
24 read that and I think as a doctor, would that

1 entice me to come to New York? Or would that
2 be another thing that goes in the checkmark
3 of the box that's not a reason to come to
4 New York State?

5 Why do we put proposals in the budget
6 that are going to potentially discourage
7 people from coming here?

8 DOH COMMISSIONER McDONALD: I think we
9 need to look at long-term sustainable
10 solutions. The highest malpractice rates in
11 the United States are in Long Island,
12 followed by New York City. Using taxpayer
13 money to subsidize isn't the best solution.

14 We've done a lot of stakeholder
15 engagement. Of those things I've seen that
16 might make sense, I think New York needs to
17 look long and hard at what other states have
18 done --

19 SENATOR HELMING: Thank you. I'm
20 sorry, I have eight seconds left and I have
21 to get this in.

22 So our public health, county health
23 departments are on the forefront of fighting
24 the drug addiction services, and they need

1 County Law 677 to be amended so that they
2 have access to realtime data on what's
3 happening in their communities.

4 CHAIRMAN PRETLOW: Assemblywoman
5 Solages for three minutes.

6 ASSEMBLYWOMAN SOLAGES: I want to go
7 back to talking about nursing homes.

8 So despite considerable need, last
9 year's budget cut to the VAPAP program
10 targeting nursing homes was 25 million. The
11 program is designed to provide nursing homes
12 in severe financial distress the opportunity
13 to apply for short-term financial relief
14 dollars to maintain operators and vital
15 services and solutions.

16 The question is, can the Department of
17 Health tell us exactly what is happening with
18 that program? And what can be done to make
19 this process {inaudible}. And then I have
20 another question as well.

21 DOH COMMISSIONER McDONALD: So we do
22 use -- there's \$25 million just for nursing
23 homes for VAPAP, and we do use that. And we
24 did save quite a few nursing homes last year.

1 We didn't save all of them; three did close.

2 The VAPAP is designed for one-time
3 use, and it implies you have a transformation
4 plan. Of the three that closed, that wasn't
5 what was applicable to them. And it's not
6 meant for emergency funding to run your
7 payroll.

8 So that's -- what's in the budget this
9 year was in the budget last year. What we're
10 looking for is long-term sustainable
11 investment in nursing homes, and there's a
12 pretty significant commitment this year with
13 the MCO assessment. And that's where we're
14 trying to do things.

15 But we really need to look at how do
16 we help the workforce. Nursing homes, all of
17 them across the state tell me they have
18 struggled hiring staff. One of the things we
19 just released was our Temporary Agency
20 Staffing Report. It's stunning how many
21 hospitals and nursing homes are still
22 employing temporary agency staffing nurses,
23 which still speaks to the shortage. And the
24 majority of those nurses live within 10 miles

1 of where they're working. They're not really
2 traveling. And we're paying a fortune for
3 that.

4 So these are things that we need to
5 work together on to find solutions.

6 ASSEMBLYWOMAN SOLAGES: I hope that we
7 can strengthen our nursing homes. On
8 Long Island we're having a severe issue, and
9 we need emergency help for a lot of them.

10 Another question I have, in 2022
11 New York State enacted a law to reimburse
12 kidney donors up to \$14,000 in related
13 donation expenses. And we want to encourage
14 donation, organ donation. But the Department
15 of Health has yet to implement the law, and
16 now the Governor's proposing a tax credit up
17 to 10k.

18 Given that this previous law exists,
19 how can we implement it or execute the last
20 proposal before we implement the new one?

21 DOH COMMISSIONER McDONALD: Yes, and
22 we're working hard to implement the Living
23 Donor Support Act. The law was chaptered in
24 March of '23. It was supposed to be

1 effective April of '23. I didn't get -- the
2 budget wasn't approved that year until May of
3 '23. It was impossible. We needed to hire
4 staff, we need to train staff, we need to
5 write regulations, we need to do an
6 information technology build.

7 We're going to implement it this year,
8 because I think organ donation is really
9 important.

10 One of the big things we struggle with
11 in New York State, by the way, is for
12 whatever reason, we are like almost the
13 bottom in the country in registering to be an
14 organ donor. And as much as the Living Donor
15 Support Act is important, and something
16 that's really important to me, we do need
17 more people to, quite frankly, register to
18 donate, to be an organ donor. Because you
19 don't need them after you're gone.

20 ASSEMBLYWOMAN SOLAGES: Thank you so
21 much.

22 DOH COMMISSIONER McDONALD: Thank you.

23 CHAIRWOMAN KRUEGER: Senator Webb.

24 SENATOR WEBB: Good morning, everyone.

1 So as the chair of Women's Issues in
2 the Senate, my first question is for you,
3 Commissioner McDonald, with regards to
4 maternal mortality rates and also morbidity
5 rates.

6 So I know you mentioned in your
7 testimony that there's a plan to establish
8 nine sites, and I know Assemblywoman Paulin
9 raised this point. I'd really like to home
10 in on implementation because there seems to
11 be a consistent challenge with implementing a
12 lot of these measures in realtime.

13 And especially given the very alarming
14 rates of maternal mortality here in New York,
15 where we have some of the highest rates in
16 the country, that also disproportionately
17 impacts women of color.

18 I would like for you to expand on that
19 a little bit more.

20 DOH COMMISSIONER McDONALD: So there
21 are a lot of investments, not just the
22 perinatal centers. But one of the programs I
23 didn't really talk about was our Perinatal
24 Infant Community Collaborative, where we

1 funded 30 community-based organizations --
2 it's \$13 million a year -- to not just
3 address the perinatal mortality, but the
4 infant mortality, because so much of that's
5 connected.

6 Now, we do have the Maternal/Child
7 Home Visiting Program as well. We have the
8 Nurse Family Partnership, which has, you
9 know, got a nice \$3 million investment with a
10 nice federal match to that as well. We have,
11 you know, something small, like the Safe
12 Motherhood Initiative. We do have, you know,
13 other savings we do as well here.

14 But we get a lot of money from the
15 federal government on this stuff as well, and
16 I think it's a really comprehensive program.

17 I don't think there's a quick
18 solution, though. There's not one big issue.
19 The issues that I most worry about is when
20 people pass away after having babies,
21 sometimes it's right around the perinatal
22 experience. But we look at someone who might
23 have passed away up to a year later, and we
24 divide that into pregnancy-related versus

1 pregnancy-associated deaths, because you
2 really want to make sure that no one's dying
3 from pregnancy, whether it was a direct cause
4 from what happened in an operating room or in
5 a birthing room, or whether it was a
6 circumstance that happened in life.

7 Part of why I bring that up is the
8 initiative to give someone \$100 a month of
9 public assistance while they're pregnant and
10 1200 a month when they're having a baby, that
11 may not seem like a really big initiative,
12 but that is significant.

13 And one of the other investments that
14 have this kind of smallest -- we're doing
15 more to do lactation consulting as well.
16 Like we're trying to do as much as we can.
17 The data will take a long time to mature
18 because it does take a long time to go
19 through the data and figure this out. But
20 we're doing the interventions and then
21 trusting the data will be there when we're
22 done.

23 SENATOR WEBB: And I only have a
24 little bit of time left. I do want to

1 continue on this theme of challenges with
2 implementation.

3 So I too have a lot of concerns around
4 the CDPAP program changes. I represent a
5 very rural community myself, and I have a lot
6 of constituents who are very reliant on this
7 program, and it has created a lot of issues
8 with not only consumers but also providers of
9 care.

10 And so I know we have limited time,
11 but I would like to have a much larger
12 conversation on not only how we're
13 implementing these changes and the impacts,
14 but also challenges with communications with
15 the Department of Health in getting
16 consistent, clear communication on how these
17 programs are being implemented and the
18 challenges that constituents are having.

19 CHAIRWOMAN KRUEGER: I'm sorry, I have
20 to stop you, Senator.

21 SENATOR WEBB: Thank you.

22 CHAIRWOMAN KRUEGER: Thank you.
23 Assembly.

24 CHAIRMAN PRETLOW: Thank you.

1 We've been joined by
2 Assemblymembers Anderson, Gonzalez-Rojas,
3 Kelles and Reyes.

4 The next questioner, for five minutes,
5 is Assemblyman Gandolfo, ranker on Insurance.

6 ASSEMBLYMAN GANDOLFO: Thank you.

7 My first question is for you,
8 Commissioner. Thanks for joining us here
9 today.

10 The Governor's proposed budget
11 language would authorize DOH to penalize
12 health plans for contract and performance
13 standard noncompliance, with penalties
14 ranging from \$250 to \$25,000 per violation,
15 dependent on the severity and at the sole
16 discretion of the commissioner.

17 Under the Medicaid managed program,
18 DOH and individual health plans enter into a
19 model contract defining the obligations of
20 the parties to provide benefits to Medicaid
21 enrollees.

22 Does the department already have this
23 authority to levy penalties through the model
24 contract?

1 MEDICAID DIRECTOR BASSIRI: Thank you
2 for the question.

3 Yes, the department has authority to
4 impose penalties under the model contract
5 today. However, it takes a very long time.
6 It goes through the administrative hearing
7 process that is outlined in Public Health
8 Law.

9 And the language that is being
10 proposed in this year's Executive Budget
11 allows us to more swiftly impose penalties
12 for trivial and standard contract
13 noncompliance.

14 ASSEMBLYMAN GANDOLFO: Now, is there
15 any way for -- is there a process for health
16 plans to dispute the penalty being levied?
17 Is there any kind of appeal?

18 MEDICAID DIRECTOR BASSIRI: There are
19 too many processes for health plans to
20 dispute penalties.

21 ASSEMBLYMAN GANDOLFO: Well, under
22 this language would there be a process if the
23 commissioner levied a --

24 MEDICAID DIRECTOR BASSIRI: Yes, there

1 would be an abbreviated process, and the
2 penalties that would be imposed would be much
3 more objective and black and white with
4 respect to the requirements that are already
5 in the contract.

6 ASSEMBLYMAN GANDOLFO: Okay. All
7 right, thank you.

8 And moving on to the funding for the
9 Medicaid Quality Incentive funding pools, the
10 Executive Budget utilizes a portion of the
11 proceeds from the MCO tax established in last
12 year's budget to provide 50 million state
13 share for the mainstream Medicaid Quality
14 Incentive program. The QI program has been
15 vital in enhancing the quality of care for
16 individuals in Medicaid, supporting a broad
17 range of initiatives.

18 Does the \$50 million fully fund the
19 program?

20 MEDICAID DIRECTOR BASSIRI: It fully
21 funds the amount that is remaining in the
22 program.

23 It has changed over time, so I don't
24 actually recall what the full amount was.

1 But every amount that is currently funded
2 through the global cap would be funded
3 through this initiative. We're not reducing
4 it any further.

5 ASSEMBLYMAN GANDOLFO: Okay, thank
6 you.

7 And earlier I think, Commissioner, you
8 said that PPL was ahead of schedule. Does
9 that mean all 600,000 consumers and
10 caregivers would be fully transitioned by
11 April 1st?

12 DOH COMMISSIONER McDONALD: So my
13 understanding, the answer is yes, that our
14 plan is that PPL will meet on time. That's
15 exactly what we're saying.

16 Our understanding is there's roughly
17 240,000 members right now, and then the
18 workers are who else you're talking about.
19 But right now you can sign up on the phone,
20 you can sign up online, there's 150-plus
21 physical locations. And if you don't call
22 them, they will call you.

23 ASSEMBLYMAN GANDOLFO: Okay, so you
24 would expect all 600,000 to be transitioned

1 by --

2 DOH COMMISSIONER McDONALD: Well, as
3 many as -- as who want to. I mean, I have to
4 create space for -- I guess there might be
5 some people who don't want to transition. I
6 guess if that's possible, then they don't
7 have to. But if they want to, that's what
8 our plan is.

9 MEDICAID DIRECTOR BASSIRI: And just
10 to add to what the commissioner said, I mean,
11 we're tracking these numbers on a daily
12 basis, if not an hourly basis. They are
13 already up from the numbers that were
14 referenced earlier. We are on track.
15 There's no reason to believe we will not
16 continue to be on track going to April 1st.

17 And unequivocally, there is no change
18 in eligibility. People who are receiving the
19 service will receive the service regardless
20 on April 1st. That is not changing here.

21 ASSEMBLYMAN GANDOLFO: Have any
22 payments been made to subregional partners
23 for administration costs?

24 MEDICAID DIRECTOR BASSIRI: No.

1 ASSEMBLYMAN GANDOLFO: So not at this
2 point? Okay.

3 And that's all I have. Thank you all
4 for answering the questions.

5 And, Superintendent, also thank you.
6 I have to compliment your staff. We've
7 talked about some issues there. I didn't get
8 the outcome I wanted, but I appreciated their
9 candor and willingness to discuss the issues
10 and try to figure something out.

11 So thank you.

12 CHAIRWOMAN KRUEGER: Thank you.

13 Senator Griffo.

14 SENATOR GRIFFO: Thank you.

15 A two-part question for Dr. McDonald.

16 First, Doctor, this winter we've seen
17 a high incidence and a high volume of
18 diverting patients from emergency departments
19 across upstate New York. Despite the
20 workforce shortage, what can or will the
21 Department of Health do to assist these
22 hospitals and medical facilities to resolve
23 this problem, which is not only an
24 inconvenience but potentially dangerous?

1 Secondly, the Upstate University
2 Hospital is a very important part of the
3 upstate medical system across that region,
4 and it faces significant challenges both in
5 operational and capital needs. This year in
6 the budget we've seen \$450 million for
7 modernization and rehabilitation for
8 Downstate as well as 100 million for
9 operating funds for Downstate Medical Center.

10 What are you willing to do to address
11 the Upstate problem -- because they're only
12 receiving 200 million in capital -- and to
13 advocate for parity?

14 DOH COMMISSIONER McDONALD: Yeah, so,
15 you know, Downstate's a very important
16 hospital, it's an academic health center.
17 Upstate is as well. They're both very
18 important.

19 As far as advocating for parity, this
20 comes out of SUNY's ask for the budget, but
21 I'm highly invested in both of them. I worry
22 about Upstate Medical Center because as much
23 as Downstate's critical as an academic health
24 center, there's other hospitals in that area,

1 14 other hospitals in that Kings County area.
2 But Downstate's really critical. We need
3 them.

4 When you look at Upstate, we need
5 Upstate Medical Center in New York State.
6 And part of why I say that, they're a
7 quaternary medical center, they're a premier
8 academic health center. But the thing about
9 Upstate is there's a lot of people across the
10 whole central part of New York who rely on
11 Upstate Medical Center.

12 So there's \$200 million for them.
13 Now, they're eligible for the Safety Net
14 Transformation Program --

15 SENATOR GRIFFO: We got all that, and
16 I understand and I appreciate that. But what
17 will you do to rectify and seek parity in
18 that budget, then?

19 DOH COMMISSIONER McDONALD: Well, I
20 think I'm doing it now by being very blunt
21 about how much I love Upstate Medical Center.

22 SENATOR GRIFFO: I think the money
23 would be more important. Your love is
24 appreciated.

1 DOH COMMISSIONER McDONALD: Well, you
2 know, I don't have a checkbook, my friend, I
3 really don't. And part of what I'm getting
4 at is what I can do is what I can do.

5 What I can say about the Safety Net
6 Transformation Program, they put in a very
7 good proposal. I can't speak to whether it
8 will be approved or not here. But this is a
9 great tool for them to use. And Upstate is
10 smart; they know how to do these things. But
11 SUNY could do a little bit -- maybe SUNY
12 could do a little more to advocate for them
13 too, by the way. Because I'm really a big
14 fan. I could use some help for them.

15 SENATOR GRIFFO: And how about the
16 emergency room diversions that we talked
17 about? Despite the shortages, what can the
18 department or should it do to help these
19 hospitals?

20 DOH COMMISSIONER McDONALD: You know,
21 it's a workforce issue to some degree. But
22 some of the issues are how do you get
23 patients to the right setting of care.

24 One of the things you see when you

1 look at workforce, when you look at ED
2 utilization, 70 percent of the people who are
3 going to EDs really could have been handled
4 at an urgent care or a primary care.

5 One of the things that I'd like about
6 some of the proposals we're seeing, not
7 naming any, is when they partner with an
8 urgent care to get people to not go to their
9 emergency department, to go to a different
10 setting of care.

11 One of the reasons why I love
12 St. Barnabas' program, they really did a nice
13 partnership to move complex mental health
14 patients to Cityblock. So there's
15 partnerships we can do --

16 CHAIRWOMAN KRUEGER: All the rest of
17 that answer to follow up with him afterwards.

18 SENATOR GRIFFO: Thank you.

19 CHAIRWOMAN KRUEGER: Thank you.
20 Assembly.

21 CHAIRMAN PRETLOW: Thank you.
22 Assemblywoman Lunsford.

23 ASSEMBLYWOMAN LUNSFORD: Hello,
24 Commissioner. My first two questions are

1 going to be about lead pipes; I'm going to
2 ask them together.

3 The first is there's some confusion in
4 our local governments about whether water
5 rate revenue can be used to help pay for
6 private property lead-line replacement. I'd
7 like to know if the department has a position
8 on that.

9 And also, given the EPA's lead and
10 copper line improvement rule that was just
11 issued, what can we expect between now and
12 2037 when we're expected to replace all of
13 our lead pipes -- what can we expect from the
14 department in terms of support for our local
15 municipalities?

16 DOH COMMISSIONER McDONALD: So
17 regarding your first question about whether
18 you can use water rates to replace lead
19 service lines, I don't specifically know the
20 answer to that question.

21 Let me have Dr. Ginsburg get back to
22 you on that, because I'd rather give you the
23 right answer.

24 The second question, can you repeat it

1 for me again? I lost some of the audio.

2 ASSEMBLYWOMAN LUNSFORD: Sure.

3 The lead and copper rule improvements
4 requires replacement of our lead pipes by
5 2037. What can we expect in supports for our
6 local municipalities to achieve that?

7 DOH COMMISSIONER McDONALD: Yeah, it
8 helps that we got the inventory online. I
9 think that's really important.

10 We have \$129 million this year from
11 the Bipartisan Infrastructure Law. We have
12 money from the Drinking Water Revolving Fund.
13 We have money from the Clean Water
14 Infrastructure Act. We're replacing as many
15 as possible.

16 It's about \$5,000 to \$10,000 to
17 replace a lead service line. Are we going to
18 have them all done by 2037? I don't know.
19 Can't commit to that for sure because we have
20 a lot of lead pipes. This is one of the
21 things about being in a Northeastern state --
22 lead got here before we did, it almost seems.

23 ASSEMBLYWOMAN LUNSFORD: Thank you.

24 Our over-65 population is quickly

1 approaching the largest demographic in our
2 state. Can any of our 1115 waiver money be
3 used to support prevention and social
4 determinants of health supports for this
5 population?

6 DOH COMMISSIONER McDONALD: Oh,
7 absolutely. In fact, that's a really good
8 example of how we're going to use that.
9 Because when we build the Social Care
10 Networks -- there's nine of them that are
11 already built and functioning -- what we're
12 trying to do is target high-risk individuals
13 to improve their individual social
14 determinants of health and help prevent
15 problems.

16 The nice thing about the Social Care
17 Networks is they can customize. And, you
18 know, what's interesting about it, the
19 Social Care Network for the North Country
20 isn't going to do the same thing as what's
21 going on in downstate, because there are
22 different needs for people. Transportation's
23 a big problem for some people upstate. For
24 downstate, it's not as big a deal.

1 And this is one of the things about
2 the 1115 waiver with the Social Care
3 Network -- it's \$3.4 billion I have for that.
4 And part of it, just to make sure it's clear,
5 this is a demonstration project that CMS
6 approved. We expect to show a substantial
7 return on investment. It expires March 31,
8 2027. So we have a really big investment in
9 this. And I certainly hope CMS keeps their
10 word on that agreement.

11 ASSEMBLYWOMAN LUNSFORD: Excellent.

12 The EI Hub rollout's been a little
13 rocky. I'm hearing from providers that not
14 only are they taking months to get paid, but
15 even just the service authorizations are
16 taking a long time, which is further
17 exacerbating our waitlists. Can you give me
18 an update on how that's going?

19 DOH COMMISSIONER McDONALD: So the
20 EI Hub was five databases into one database.
21 Right now -- the rollout was challenging for
22 a lot of people. We got involved really
23 quickly with the technical fix and helped out
24 the vendor with that because in the

1 beginning, the first two weeks, the technical
2 aspects of its performance was terrible.

3 I'll get back to you on the rest.

4 ASSEMBLYWOMAN LUNSFORD: Thank you.

5 CHAIRWOMAN KRUEGER: Next is
6 Senator John Liu. I'll just give him my
7 chair.

8 SENATOR LIU: Thank you, Madam Chair.

9 And good morning to our commissioners.
10 Thank you very much.

11 Commissioner McDonald, a very quick
12 question for you. For 14 years we've been
13 waiting for this claims data on health
14 insurance. Do you know where that is?

15 DOH COMMISSIONER McDONALD: Yeah, the
16 all-payer claims database is -- it's making
17 progress. And I won't give you an exact
18 date, but I'm hoping it comes together at the
19 end of this year.

20 I know what you're talking about. I'm
21 moving it along. I inherited a lot --

22 SENATOR LIU: End of this year, 2025?
23 Or end of the year --

24 DOH COMMISSIONER McDONALD: I'm hoping

1 for 2025.

2 But I inherited a lot when I got to
3 the department. I'm aware of the problem.
4 I'm trying my best to fix this.

5 SENATOR LIU: Fourteen years. It's
6 not all you, but we need you to do this.

7 DOH COMMISSIONER McDONALD: I had a
8 lot -- I had a lot to fix, my friend. I'll
9 do the best I can.

10 SENATOR LIU: Thank you very much.
11 Apparently everybody has a lot to fix.

12 And apparently Superintendent Harris
13 has fixed a lot already. I appreciate your
14 testimony. Congratulations. A three-year
15 recap; looking to see what you've done this
16 past year in 2024.

17 I think your testimony, as usual,
18 highlights the tremendous successes that you
19 and DFS have had, but of course along the way
20 there have been some failures. I'm not
21 going to belabor the failures on the commuter
22 van insurance industry, but that for-hire
23 vehicle industry and the insurance failures
24 in that industry are very much alarming.

1 And, you know, I mean, I'm astounded
2 that you testify that one of the insurers in
3 the for-hire vehicle industry has been
4 insolvent since 1979. And yet DFS continues,
5 for nearly half a century, to allow this
6 company to operate while DFS shuttered the
7 only commuter van in the insurance company
8 that was available, thus imperiling the
9 thousands of immigrants who rely on those
10 commuter vans, even today without insurance.

11 And so that is a continuing failure on
12 the part of your department. I wish that you
13 would not simply abdicate on this
14 responsibility but come up with some kind of
15 solution. And maybe the answer could be
16 in -- lie in what you're doing with the
17 for-hire vehicles.

18 DFS SUPERINTENDENT HARRIS: Thank you,
19 Senator. As you know, ESD runs the pilot
20 program for commuter vans.

21 SENATOR LIU: No, ESD was -- you
22 passed it off to ESD when the responsibility
23 lies squarely with DFS.

24 DFS SUPERINTENDENT HARRIS: Sir,

1 unfortunately, it's unethical for DFS to
2 subsidize the insurance companies that we
3 regulate --

4 SENATOR LIU: We never asked you to
5 subsidize.

6 (Overtalk.)

7 SENATOR LIU: Our legislation as part
8 of the budget deal three years ago simply
9 said for DFS to make up the shortfall in the
10 insurance premiums that the commuter van
11 companies were no longer able to provide --
12 to pay.

13 (Overtalk.)

14 SENATOR LIU: But forget about all of
15 that. Just try to roll it into what you're
16 trying to do for for-hire vehicles. Do you
17 think there's some kind of solution there?

18 DFS SUPERINTENDENT HARRIS: I think
19 subsidizing, as ESD is doing through its
20 grant program for commuter vans -- I
21 understand those monies are going out. 1979
22 was before I was born. But we have published
23 the first-ever -- the first report in
24 40 years for the for-hire vehicle insurance

1 market.

2 SENATOR LIU: Well, unfortunately, I
3 was already born in 1979.

4 (Laughter.)

5 SENATOR LIU: Thank you.

6 CHAIRMAN PRETLOW: Thank you,
7 Senator Liu.

8 Assemblyman Bores.

9 (Pause.)

10 ASSEMBLYMAN BORES: Thank you all for
11 being here.

12 First I have a question for
13 Commissioner McDonald. You're probably
14 expecting it, because I've asked you the same
15 question now three years in a row.

16 The Department of Health is great with
17 sharing data because in the country, it's
18 very hard to view epidemics across states.
19 One database that we do not participate in is
20 NoroSTAT. This winter we saw a real surge in
21 norovirus that's affected many people. Is
22 this the year that we join NoroSTAT? And if
23 not, what's stopping us from joining it?

24 DOH COMMISSIONER McDONALD: So

1 norovirus right now is a reportable disease
2 in nine states. It's not reportable in
3 New York unless it's an outbreak, and then we
4 do report the data and investigate outbreaks.

5 I am looking at whether or not we
6 should become a state that makes it a
7 reportable disease. There's moving parts to
8 that, because it puts an impact and stress on
9 hospitals. But we might be able to do
10 something like what we did with RSV where
11 it's just lab data we get, and then we can
12 share the data.

13 One of the things that, you know, I
14 have to be able to explain is what are we
15 going to do differently with the information.
16 And I can't tax local health departments more
17 with this information. So there's moving
18 parts to deciding whether we make it a
19 reportable disease in New York. And I don't
20 have the authority, I have to go to the
21 Public Health and Health Planning Council to
22 get that. But we're looking at it.

23 But norovirus concerns me because of
24 how many people it just, quite frankly, makes

1 miserable.

2 ASSEMBLYMAN BORES: So my
3 understanding -- and please correct me -- is
4 that we do already report outbreaks through a
5 different CDC database.

6 DOH COMMISSIONER McDONALD: You're
7 right. Yup.

8 ASSEMBLYMAN BORES: And all that's
9 really required with norovirus is
10 standardizing data and reporting it in a
11 similar way so that it can be shared across
12 states and get things more quickly.

13 If that's true, would love to see if
14 there's any fiscal attached to that. And if
15 there's no need for a fiscal, would really
16 love to see that move forward.

17 DOH COMMISSIONER McDONALD: It's not a
18 fiscal, because I shift the cost to the
19 hospitals. That's the reason why there's not
20 a fiscal. That's what I have to be really
21 thoughtful about, is if I'm going to get data
22 from hospitals --

23 ASSEMBLYMAN BORES: Do you require
24 hospitals to change how they're reporting the

1 data in order to --

2 DOH COMMISSIONER McDONALD: They have
3 to do the extra work to report it to me. We
4 just absorb the data, then, at that point.

5 Like when we did RSV as a reportable
6 disease, you know, we didn't add any
7 additional staff, we just shifted the cost to
8 them. They get a little grumpy about these
9 things from time to time.

10 ASSEMBLYMAN BORES: So I've heard.

11 Would love to follow up with your
12 office on what could be done there.

13 DOH COMMISSIONER McDONALD: Okay.

14 ASSEMBLYMAN BORES: Superintendent
15 Harris, loved in your testimony calling out
16 that you really have become a regulator that
17 many states and countries rely upon,
18 especially around crypto.

19 I know there's been efforts in the
20 past to take some of the regulations that
21 have been built up over the years and
22 actually put them in state so they're clear
23 and you can even cement that position.
24 There's been a change in federal

1 administration, there was other things.

2 Just if you could update us on your
3 approach to that and if there's more things
4 we need to put into statute.

5 DFS SUPERINTENDENT HARRIS: Yeah,
6 always happy to work with you and your
7 colleagues on additional authorities that may
8 help the department continue in its
9 leadership position.

10 I think we've been working very
11 closely with Congress over the last two and a
12 half years on their federal legislation.
13 Obviously the administration and the Congress
14 have changed. But I think one thing that's
15 paramount for us is making sure that states
16 maintain their ability to regulate in the
17 space and that we don't get preempted by the
18 federal government. And we'll continue that
19 work.

20 ASSEMBLYMAN BORES: Thank you.

21 SENATOR LIU: Thank you.

22 Senator Kristen Gonzalez.

23 (Pause.)

24 SENATOR GONZALEZ: There we go. All

1 right. Good morning. Thank you so much for
2 being here, and thank you for your testimony.

3 My questions are for Commissioner
4 McDonald.

5 As you know, I represent Senate
6 District 59, on the East Side of Manhattan.
7 And based on our work together, I've
8 understood that the vast majority of
9 emergency departments serving Lower Manhattan
10 are currently at over 90 percent of capacity.

11 And by the Department of Health's own
12 estimation, if Mount Sinai Beth Israel is
13 allowed to close, of course, by the courts,
14 these EDs will be responsible for absorbing
15 those patients, pushing occupancy rates even
16 higher.

17 Does that pose a danger to the
18 400,000 constituents and New Yorkers that
19 exist in Lower Manhattan?

20 DOH COMMISSIONER McDONALD: Yeah, so
21 when you look at Mount Sinai, we did approve
22 their closure plan, but they can't close till
23 the court says so.

24 SENATOR GONZALEZ: Right.

1 DOH COMMISSIONER McDONALD: One of the
2 contingencies on the closure plan is they
3 have to put together a 24-hour, 7-day-a-week
4 urgent care center. When we did our
5 assessment of the data, the absorption
6 analysis shows that this can happen and this
7 would work.

8 SENATOR GONZALEZ: Yeah. But what I'm
9 getting at is not the emergency room or
10 24-hour urgent care, which is insufficient.

11 What I'm asking about is, by your own
12 estimation, most hospitals being at over
13 90 percent capacity across Manhattan as a
14 result of Mount Sinai's closure, for example,
15 Mount Sinai's Urgent Care going from
16 89 percent to 95 percent, NYU Langone going
17 from 93 percent to 94 percent, Bellevue going
18 from 92 to 96 percent, and more.

19 So how do you think that will impact
20 residents in Manhattan?

21 DOH COMMISSIONER McDONALD: Yeah,
22 there's only so much detail I could enter
23 because of the ongoing litigation that we're
24 involved in as well. But we've done the

1 analysis, and our analysis supports that the
2 work can be done.

3 SENATOR GONZALEZ: All right. Earlier
4 last week hatcheries statewide were closed
5 due to the prevalence of avian flu. Our
6 federal government provides little confidence
7 in resolving this issue.

8 If we had another COVID-style outbreak
9 or another public health crisis, given the 90
10 percent capacity levels I just cited, are you
11 concerned about how this lack of capacity
12 will impact care for Lower Manhattan
13 residents?

14 DOH COMMISSIONER McDONALD: So avian
15 influenza right now, we're talking about
16 68 people have been infected since 2022.
17 You're asking about if there's another
18 pandemic?

19 SENATOR GONZALEZ: If there's a public
20 health crisis, yes.

21 DOH COMMISSIONER McDONALD: So if
22 you're looking at another pandemic, we have
23 the lab capacity -- not just in New York, but
24 we have a network across the country to

1 address that. We have plenty of stockpiles
2 of personal protective equipment, plenty of
3 stockpiles of antivirals.

4 Now, if you're talking about another
5 pandemic, we're going to have to think
6 differently about everything -- about how
7 we're going to meet patient care, because the
8 patient care problem in New York is a
9 function of workforce, not just in Manhattan
10 but everywhere. We need real workforce
11 solutions. We are doing our best to solve
12 that at the department, but we could use some
13 help with scope of practice.

14 SENATOR GONZALEZ: So how does having
15 this capacity strain prepare us for the next
16 public health crisis, given the workforce
17 development constraints that you just
18 mentioned?

19 DOH COMMISSIONER McDONALD: So the
20 workforce development constraints are
21 statewide, they're not just unique to that
22 little neighborhood of Manhattan. So I'm not
23 just worried about that little neighborhood
24 in Manhattan. There's nothing little in

1 Manhattan, I shouldn't say little. But --

2 (Time clock sounds.)

3 SENATOR GONZALEZ: Well, happy to take
4 this offline.

5 CHAIRMAN PRETLOW: Assemblyman Slater.

6 ASSEMBLYMAN SLATER: Thank you very
7 much.

8 Good morning. I had a question
9 regarding the Medical Indemnity Fund, if you
10 could provide some answers.

11 As you know, this fund provides
12 funding for healthcare expenses associated
13 with birth-related neurological injuries and
14 reduced medical malpractice insurance costs
15 for hospitals and OB providers.

16 Last year's budget provided 52 million
17 for the program, which was level with
18 previous years. However, shortly after the
19 budget was passed enrollment in the MIF was
20 suspended after the funds estimated
21 liabilities were found to exceed 80 percent
22 of its assets.

23 Enrollment was reopened following the
24 infusion of an additional 58 million in state

1 funding, bringing last year's total MIF
2 appropriation to 110.

3 I raise this because the Executive's
4 budget only appropriates 52 million once
5 again, and DOB has signaled that MIF will
6 again breach that 80 percent circuit-breaker
7 this year.

8 And so compared to last year, my
9 question is have there been any changes to
10 the program or its financial status which
11 renders additional investments such as last
12 year's 58 million unnecessary?

13 COMMISSIONER McDONALD: Yeah, so
14 New York is one of three states that have
15 something like a Medical Indemnity Fund. And
16 if there isn't additional investment in this
17 year's budget, then the fund will not be
18 solvent, more than likely.

19 So what we need to do is work together
20 to collaborate and find solutions. We have
21 ideas. If you have ideas, we'd love to hear
22 them.

23 There's a lot of things I think we can
24 do to make the fund solvent. One is just

1 simply invest more money. But I do think
2 there's other strategies we could explore
3 together that I think would be helpful,
4 engage stakeholders, so we can really have a
5 sustainable plan for the long run.

6 When you look at how many people are
7 in the fund and how many people are coming
8 into the fund, the -- we look at the assets
9 and liabilities issue. I am obligated by law
10 to close enrollment once it gets over
11 80 percent. I don't have a lot of
12 flexibility there. But I think we need to
13 look at long-term solutions together. Love
14 to work with people to see what's possible
15 here.

16 ASSEMBLYMAN SLATER: Just to follow up
17 on that, if one of the solutions is more
18 money, why didn't the Governor propose
19 additional MIF funding or any substantial
20 reform of the program for the upcoming state
21 fiscal year?

22 DOH COMMISSIONER McDONALD: I think
23 the optimal approach is to work together and
24 try to collaborate on solutions.

1 I think adding money is a possibility,
2 but I think there's things we could do
3 together that would make the MIF long-term
4 sustainable. Because just adding money this
5 year doesn't change it for future years or
6 future years or future years.

7 ASSEMBLYMAN SLATER: Was there any
8 meaningful reforms proposed in the Executive
9 Budget dealing with MIF?

10 DOH COMMISSIONER McDONALD: So one of
11 the things we've learned is that you don't
12 love policy proposals in the budget, my
13 friend.

14 And I'm trying to be a little honest
15 with you about this. We'd love to offer you
16 the ideas, but we're waiting for folks to say
17 do you want to sit down and talk about it.
18 Because if you're not interested in sitting
19 and talking about it, I respect it.
20 Understood.

21 ASSEMBLYMAN SLATER: But that means
22 that we're just going to run into the same
23 problem year after year, is what you're
24 telling me.

1 DOH COMMISSIONER McDONALD: I think we
2 need to look at meaningful reforms we can do
3 together. I think there's low-hanging fruit
4 we could do together, I really do. But I'd
5 love to sit down with people and have a
6 conversation.

7 ASSEMBLYMAN SLATER: I look forward to
8 partnering with you on that as well. I do
9 have an individual specifically in my
10 district dealing with MIF, and it's been a
11 disaster for their family. So I look forward
12 to partnering with you on that.

13 DOH COMMISSIONER McDONALD: Love to
14 work with you on that, thank you.

15 CHAIRWOMAN KRUEGER: Senator Gustavo
16 Rivera, 10 minutes, chair of Health.

17 SENATOR RIVERA: Thank you,
18 Madam Chair.

19 All right, a lot of the questions have
20 been asked, at least versions of them. I'll
21 pick up on the MIF issue later. But let's
22 start at the top. Let's start off with
23 CDPAP.

24 How many total workers -- total

1 consumers -- let's start with consumers
2 first. How many total consumers are there in
3 the program?

4 MEDICAID DIRECTOR BASSIRI: It's going
5 up each month, but it's around 300 --
6 280,000.

7 SENATOR RIVERA: A little bit closer
8 to the mic would be great.

9 MEDICAID DIRECTOR BASSIRI: It's about
10 280,000.

11 SENATOR RIVERA: Two hundred eighty
12 thousand, okay. And as of -- based on the
13 numbers that PPL and you folks have told us,
14 as of a couple of days ago, as of the 31st of
15 January, there were 22,000 folks, in your
16 words, that had started or at least were in
17 the process.

18 MEDICAID DIRECTOR BASSIRI: Forty
19 thousand have started or completed; 22,000
20 have completed.

21 SENATOR RIVERA: Okay, so there's
22 40,000. I want to make sure that I got the
23 math right. So do you know how many days are
24 there between now and April 1st?

1 MEDICAID DIRECTOR BASSIRI: Under 60.

2 SENATOR RIVERA: Forty-nine.

3 MEDICAID DIRECTOR BASSIRI:

4 Forty-nine.

5 SENATOR RIVERA: Do you know how many
6 of those are -- is PPL open six days a week
7 or seven days a week?

8 MEDICAID DIRECTOR BASSIRI: Seven days
9 a week, 24 hours a day.

10 SENATOR RIVERA: Seven days a week
11 and -- I was under the impression that they
12 were open six days a week.

13 MEDICAID DIRECTOR BASSIRI: Yes, on
14 Sunday their hours are different. But they
15 are still reachable, as are we, if there are
16 any issues that need to be worked through
17 from now until April 1st.

18 SENATOR RIVERA: All right. So let's
19 say hypothetically that that is correct, only
20 because the experience that I've heard from
21 constituents -- and one thing that I want to
22 actually say publicly, there's a confluence
23 that you folks are doing which I don't
24 particularly appreciate. The fact that there

1 are some folks who are advocating to stay in
2 the status quo, I don't think anybody -- I'm
3 not asking them to stay in the status quo,
4 most of the folks who want the program to
5 continue do not believe that the status quo
6 is acceptable. We've said that many, many
7 times. There may be some folks who are bad
8 actors who are also quite wealthy who might
9 be, as I told you the other day, attacking in
10 unfair ways both the administration and the
11 way that the program is transitioning.

12 However, the concerns that are
13 expressed by people like myself and the
14 constituents that I hear from directly are
15 not these wealthy folks who want the
16 status quo to remain. As opposed to that, we
17 believe that the program is necessary, we
18 believe the program needs to transition
19 effectively.

20 And from the experiences that these
21 folks are living -- not from the misleading
22 ads or misinformation, as you say, that's
23 fine -- I don't believe that the individuals
24 who have approached me directly, the workers

1 who approach me directly are misinforming me.
2 Unless you're suggesting that they're lying,
3 they're telling me that they're having issues
4 with calls, they're being put on hold,
5 they're not being given the correct
6 information.

7 So at end -- so I just wanted to say
8 that for the record. But let's say
9 hypothetically that they do open seven days a
10 week. So that is about 240,000 people that
11 would be left. Right? And in the next
12 49 days, that means that you would have to
13 get -- that PPL would have to have
14 4,898 people -- so basically 5,000 people a
15 day.

16 And you're suggesting that this is
17 actually possible?

18 MEDICAID DIRECTOR BASSIRI: I'm
19 suggesting that we had a plan and we are
20 meeting the targets in that plan for the
21 people that should be enrolling and informed.
22 It does exponentially go up. We're
23 monitoring it very, very closely. There is
24 the potential that we don't meet the steep --

1 SENATOR RIVERA: That's something I
2 want to get to, because I have not heard
3 anything about a Plan B.

4 The Plan A is like if everything is,
5 you know, hunky-dory and everything happens
6 beautifully, then you will have 280,000
7 consumers actually transition. I don't know
8 how the math works on that, but you all
9 insist that it will.

10 Let's say what you just said for the
11 first time -- and I had not heard you say
12 that before, that there's a possibility that
13 some folks might not make -- this might not
14 happen, that the transition might not occur
15 for some folks. Right?

16 If that's the case, what is the Plan B
17 for those individuals? Because I'll remind
18 you, last year in the budget April 1st is the
19 last date that any -- that any other fiscal
20 intermediary can perform their duties
21 legally. After April 1st, they can't.
22 Right?

23 MEDICAID DIRECTOR BASSIRI: Correct.

24 SENATOR RIVERA: So what's Plan B?

1 MEDICAID DIRECTOR BASSIRI: So first I
2 want to just say that we completely share
3 your concern about meeting members where they
4 are and having the focus of members having
5 all their issues addressed.

6 And so I ask that everybody inform us
7 when those issues occur, because as they have
8 occurred up to this point, we have resolved
9 them with our partner vendor, PPL.

10 The Plan B is -- the Plan B is
11 essentially going to be dependent on where we
12 get to and when. The minute we don't meet
13 benchmarks, people will know. But in essence
14 we have confidence that there will be no
15 disruption for members or their workers. And
16 the reason for that is that's what we pay
17 health plans to do, is to be accountable for
18 those members.

19 So they're going to make sure that
20 their members receive care and the workers
21 get paid whether or not the members --

22 SENATOR RIVERA: Okay. See, the issue
23 I have with this is that it seems that you
24 are -- two things I want to suggest. I want

1 to say this publicly. I've said it to you
2 privately, I've said it publicly. April 1st
3 doesn't work. All right? I know you all are
4 saying that that's going to be the case,
5 that's going to go forward and everything is,
6 again, hunky-dory. April 1st does not work.

7 And I would suggest to the
8 administration that they privately talking
9 amongst themselves to see whether this is the
10 case. Because if you all stick to the idea
11 that you're going to have the single fiscal
12 intermediary, which many of us -- me
13 included -- do not think is a good idea --
14 but if you're going to stick to that, then
15 April 1st you might need to move that
16 deadline. Because the Plan B that you're
17 talking about seems to be just pointing the
18 finger at them and saying, You all didn't do
19 it, so it's your fault. It seems that that's
20 what you're setting up.

21 And the problem is that that leaves a
22 whole bunch of folks -- now, granted, if the
23 thing works perfectly and beautifully, it
24 might just be a couple of hundred or a couple

1 of thousand people. Still, it is a couple of
2 hundred or a couple of thousand people that
3 might need these services to be able to live
4 their lives effectively, to be able to feed
5 themselves, clothe themselves, et cetera. It
6 is essential that we get it right.

7 So -- and I only have four minutes
8 left and I want to get to other stuff, but I
9 cannot underline this enough. It is
10 incredibly important that you all get this
11 right. And if you insist on the single FI,
12 then please reconsider April 1st. It does
13 not work out by April 1st. If it does,
14 beautiful, and I will be the first one to say
15 I was wrong. But please let's do that.

16 Second, let's talk about school-based
17 health centers. School-based health centers
18 as a transition. The first thing is, there
19 was an agreement made in last year's budget
20 that there was not going to be a transition
21 to managed care for -- they have always been
22 a fee-for-service model. Yet late last year
23 there was an announcement, boom, we're going
24 to go to managed care.

1 So first of all -- two things. First,
2 who supports this change outside of the
3 administration? Is there anybody that's an
4 advocate out there who supports this? And
5 number two, what cost savings, if any, are
6 attached to this proposal?

7 DOH COMMISSIONER McDONALD: So as far
8 as who supports it, I haven't heard anybody
9 support it outside the administration, to be
10 brutally honest with you.

11 Part of what I'm --

12 SENATOR RIVERA: What happens -- could
13 you repeat that, please? I'm not sure I
14 heard it right.

15 DOH COMMISSIONER McDONALD: No one's
16 supporting it outside the administration --

17 (Overtalk.)

18 SENATOR RIVERA: No one's supporting
19 it outside the administration. Shouldn't
20 that be a sign, bro?

21 (Laughter.)

22 DOH COMMISSIONER McDONALD: Well, let
23 me -- let me tell me you why we're doing
24 this. Because sometimes we have to do things

1 that don't seem popular.

2 One is we authorized a 10 percent
3 increase last year for school-based health
4 centers. We still can't give it to them
5 because we're at the upper payment limit --

6 (Overtalk.)

7 SENATOR RIVERA: The health plans --
8 the health plans who potentially would
9 benefit from this, they're opposed to it. So
10 I'm just saying -- and I've only got 2:47,
11 and I've got like seven or more things to
12 talk about.

13 But I just -- this is another thing I
14 need to underline. The transition that you
15 all are insisting on, you're saying it's not
16 popular but you need to do it, there are
17 already sponsors of these organizations --
18 and we talked about this before privately as
19 well. There's sponsors of these
20 organizations that are already saying that
21 they're not going to be able to manage the
22 change.

23 And if we're talking about cost
24 savings that might be attached to it, the

1 fact -- there's concerns about the fact that
2 there's going to be increased costs. If you
3 pay at the fee-for-service rate -- if you
4 maintain the reimbursements at the
5 fee-for-service level, you still -- that
6 would actually potentially inflate the costs
7 because you've still got plan administration
8 and profits on that side.

9 DOH COMMISSIONER McDONALD: I don't
10 see how they're sustainable outside of
11 managed care. We can't get them extra money
12 right now. And we're trying to help them,
13 we're trying to protect them. We're going to
14 guarantee fee for service for at least
15 two years.

16 There's other things we can do to make
17 sure they're successful, because we can
18 direct the managed care plans what to do.
19 I'm very interested in school-based health
20 centers succeeding. I'm trying my best.

21 SENATOR RIVERA: Okay, so there's
22 two -- I have many concerns about this. And
23 the thing is, if the organizations that are
24 sponsoring them are saying that they're not

1 willing to put up with this change, that they
2 can't manage it, so they're closing the
3 school-based health centers, that is the
4 impact that we're looking at. And that's
5 already happening. So I'm concerned about
6 that.

7 I've got two more things, and I'll do
8 it as quickly as I can.

9 MIF -- Assemblymember Slater talked
10 about this before -- you all cut the funding
11 last year. This has -- we have to dig into
12 this. And I want to make sure that we talk
13 about it both privately and publicly.

14 This was created, as you know, many
15 years ago to maintain -- to medically support
16 an incredibly fragile population. And the
17 fact that we are not fulfilling the
18 responsibility as a state to make sure that
19 it is run well and that it is well-funded is
20 a problem, because the folks who are being
21 served by it, again, are kids with very
22 serious medical issues and the parents who
23 take care of them. Right? So that's
24 something that I need to make sure we talk

1 about.

2 And as far as the staffing is
3 concerned, there's a couple of things that --
4 I would suggest that one of the things that
5 you will need to do, that the administration
6 needs to do, is put more funding into
7 staffing the Department of Health. And I
8 think that there's been plenty already said,
9 like whether we're talking about the safe
10 staffing that Assemblymember Forrest talked
11 to you about earlier, there might be some
12 things that you've done as far as actions
13 that you've taken. But if you had more
14 staff, then you could do it more effectively.

15 Whether we're talking about oversight
16 of nursing homes -- there's a lot of concerns
17 about that. The Living Donor Support Act
18 that we talked about before has not been put
19 into effect. Maybe it has to do with
20 staffing in the Department of Health.

21 There is a Rural Ambulance Task Force.
22 (Mic issue.) Sorry. See? Somebody was
23 slapping this before. I think I wasn't going
24 to do it, but I did it.

1 Anyway, the point is that maybe we
2 should focus on actually more fully staffing
3 the Department of Health so that we --
4 because these are just a couple of things off
5 the top of my head that are not happening
6 effectively, and a lot of it may have to do
7 with the staffing. And there's more people
8 there, but they're newer, God bless 'em, but
9 we need more experienced folks, more
10 priority.

11 I might take more minutes later.

12 Thank you.

13 CHAIRWOMAN KRUEGER: Thank you.

14 Assembly.

15 CHAIRMAN PRETLOW: Thank you.

16 Assemblyman Andrew Hevesi.

17 ASSEMBLYMAN HEVESI: Thank you,

18 Mr. Chairman.

19 Good morning. How are you?

20 One question. If you could explain
21 the rationale behind the cut to applied
22 behavioral services for the 9.6 million this
23 year, which is going to be worse next year at
24 19.

1 DOH COMMISSIONER McDONALD: So the
2 applied behavioral analysis cut that we're
3 talking about is simply aligning with what
4 other states do. Which is if you're an
5 unlicensed person, instead of getting paid
6 \$77 an hour, you get paid half of that.

7 And that's just aligning with what
8 other states do. It's, I think, just a more
9 stewardship approach towards the investment
10 there.

11 MEDICAID DIRECTOR BASSIRI: If I could
12 add to what the commissioner is saying, also,
13 you know, we expanded this benefit recently
14 and there's other legislation to go beyond
15 the current implementation.

16 And thus far we have about three or
17 four years of implementation experience, and
18 the spending has increased quite rapidly.
19 We're at over \$100 million in spending. And
20 90 percent of that spending is to unlicensed
21 practitioners.

22 So it's not going to the licensed
23 behavioral analysts, it's going to unlicensed
24 practitioners at a rate that is about \$77 per

1 hour. That's significant as compared to
2 other licensed and even unlicensed
3 practitioners and their reimbursement levels.
4 So it --

5 ASSEMBLYMAN HEVESI: That's
6 interesting. But let me -- let me --

7 (Overtalk.)

8 MEDICAID DIRECTOR BASSIRI: -- we're
9 rationalizing.

10 ASSEMBLYMAN HEVESI: Forgive me. Let
11 me go back to the original point of how many
12 kids who have autism who are currently in the
13 juvenile justice system or in foster care are
14 going to lose access to this benefit.

15 DOH COMMISSIONER McDONALD: It's still
16 a fair wage. For an unlicensed person to
17 make 38.50 an hour is still a fair wage.

18 ASSEMBLYMAN HEVESI: It's still a fair
19 wage.

20 DOH COMMISSIONER McDONALD: Yes.

21 ASSEMBLYMAN HEVESI: So you're
22 saying -- so --

23 DOH COMMISSIONER McDONALD: This is
24 what most other states have done. I mean, I

1 think -- we were different.

2 ASSEMBLYMAN HEVESI: Forgive me,
3 Commissioner. The fact that most other
4 states have done it doesn't make me feel
5 better about --

6 DOH COMMISSIONER McDONALD: You really
7 should, because -- quickly -- New York is
8 sometimes the only state that does something,
9 and we're not usually succeeding when we're
10 doing that.

11 One of the things we have to accept is
12 other states have good ideas too. And so I
13 have to tell you, every time I see us where
14 we're just the one or two states that does it
15 this way, we're usually getting taken
16 advantage of or we're not getting what's best
17 for our public.

18 So generally we should look at what
19 other states do. It's a really good idea.

20 ASSEMBLYMAN HEVESI: You can, but in
21 this particular circumstance it results in a
22 cut to kids in New York State, does it not?

23 Are you going to -- do you expect the
24 same level of service that we're going to

1 have from before?

2 MEDICAID DIRECTOR BASSIRI:

3 Absolutely.

4 ASSEMBLYMAN HEVESI: Oh. Okay. Okay.

5 Okay, I'm going to leave it there. Thank
6 you, sir.

7 DOH COMMISSIONER McDONALD: Thank you.

8 CHAIRWOMAN KRUEGER: Okay, thank you.

9 Senator Borrello.

10 SENATOR BORRELLO: Thank you,
11 Madam Chair.

12 Thank you all for being here.

13 My question is on Medicaid. According
14 to your website, there are roughly -- this is
15 last year, about a year ago -- there are
16 7.3 million people that are on Medicaid here
17 in New York State. However, the Empire
18 Center asked you for qualifications --
19 verification that all of those people on it
20 are actually qualified and meet the
21 requirements. But you were only able to come
22 up with 6.4 million.

23 So there's a delta there of almost a
24 million people that you have been unable

1 since -- in the last nine months been able to
2 confirm, from the FOIL request from the
3 Empire Center, that they are actually indeed
4 eligible.

5 Now my math, simple math, if it's
6 \$10,000 a year cost to the taxpayers in
7 New York State, that's \$10 billion
8 potentially that we are spending on people
9 that are not eligible to be on Medicaid.

10 Can you please tell me why it's taken
11 so long to verify this?

12 MEDICAID DIRECTOR BASSIRI: I'm going
13 to have to check with the FOIL office, but I
14 can tell you there is no discrepancy. We're
15 happy to share any and all Medicaid
16 eligibility data, and everyone is eligible.

17 SENATOR BORRELLO: Wouldn't that just
18 be in a database somewhere? Wouldn't that
19 take five minutes to print out? Why are
20 we -- why is this --

21 MEDICAID DIRECTOR BASSIRI: It's not
22 that simple --

23 SENATOR BORRELLO: -- taking so long?

24 MEDICAID DIRECTOR BASSIRI: -- because

1 of the way eligibility works. We have
2 retroactive eligibility. There are time
3 periods where people drop off, there's
4 something called churn. There's different
5 types of coverage, there's Medicare-only
6 coverage. So --

7 SENATOR BORRELLO: Yeah, I understand
8 that there are --

9 MEDICAID DIRECTOR BASSIRI: -- people
10 want it to be simple, but it's not.

11 SENATOR BORRELLO: They're non-DOH
12 also as well.

13 So, you know, we've seen a dramatic
14 increase in Medicaid in the last four years,
15 roughly 40 percent, almost, of New Yorkers
16 are on Medicaid right now. But in the last
17 four years, in coordination with Biden's
18 open-border crisis, we've seen the most
19 drastic increase.

20 So can you tell me about -- if we have
21 people that are not eligible for Medicaid
22 that are on Medicaid right now, and how many
23 that might be.

24 MEDICAID DIRECTOR BASSIRI: I can't

1 answer that definitively.

2 I mean, we did cover -- you know, as
3 part of -- with the Legislature's support, we
4 did expand coverage to the undocumented,
5 65-plus population have comprehensive
6 coverage. There are many people who are
7 undocumented who are eligible for Emergency
8 Medicaid. That is currently --

9 SENATOR BORRELLO: I understand that.
10 But we have -- you know -- outside of DOH
11 we've got about 8.4 -- it looks like it's
12 8.4 percent of the total amount of people are
13 not DOH Medicaid recipients, these are other
14 agencies that are somehow able to give
15 Medicaid, you know, authorization.

16 So I just see a lot of correlation
17 between not being able to answer that
18 question on a million people's eligibility
19 and the fact that we had such a dramatic
20 increase in the last four years.

21 MEDICAID DIRECTOR BASSIRI: There is
22 no -- we can address any discrepancy of a
23 million people.

24 SENATOR BORRELLO: When can we get the

1 million people that are -- when can we get
2 the eligibility status of those million
3 people? When can we get that answer?
4 Because they're actually -- the Empire Center
5 is pursuing legal action. So I don't want to
6 see the New York State taxpayers having to
7 pay for a lawsuit because your FOIL
8 department haven't delivered what they should
9 have delivered nine months ago.

10 MEDICAID DIRECTOR BASSIRI: We will
11 check with them. But I assure you the
12 federal government cares more about their
13 money than the Empire Center does.

14 SENATOR BORRELLO: (Laughing.) I
15 think all taxpayers here in New York State
16 are concerned about the fact that nearly four
17 in 10 New Yorkers are on Medicaid. That's a
18 big issue.

19 MEDICAID DIRECTOR BASSIRI: That is
20 consistent in many other states with the same
21 eligibility policies and levels that we have,
22 like California and Oregon. Forty percent is
23 sort of average.

24 SENATOR BORRELLO: Thank you.

1 CHAIRWOMAN KRUEGER: Thank you.
2 Assembly.

3 CHAIRMAN PRETLOW: Assemblyman
4 Epstein.

5 ASSEMBLYMAN EPSTEIN: Good morning,
6 all.

7 I'll start with Superintendent Harris.
8 So the issue around private student debt in
9 the state where it's really somewhat of an
10 unregulated industry and we've been trying to
11 figure out how we can do it. Is there
12 anything in this budget that helps regulate
13 the private student debt industry?

14 DFS SUPERINTENDENT HARRIS: Sir,
15 there's nothing in the budget, but our team
16 works very hard as we examine and supervise
17 private student loan servicers.

18 ASSEMBLYMAN EPSTEIN: Yeah, so I know
19 this has been an ongoing issue. I'd love to
20 continue to work with you to try to resolve
21 this issue.

22 DFS SUPERINTENDENT HARRIS: Happy to
23 do so.

24 ASSEMBLYMAN EPSTEIN: And then a

1 couple of years ago we passed a bill around
2 immigration bond that we're seeing,
3 especially with the potential rise in
4 immigration detentions and potential
5 deportations, making sure we're regulating
6 the bond industry for immigrants.

7 I'm wondering, what have you seen in
8 relationship to that? Have you seen an
9 increase in people using immigration bonds,
10 bail bonds folks, and the impact that it has
11 on immigrant communities?

12 DFS SUPERINTENDENT HARRIS: Yeah,
13 thank you so much for the question and for
14 your engagement on this issue.

15 As you know, when we register
16 producers we don't delineate between those
17 who are doing immigration bonds only or
18 primarily and other types of producers. We
19 don't have a number of complaints on this
20 issue, but happy to continue to work on it to
21 make sure we're supervising them
22 appropriately.

23 ASSEMBLYMAN EPSTEIN: Thank you.

24 And then Commissioner McDonald, just

1 on -- you know, you agreed to close
2 Mount Sinai Beth Israel Hospital a year ago,
3 and it's really had a really detrimental
4 impact on my community. Hospital beds at
5 Bellevue are going through the roof. And so
6 there's real widespread impact.

7 Do you believe that hospital closings
8 is a good thing for neighborhoods when we're
9 seeing reduction in opportunity for emergency
10 rooms?

11 DOH COMMISSIONER McDONALD: So I don't
12 like it when any hospital closes, but we do
13 have to acknowledge that sometimes what's
14 needed for a community isn't necessarily a
15 hospital, it might be something else.

16 And one of the things I've already
17 seen with Mount Sinai Beth Israel is their
18 census has gone down dramatically, not just
19 for their ED utilization but also for their
20 inpatient utilization.

21 So there's a regional impact to this.
22 I can't get too much into our assessment
23 because of ongoing litigation, but our
24 assessment shows that they will be -- the

1 area will have their healthcare needs met.

2 ASSEMBLYMAN EPSTEIN: Just so you know
3 the impact that it's had on Bellevue is
4 Bellevue beds went from 550 in 2019 to over
5 850, 900 people every night at Bellevue.

6 So it's not about access to people
7 needing beds, it's them -- it's a system
8 issue. And I'd love to talk to you more
9 about that offline there; we've been talking
10 to you for the last couple of years.

11 DOH COMMISSIONER McDONALD: Sure.
12 Yeah.

13 ASSEMBLYMAN EPSTEIN: Just on CDPAP,
14 do you think if the change wasn't going to
15 save government money you'd still want to do
16 it?

17 DOH COMMISSIONER McDONALD: We need to
18 do this because every taxpayer should be
19 assured --

20 ASSEMBLYMAN EPSTEIN: Do you think
21 you'd still do it even if it would cost us
22 more money?

23 DOH COMMISSIONER McDONALD: Would I
24 still transition us if it would cost us more

1 money?

2 ASSEMBLYMAN EPSTEIN: Yes.

3 DOH COMMISSIONER McDONALD: Yes,
4 because we would get a better responsible
5 stewardship of tax dollars here.

6 We're spending way more than any other
7 state -- I'm going to quote you a 2020 CMS
8 report. New York State, for home care, spent
9 43 percent of what the United States spent in
10 home care. We were paying a fiscal
11 intermediary 150 to -- over a thousand
12 dollars a month, way more than the national
13 average here.

14 ASSEMBLYMAN EPSTEIN: Yeah, and seeing
15 people lose their services, that's okay.

16 DOH COMMISSIONER McDONALD: I don't
17 want anybody to lose their service. And
18 we're very committed to people keeping their
19 services. Very committed to that.

20 MEDICAID DIRECTOR BASSIRI: Nobody
21 will lose services. We are not changing
22 eligibility for services, so we're clear.

23 CHAIRWOMAN KRUEGER: (Mic off;
24 inaudible.)

1 SENATOR ASHBY: Thank you,
2 Madam Chair.

3 Why has New York State not rebased
4 their nursing home Medicaid rates since 2007?

5 MEDICAID DIRECTOR BASSIRI: Well, we
6 haven't rebased a lot of rates, going back to
7 2007 to 2010, when we shifted our
8 rate-setting methodology to pricing.

9 And we've done a number of things to
10 invest in those rates over time. And there
11 are limitations to how we can rebase rates
12 and whether we do that budget-neutrally or
13 whether there's an investment.

14 But like other providers, many, many
15 providers have not had their rates rebased.

16 SENATOR ASHBY: Why?

17 MEDICAID DIRECTOR BASSIRI: Because
18 the law --

19 SENATOR ASHBY: Despite -- despite the
20 rising operational costs, staffing shortages,
21 you know, really loss of providers as well.
22 I mean, since 2007, that's a long time. And
23 when you cite the law, explicitly what law is
24 preventing us from doing that?

1 MEDICAID DIRECTOR BASSIRI: Well, the
2 budget-neutrality aspect of the law, like we
3 have with the hospital rates. When we
4 rebase, it has to be budget-neutral. Which
5 means it can't cost more money.

6 So dollars move around within the
7 rate, as opposed to the rates just going up.
8 Some providers may actually have their rates
9 go down. So that's --

10 SENATOR ASHBY: Is there a way to
11 phase that in? Given that many other states
12 do this every three years, for example, they
13 rebase. We haven't rebased since 2007 and
14 are expecting our nursing homes somehow to
15 remain operational. They're closing.

16 MEDICAID DIRECTOR BASSIRI: Well, they
17 have remained operational in large --

18 SENATOR ASHBY: Some of them have not.
19 Some of them have not remained operational.
20 Some of them have closed.

21 MEDICAID DIRECTOR BASSIRI: We've
22 made -- this Governor, Governor Hochul, has
23 put in the largest rate increases in nursing
24 homes in 10 to 20 years, and that's been

1 compounding. So there's a 1 percent
2 compounding --

3 SENATOR ASHBY: Correct, it has been
4 compounding.

5 And if you rebase, you don't have to
6 have those increases every year. You don't
7 have to come back here every year and
8 increase astronomically, because the rates
9 have been rebased. That's the whole point.

10 So that type of investment is more
11 sustainable. Why haven't we even approached
12 this since 2007?

13 MEDICAID DIRECTOR BASSIRI: I think
14 there's a misunderstanding of what rebasing
15 actually means. And it does not mean
16 everybody's rate goes up.

17 So that's why we haven't done it, and
18 the law has limitations. So what we've done
19 is invest in the reimbursement rates, which
20 have gone up by over 10 percent in the last
21 two or three years. And there's more
22 investment in this year's budget as funded
23 through the MCO tax.

24 SENATOR ASHBY: Do you see it moving

1 to scale, getting up to speed to the point
2 where we're not having to adjust rates? To
3 equalize.

4 MEDICAID DIRECTOR BASSIRI: I would
5 say that the nursing home PDMP or PDPM
6 methodology is going to be updating some
7 acuity-based factors and will include
8 rebasing and reweighting. So in the meantime
9 we're going to be keeping investing in the
10 rates.

11 CHAIRWOMAN KRUEGER: And I'm sorry,
12 but I have to --

13 SENATOR ASHBY: Thank you. Thank you.

14 CHAIRWOMAN KRUEGER: -- cut off the
15 rest of that answer.

16 CHAIRMAN PRETLOW: Assemblyman
17 McDonald.

18 ASSEMBLYMAN McDONALD: Good morning.

19 Three questions, one for each of you.

20 To Jim, in regards to the federal
21 administration's recent orders to halt the
22 flow of federal funding, has DOH had any
23 issues with disruption receiving or
24 disbursing any of the Bipartisan

1 Infrastructure Law funds?

2 DOH COMMISSIONER McDONALD: We've
3 solved every problem we've had with the
4 federal government so far. There was some
5 disruption, but we've been able to remedy it.

6 ASSEMBLYMAN McDONALD: All right.

7 Amir, it's almost two years since
8 Medicaid, the pharmacy benefit came back as a
9 fee for service. As you know, there was a
10 lot of angst, a lot of frustration and
11 concern. I guess my question simply is, how
12 are things working? Are we meeting our
13 targets on rebates? Are we meeting our
14 targets on processing claims? And are we
15 also able to help -- have we been able to
16 help those friends and those entities that we
17 were worried about?

18 MEDICAID DIRECTOR BASSIRI: Thank you
19 for the question, Assemblymember.

20 Yes, I'm proud to say we did meet and
21 exceed our savings target in the initial
22 year. That was primarily driven by the
23 increase in rebates, as you alluded to.

24 And so that's been very successful.

1 All of the reinvestments to hospitals, the
2 FQHCs as well as the Ryan White Centers, have
3 been made and they're working well. It's a
4 very big success story.

5 We're doing other things with
6 expanding access on the formularies. So, you
7 know, for now, things have gone very well and
8 we've heard very positive feedback.

9 ASSEMBLYMAN McDONALD: I will tell you
10 the entities that were very anxious are the
11 same ones who said "I've been proven wrong,
12 it works." So thank you to the department.

13 Adrienne, I mentioned rebates
14 purposely because in the Governor's proposal,
15 which I support, we talk about greater
16 reporting of prescription drug rebates. As
17 you know, this is a bipartisan issue that's
18 been playing out on a federal level. The FTC
19 has really brought the PBMs home to roost.

20 Once again, they serve an important
21 purpose, but when they're negotiating and
22 collecting billions of dollars of drug
23 rebates on federal- and state-funded programs
24 -- and, by the way, union programs and

1 business programs -- there's no transparency.

2 So I understand the intention is to
3 have them start to report those rebates. My
4 question is that since there's been such a
5 highlight on them about five, six years ago
6 they started moving all of their rebates to
7 aggregators that are located in other parts
8 of the world, not in the country. Are we
9 going to be able to have a look at those
10 numbers as well?

11 DFS SUPERINTENDENT HARRIS: Sir, first
12 I want to thank you for the question and for
13 your participation on the Drug Accountability
14 Board. We really do value your partnership.

15 I think it's an important question and
16 we're working hard to make sure we can look
17 at all aspects of the prescription drug
18 supply chain. And always happy to work with
19 you and your colleagues on additional
20 proposals to shed some light here.

21 ASSEMBLYMAN McDONALD: Thank you.

22 CHAIRWOMAN KRUEGER: Senator Rhoads.

23 SENATOR RHOADS: Thank you,
24 Madam Chair.

1 Commissioner McDonald, first off, I
2 want to say good morning to the panel. It is
3 still morning, by the way. Just so you know.

4 I wanted to ask you a question about
5 Nassau University Medical Center. I have the
6 honor of representing the East Meadow
7 community where Nassau County Medical Center
8 is located -- Nassau University Medical
9 Center is located.

10 One of the things that I brought up to
11 you during your confirmation hearing was the
12 fact that NUMC has been underfunded by the
13 state. Over the course of the last six
14 years, seven years, Nassau University Medical
15 Center has lost -- Nassau Healthcare
16 Corporation has lost about half a billion
17 dollars in funding, grant funding from the
18 state that it traditionally had received.

19 In addition, over the last two
20 years -- and we speak about Distressed
21 Hospital Funding. There's additional funding
22 in the budget this year. Nassau University
23 Medical Center, even in spite of its
24 financial challenges -- which have been well

1 documented -- has received zero dollars in
2 Distressed Hospital Funding.

3 Now, in this year's budget, we see
4 changes to the Temporary Operator Statute
5 which would apply directly to
6 Nassau University Medical Center and portend
7 the possibility of a state takeover.

8 I've written your office numerous
9 times trying to find out when it is that
10 we're going to address the financial crisis
11 at Nassau University Medical Center. Their
12 administrative staff has taken steps to
13 balance their budget, but the simple reality
14 is that without state funding, with Medicare
15 reimbursement rates being at 72 cents per
16 dollar so that they're losing 28 cents for
17 every dollar of care that they provide a
18 patient who's being covered by Medicare, it
19 is simply not possible for them to be
20 profitable.

21 That's a safety-net hospital. Right?
22 They are treating patients -- and I'm going
23 on a bit, and I'm going to give you the
24 opportunity to give an answer in a second --

1 they are treating patients -- I'm a volunteer
2 firefighter, right? They have the only burn
3 center. They're a Level I trauma center, one
4 of the few Level I trauma centers that we
5 have. They are treating patients, regardless
6 of their ability to pay, from all of the
7 surrounding community.

8 We are continuing to put the
9 healthcare of 1.4 million New Yorkers at risk
10 by failing to address funding from the state
11 for Nassau University Medical Center. When
12 are we going to do that? What is the plan?
13 What are you and the Governor doing?

14 DOH COMMISSIONER McDONALD: So I don't
15 know that we have agreement on the state's
16 investment in Nassau. As far as we're
17 concerned, there's been a substantial
18 investment with Nassau.

19 I don't know that -- some of the
20 investments were one-time. They do get
21 Disproportionate Share funding, like every
22 other safety-net hospital does as well.

23 We have concerns with Nassau that are
24 quite significant. You know, I was very

1 specific with them about what I thought they
2 should do regarding leadership. They went in
3 a completely different direction. There's
4 been a 2020 report from A&M about how they
5 were supposed to look at their future --

6 SENATOR RHOADS: In fairness, most of
7 the things that were in your letter have been
8 addressed, except for the leadership change.

9 DOH COMMISSIONER McDONALD: No, no --

10 SENATOR RHOADS: Are we going to allow
11 the leadership change of that hospital to put
12 in jeopardy the healthcare of Nassau County
13 residents?

14 DOH COMMISSIONER McDONALD: The
15 transformation plan that we asked for isn't
16 there. And quite frankly, there's things
17 they should be doing that I think could make
18 them more successful. And I think they
19 really should work on what they can do in --

20 (Overtalk.)

21 SENATOR RHOADS: In the meantime, the
22 situation's getting worse, Commissioner.

23 CHAIRWOMAN KRUEGER: I'm sorry, we
24 have to cut off this conversation. Thank

1 you.

2 Assembly.

3 CHAIRMAN PRETLOW: Thank you, Senator.

4 Assemblyman Jacobson.

5 ASSEMBLYMAN JACOBSON: Thank you.

6 Dr. McDonald, you mentioned about the
7 money you have from the Clean Water Act, the
8 Federal Infrastructure Act, for lead-line
9 replacement. That's fine. The problem is,
10 the money is not getting out the door. The
11 money is sitting there, it's not getting out.
12 There's a feeding frenzy, one city against
13 another. The money's got to get out the
14 door.

15 I mean, the federal money could be
16 impounded tomorrow. We don't know. Let's
17 get the money out the door. I mean, I have
18 two cities, Poughkeepsie and Newburgh, but
19 Newburgh's been more aggressive. They've
20 done 250 replacements since the Lead Service
21 Line Replacement Program went into effect in
22 2018, but they've got 3,000 more to do.
23 That's 72 more years, assuming they get that
24 funding. That's three more generations of

1 children that are going to be poisoned with
2 lead.

3 Please, let's get the money, let's try
4 to streamline the program, let's get a little
5 less bureaucratic, and let's just say, Hey,
6 you got the problem? We know you've got to
7 do the surveys and all that, but you can't
8 get it done along the way and then you lose
9 another six months, 12 months, and another
10 year and a half. And so I really need that
11 to be done.

12 Superintendent Harris, we all watched
13 in horror about the fires in California and
14 the resulting insurance crisis, including
15 their FAIR program, the state program. I
16 feel that we're sleepwalking into a similar
17 California-like crisis here in New York. If
18 homes become uninsurable, that means they're
19 not mortgageable. And if they can't get a
20 mortgage, they can't be sold, and you've got
21 2008 all over again. You've got a financial
22 crisis of all the banks.

23 So I want to know what steps New York
24 State is taking so we're not sleepwalking and

1 going to have another 2008 crisis.

2 DFS SUPERINTENDENT HARRIS:

3 Absolutely. And I appreciate the question.

4 One thing that we do here that's very
5 different than California, as you know,
6 California had an artificially low cap on
7 rate increases. And although nobody likes
8 rate increases, we don't like rate increases,
9 one way to ensure accessibility to the
10 insurance market is to make sure that
11 actuarially sound rates are available in the
12 market.

13 The law requires us to set rates that
14 are adequate, not excessive and not unfairly
15 discriminatory. And the actuarial team at
16 DFS works very hard to balance the safety and
17 soundness of the insurance companies with
18 affordability for consumers. But without --
19 because we don't have an artificial cap like
20 California --

21 ASSEMBLYMAN JACOBSON: Are you
22 studying whether the State Insurance Fund --
23 I can't believe this, because I did workers'
24 comp law and I don't love the State Insurance

1 Fund. But are you seeing whether they can
2 be reformed to handle a crisis as the insurer
3 of last resort?

4 DFS SUPERINTENDENT HARRIS: So happy
5 to talk more about that and to engage our
6 colleagues at SIF.

7 ASSEMBLYMAN JACOBSON: Thank you.

8 CHAIRWOMAN KRUEGER: Thank you.

9 I'm going to take my 10 minutes as
10 chair now.

11 First, I want to thank all of you.

12 The Insurance chair had a family
13 emergency. He's trying to get back here in
14 time, to this panel. But I just want to
15 highlight for you, Superintendent, there are
16 many concerns about insurance. But you're
17 not really in the budget, and so you ended up
18 in this Health hearing and we have a roomful
19 of people who want to ask questions about
20 health.

21 So I'm hoping you will agree to a
22 hearing involving finance, insurance,
23 banking, and consumer affairs at another
24 time, because there are endless questions for

1 your agency.

2 DFS SUPERINTENDENT HARRIS: Happy to
3 do so.

4 CHAIRWOMAN KRUEGER: We think you're
5 doing excellent work, and I think many of us
6 in those arenas are particularly concerned
7 about the changes at the federal level where
8 they may be completely dropping their
9 responsibility for any kind of regulatory
10 needs. And that's going to mean more
11 responsibility for us in the state. So I
12 don't want you to feel that you're dissed
13 that all the questions are really for these
14 two gentlemen.

15 Having said that, my questions are for
16 these two gentlemen also.

17 (Laughter.)

18 DFS SUPERINTENDENT HARRIS: Fair
19 enough.

20 CHAIRWOMAN KRUEGER: So, Commissioner,
21 there's incredibly mixed messages going on
22 throughout the state specifically around
23 access to healthcare if you don't have legal
24 status and you show up at a hospital or a

1 public health clinic or a school health
2 clinic -- different memos going out from
3 different local electeds.

4 Isn't it a public health crisis for
5 all of us if people don't get the healthcare
6 they need because they think they could be at
7 risk of ICE coming into the location and
8 taking them away?

9 DOH COMMISSIONER McDONALD: You know,
10 it is a concern. We're hearing anecdotally
11 that people aren't going to healthcare
12 because of the word about the federal
13 intervention right now. It concerns me.

14 We're planning on sending some
15 guidance out to hospitals right now. We
16 talked to State Ed; I wanted to make sure
17 that we're working together with State Ed on
18 this, because they regulate the healthcare
19 professionals too. And we want to find a
20 joint statement that makes sense for
21 hospitals about how to interact.

22 But part of why it's important to
23 bring in State Ed is State Ed regulates
24 private practices and doctors and people who

1 work in clinics. And I need people going to
2 all their doctor's appointments, not just to
3 the hospital.

4 So, you know, we're going to try to
5 send some guidance out. Healthcare providers
6 are caught in the middle. We are not wired
7 to be in the middle of this debate, we really
8 aren't. What we're wired to do is help
9 people, and that's really what healthcare
10 providers need to know. But they need to
11 know what legal footing they're on with this.
12 And I think it's also important that they
13 know what federal law exists. So ICE just
14 can't come into a hospital, pull someone off
15 a ventilator and take them on their way.
16 That just can't happen.

17 CHAIRWOMAN KRUEGER: I'll just point
18 out, towards your guidance: Our Constitution
19 is clear, we do not allow discrimination
20 based on national origin. So yes, the feds
21 are confusing. And yes, what our roles are
22 may be confusing. But we have a clear
23 constitutional obligation to provide
24 healthcare to everyone in the state. And so

1 I'm hoping your guidance does that make
2 clear.

3 Because I know I come from New York
4 City and the messages coming out of City Hall
5 versus some of the guidance going to some
6 agencies versus some of the guidance being
7 provided by certain hospitals is not only
8 inconsistent, it's just so confusing it makes
9 it worse.

10 DOH COMMISSIONER McDONALD: I agree.
11 I think that's -- it's really confusing.

12 And I think you're putting healthcare
13 workers in a very awkward space here, because
14 we are designed to protect our patient.
15 We're not going to interfere with law
16 enforcement, that is clear. But there's
17 things healthcare workers need to know how to
18 do -- check I.D., make sure there's a
19 warrant.

20 But on the other hand, if you are a
21 federal agent and you're going to take one of
22 my patients out of one of my hospitals, you'd
23 better make sure they're going to be
24 transferred safely, effectively, and get

1 optimal healthcare. Because that's something
2 that's a right.

3 And you're absolutely right. And I
4 think part of what we're trying to do is make
5 sure people understand: You're not powerless
6 in this. And I think hospitals are kind of
7 confused about dealing with this thing. Part
8 of why I wanted to bring State Ed into it,
9 though, is that it's more than just
10 hospitals. My people need outpatient care
11 too.

12 CHAIRWOMAN KRUEGER: No, I agree
13 completely. And it's not just healthcare.
14 But when we talk about public health safety,
15 it is about healthcare.

16 DOH COMMISSIONER McDONALD: In schools
17 too, right?

18 CHAIRWOMAN KRUEGER: Because if that
19 person has a communicable disease because
20 they didn't get healthcare, all of us are
21 going to get it too, even though we don't
22 have a legal argument against us.

23 DOH COMMISSIONER McDONALD: That's
24 right. You're absolutely right.

1 CHAIRWOMAN KRUEGER: All right, thank
2 you.

3 One of my colleagues -- actually,
4 Assemblymember Slater started it earlier, and
5 Senator Gustavo Rivera I don't think got a
6 chance, so I want to talk about MIF. I
7 completely agree with the analysis provided
8 by Assemblymember Slater, that there's not
9 enough money put into the state budget to
10 actually cover the cost of this growing
11 program.

12 For the record, I never liked this
13 program. I thought that we shouldn't have
14 allowed Governor Cuomo to start it. And yet
15 it started. And at the time there was
16 supposed to be money committed through the
17 hospitals, but it seems like that money isn't
18 necessarily forthcoming from the hospitals
19 now and into the future, and that's a real
20 problem.

21 We thought we were going to see a
22 decrease in the number of children who are
23 born with this kind of damage because of
24 increased models for I guess better oversight

1 and training to prevent these storylines
2 happening. And yet we don't see that
3 happening.

4 You said there needs to be policy
5 issues addressed. I agree. I asked the
6 Governor to convene a roundtable of the
7 stakeholders -- hospitals, liability lawyers,
8 medical insurance malpractice coverers,
9 people represented whose children are in the
10 fund. And the Governor's office didn't
11 actually quite say yes or no.

12 I'm asking you. Will you convene a
13 roundtable to have this very difficult but
14 critical decision? Because there are a
15 thousand kids in that program now. I'm
16 hoping we don't see the same thing this year
17 right after budget we did last year where
18 suddenly a note went up on your website, Oh,
19 we're not accepting any more kids. Well,
20 that was a disaster, and it was reversed.
21 Don't want to see that again.

22 But we have I believe an estimated
23 over \$3 billion in longer-term liability for
24 the thousand kids who are already in the

1 system. There might be 1100 by now, I'm not
2 sure. So don't you think we just have to
3 force ourselves to sit down and figure this
4 out?

5 DOH COMMISSIONER McDONALD: I would
6 love to have people sit down and talk about
7 this, because I think you're hitting on
8 exactly the right issues here.

9 And one of the things I think we have
10 to look at is not just eligibility, but who
11 should be eligible. But there's other ideas
12 that I think could be great to hear.

13 And it's not that we don't want to
14 share our ideas with you, but sometimes if we
15 bring the ideas, then other people sitting
16 become the critic. What I'd rather do is sit
17 around tables where people bring their ideas;
18 we can create together.

19 You know, too often in our culture
20 it's much easier to be a critic than a
21 creator. And I'd rather not have an
22 us-versus-them conversation. I'd rather be
23 real with people about, like, where do you
24 want to land with this? If you want it to be

1 sustainable, we have ideas, but I'd really
2 rather hear people's ideas first.

3 It's very different the way the MIF is
4 constructed in the other two states that have
5 it. But that doesn't mean our way isn't okay
6 in this space. We need to find common ground
7 here.

8 CHAIRWOMAN KRUEGER: Thank you.

9 So, Commissioner, I have a bill,
10 others have other bills -- we're very
11 concerned that you don't have adequate
12 staffing to do the kind of oversight and
13 review that we've asked through laws we've
14 already passed. And I know one of the bills
15 that I am working very hard on is a bill that
16 would ensure that when doctors or other
17 healthcare professionals are accused of bad
18 behavior with their patients -- I'm not
19 talking malpractice, I'm talking illegal
20 behavior with their patients -- that you have
21 a better system for investigating and
22 following up.

23 Because I've heard that you are
24 desperately short-staffed in the unit that

1 should do these investigations, and that some
2 of them are taking four, five, six years.
3 You can't allow a doctor to continue to
4 sexually assault a patient and not have any
5 kind of follow-up and stop order against them
6 for years and years.

7 My bill would simply require that if
8 they are under a state investigation, they
9 have to tell their patients, I'm under
10 investigation for this. If you want to
11 cancel, fine. If you want to continue
12 fine -- although I'm not sure who would say
13 sure, lets go into the office with you.

14 But would you agree that we just need
15 to up our game on making sure a small number
16 of bad apples in the healthcare field aren't
17 getting away with this over and over again?

18 COMMISSIONER McDONALD: Yeah, so I'm
19 probably the only health commissioner who's
20 actually ran a state medical board for
21 10 years, so I understand a little about
22 this. It's a -- I'd love to look at your
23 bill, and I will do that. But I couldn't
24 agree more, we certainly don't want anybody

1 to be in jeopardy.

2 I can't comment on your bill
3 specifically, but I do think it's important
4 that we look at just how it's constructed the
5 way it's currently set up. One of the things
6 that's interesting is -- like I said, I
7 regulated doctors for 10 years; it's
8 interesting how each state does the laws
9 differently.

10 New York's laws are set up in a way
11 that does seem to protect the doctors a
12 little bit more than I'm used to. So I don't
13 know that you should just look at one issue.
14 I think it would be interesting if you looked
15 at all the issues and how we can actually,
16 you know, enforce what we're doing here.

17 We're doing what we can at our side to
18 make things more efficient. But I'd love to
19 hear more about the bill, and I'll have my
20 team look at it with me.

21 Thank you.

22 CHAIRWOMAN KRUEGER: Thank you.

23 I have more questions, but no more
24 time, so I will pass it to the Assembly.

1 CHAIRMAN PRETLOW: You do have
2 10 seconds, but we'll take them.

3 Assemblywoman González-Rojas.

4 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: There
5 we go.

6 Good morning. Commissioner, you've
7 mentioned your concerns over the federal
8 threats. And I am equally concerned. I'm
9 also concerned about a 2019 directive from
10 Governor Cuomo on Article VI funding to
11 New York City. So as you know, Article VI
12 funding provides every county department of
13 health 36 percent of cost coverage, but his
14 directive cut New York City to only
15 20 percent.

16 This reduction has led to a reduction
17 of 60 million to \$90 million for the city's
18 health department. And again, this is for
19 various crisis response services, including
20 immunizations. New York City has a large
21 number of vulnerable New Yorkers, including
22 undocumented people, low-income folks, people
23 who are uninsured.

24 Given your mission on racial equity

1 and providing the best health coverage for
2 every New Yorker, would you support a
3 restoration of that back to the same
4 36 percent so that New York City is treated
5 equitably with other counties across the
6 state?

7 DOH COMMISSIONER McDONALD: Yeah, I'm
8 glad you're bringing this issue up. I can't
9 take an official position on the bill during
10 this time, but I do want to acknowledge that
11 Dr. Morse, the acting commissioner of the
12 New York City Department of Health and
13 Mental Hygiene, and I talk often. She's
14 talked to me about how this impacts New York
15 City. Right?

16 You know, you brought up a lot of the
17 health issues that I worry about with
18 New York City. I worry a little bit about
19 tuberculosis, which is going up in New York
20 City as well. And New York City does have
21 different challenges. They have different
22 resources too. And we do a lot of support
23 for the city, but the city does generate a
24 lot of revenue for the state.

1 So you're bringing up to me a very
2 fair question. I think it's, you know, the
3 question of equity. It's a fair question. I
4 wasn't here when what was done was done, and
5 I can't imagine why it was done that way.
6 But it is odd that that's what we're living
7 with, because it's really the very definition
8 of the word "disparity," isn't it?

9 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Yeah.
10 I have my suspicions of why it was done. It
11 was quite political, honestly.

12 But to the superintendent, thank you
13 for your work on executing our laws to reduce
14 costs for -- or eliminate costs for insulin
15 and EpiPens. I have a bill with
16 Senator Rivera that does the same thing for
17 asthma inhalers. We know asthma inhalers are
18 a lifesaving device that people count on. It
19 could cost as much as \$640 for our neighbors
20 here in New York. I represent Asthma Alley
21 in Queens; Senator Rivera represents a
22 district with high asthma rates.

23 Does your department have a position
24 on reducing or eliminating costs for

1 inhalers? Is this something that you would
2 support in terms of eliminating copays,
3 co-insurance and deductibles for inhalers?

4 DFS SUPERINTENDENT HARRIS: Thank you
5 so much for the question. I think the
6 disparities you highlight when you talk about
7 asthma are a really important consideration
8 for us.

9 We're happy to work with you on the
10 bill and look at the potential savings for
11 consumers and for healthcare overall.

12 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Great.
13 Thank you so much.

14 CHAIRWOMAN KRUEGER: Thank you.

15 Senator Weber.

16 SENATOR WEBER: Good afternoon.

17 So I have some just questions
18 regarding the CDPAP transition. Right?
19 April 1st is right around the corner, and as
20 you know, we have a lot of FI providers and
21 residents who are very concerned. You know,
22 the hundreds of thousands of New Yorkers who
23 use CDPAP to manage their care at home,
24 right, they're concerned that they're going

1 to be left without services on April 1st.

2 You know, we've seen in the past
3 Pennsylvania, Massachusetts are examples of
4 what happened with a plan that caused a lot
5 of people to lose their care.

6 So what assurances can the state give
7 to the residents that they won't lose their
8 care come April 1st?

9 DOH COMMISSIONER McDONALD: So there
10 is no change in eligibility for anyone, so
11 everyone's eligible. And there's no change
12 in services.

13 The vendor has a ramp-up plan. They
14 are ahead of schedule on their ramp-up plan.
15 It's an aggressive ramp-up plan. But part of
16 the way they're doing this is they have phone
17 numbers, they have a website, they have over
18 150 physical locations in the state. If you
19 don't call them, they will call you.

20 The intention is to make sure that
21 everyone does move over. There's incentives
22 for PPL to actually do this, and they're very
23 committed to doing it. So that's the plan,
24 that no one be left behind in this regard.

1 SENATOR WEBER: Has there been any
2 consideration that as we get closer to that
3 April 1st timeline, there will be
4 considerations for extensions or that date
5 being moved?

6 MEDICAID DIRECTOR BASSIRI: We're
7 laser-focused right now, and there's no
8 reason to assume that we will need an
9 extension, because we are hitting the metrics
10 that we have set forth at this time.

11 ASSEMBLYMAN WEBER: Okay, thank you.

12 And one other point -- I'm just
13 switching gears a little bit. You know,
14 Senator Rhoads brought up, you know,
15 Nassau County and safety-net hospitals. In
16 Rockland County, we have two safety-net
17 hospitals, Good Samaritan Hospital and
18 Nyack Hospital. They, like most safety-net
19 hospitals, are really struggling.

20 And, you know, what can I go back to
21 them and tell them that's in this year's
22 budget that can give them assurances that --
23 you know, that they'll be able to survive,
24 essentially? Because a lot of them are

1 struggling.

2 DOH COMMISSIONER McDONALD: I would
3 love them both to look at the Safety Net
4 Transformation Program. It's really designed
5 for a safety-net hospital to partner with
6 someone else to find a way -- and we have
7 over a billion dollars committed this year,
8 and I have money left over from last year
9 that I still haven't allocated.

10 So, you know, I would encourage you to
11 bring to them something real and tangible,
12 which is that Safety Net Transformation
13 Program. I think they're both positioned
14 well to succeed in that space.

15 I think if they look -- Nassau in
16 particular, if they look up the Alvarez and
17 Marsal report of 2020, there's concepts in
18 there that were very critical to them. I
19 would encourage them to look at that and see
20 what's possible. I'd be very open to hearing
21 what they have to say in that regard.

22 SENATOR WEBER: Great. We'll go back
23 to them. Great, thank you. Appreciate it.

24 CHAIRMAN PRETLOW: Assemblyman

1 Blumencranz.

2 ASSEMBLYMAN BLUMENCRANZ: Thank you,
3 Chair.

4 Good morning. Superintendent Harris,
5 thank you for being here today and thank you
6 for always being a great working partner on
7 so many issues.

8 But the numbers don't lie. They paint
9 a disturbing picture. New York's insurance
10 market is in crisis. New Yorkers were facing
11 upwards of 20 percent increases in their
12 homeowner's insurance premiums last year.
13 New Yorkers saw the fourth-highest increase
14 in insurance premiums in the nation. And
15 according to the FBI, insurance fraud costs
16 the average U.S. family between \$400 and
17 \$700 per year.

18 New York has played no small role in
19 this crisis. According to a report from DFS,
20 your department received 35,722 reports of
21 suspected insurance fraud last year alone.
22 Yet only 77 cases were even investigated. Of
23 that, only 24 led to arrests. Fraud is
24 rampant, prosecutions seem nearly nonexistent

1 by these numbers. Albany's policies are
2 driving insurers and customers out of this
3 state.

4 Now, instead of fixing this broken
5 system, the budget proposed slashes nearly
6 \$50 million from your department. Other
7 states like Florida have put money towards a
8 significant crackdown on fraud, with
9 aggressive prosecution and mandatory
10 reporting laws. But New York is slashing
11 budgets for departments like yours that are
12 actively trying to go after these things.

13 What can we do to do better in this
14 department? And what do you need to arm
15 yourself with the tools to actually fight
16 against fraud in a significant way?

17 DFS SUPERINTENDENT HARRIS: Thank you,
18 Assemblymember, for the question and for your
19 partnership and engagement on these important
20 issues.

21 We take fraud seriously. And as you
22 know, insurers are required to file reports
23 with us on their own fraud prevention
24 efforts. When you talk about the numbers of

1 fraud complaints we receive, most of those,
2 something like 80 percent, are for
3 surveillance issues. They are not meant to
4 be actionable complaints. It is just the
5 insurer filing with us as the law requires
6 them to do, but they're not asking us to take
7 action.

8 ASSEMBLYMAN BLUMENCRANZ: So you tell
9 me that the process exists and it seems like
10 that's not necessary, yet they still have to
11 do it.

12 And 35,000 cases and only 77 cases
13 reported, do you have the resources you need
14 to actually investigate these cases? That
15 seems like a significant disparity.

16 DFS SUPERINTENDENT HARRIS: Yeah, I
17 think even though most of those filings are
18 for surveillance purposes, we have made
19 progress in having more investigations, more
20 arrests, more convictions, partnering with
21 law enforcement.

22 But you will probably never meet a
23 regulator that would say that they have
24 enough resources. Because I think fraud is

1 such a big part of the insurance cost that we
2 see here in the state, along with social
3 inflation.

4 So we have remade the leadership of
5 it, of our fraud division. We have six open
6 postings now for insurance investigators.
7 But we could certainly use more resources
8 there.

9 ASSEMBLYMAN BLUMENCRANZ: Thank you.

10 DFS SUPERINTENDENT HARRIS: Thank you.

11 CHAIRWOMAN KRUEGER: Thank you.

12 Next is our Senator Bailey, the chair
13 of Insurance, who I'm so glad got here on
14 time. And he gets 10 minutes, and he'll take
15 my chair.

16 SENATOR BAILEY: This is difficult,
17 these are difficult shoes to fill, a
18 difficult seat to fill.

19 Good afternoon, everybody. Thank you
20 for coming and testifying before us today.

21 The majority of my questions will be
22 geared towards Superintendent Harris.

23 Gentlemen, thank you for your service
24 as well.

1 I just want to say, you know, thank
2 you for working with us, working with the
3 state even before I became the chair of
4 insurance.

5 But I want to piggyback off the
6 Assemblymember's question in terms of
7 insurance fraud. Anything that drives up
8 costs is a concern. Affordability is one of
9 the major kitchen-table issues that we have,
10 and it relates to insurance. We have the
11 issues with auto insurance going up and
12 homeowner's insurance going up and premiums
13 going up. And fraud may be possibly driving
14 the cost.

15 Could you -- a two-part question.
16 One, how much does fraud, if at all -- I'm
17 not saying it doesn't, but how much does
18 fraud drive up policy costs? And what can
19 DFS do, in partnership with the Legislature,
20 to help ameliorate some of these cost
21 concerns?

22 DFS SUPERINTENDENT HARRIS:
23 Absolutely. Thank you so much, Senator, for
24 your partnership, and I look forward to

1 working with you in your new role as chair.

2 As you and I have talked about, we
3 have a responsibility to set rates that are
4 adequate, not excessive, and not unfairly
5 discriminatory, and that is the law. So we
6 work very hard to balance making sure we have
7 solvent insurance companies that can pay
8 claims when they come due, and so that
9 there's an accessible and competitive market
10 with affordability for consumers.

11 But as you noted, costs are going up
12 not just in New York but around the country.
13 Despite the increase in costs we've seen here
14 in New York -- in homeowner's, for instance,
15 New York isn't even among the top 10 most
16 expensive states in the country. Of course
17 people think about California and Florida,
18 but Nebraska, Oklahoma and others are more
19 expensive than New York.

20 When we think about auto insurance,
21 yes, costs are going up and we do everything
22 we can to control that, but New York is the
23 seventh least profitable state for auto
24 insurers in the nation.

1 So I think we are doing a good job to
2 strike the balance between accessibility and
3 affordability, safety and soundness and
4 affordability.

5 Fraud is a big component, and I know
6 the Governor is committed to convening a
7 working group around fraud because it affects
8 not just homeowner's and auto but also health
9 insurance. So I think there's a lot of work
10 for us to do there, including growing our
11 fraud team using better technology and data
12 analytics, which we're committed to doing.

13 Social inflation is a big issue and a
14 big contributor to insurance costs in
15 New York. And when we say social inflation,
16 we mean litigation costs. New York is in the
17 top three consistently of nuclear verdicts.
18 And so I think that's a big contributor and
19 something we should be looking at as well.

20 SENATOR BAILEY: Certainly. So back
21 to the fraud question on one point, and I'll
22 pivot elsewhere.

23 You mentioned fraud and having a
24 multipronged approach. Would DFS be working

1 with other agencies in order to -- so is DFS
2 solely responsible for the investigation of
3 fraud, or is it a multi-agency approach?

4 DFS SUPERINTENDENT HARRIS: It's a
5 multi-agency approach. And I thank you for
6 asking that question.

7 We work very closely with law
8 enforcement at local, state and federal
9 levels in most of our investigations, and so
10 we really do rely quite heavily on those
11 partnerships.

12 SENATOR BAILEY: So as a legislature,
13 what can we do? Are there things that the
14 policymakers before you can do in terms of
15 being forward-thinking about the costs of
16 insurance? Like are there pieces of
17 legislation that we can put into place?

18 I'm not asking for any specific thing,
19 but is there something that we can do to stem
20 the tide? Because all of our constituents
21 are feeling the pain of affordability of
22 their policies. Is there something that
23 statutorily that we would be able to look
24 into?

1 DFS SUPERINTENDENT HARRIS: I think
2 there are lots of things that we could
3 address as we think about social inflation,
4 as we think about fraud, as we think about
5 those fixes that will make New York a
6 competitive environment and make more
7 insurers want to be here.

8 Of course increased competition helps
9 drive costs down, and we have a thriving
10 marketplace here. But I think there's always
11 more we can do. And so I'm happy to work
12 with you and your colleagues on a number of
13 ideas.

14 SENATOR BAILEY: Certainly. So
15 there's a lot of conversation, a lot of
16 concern in our condolences -- I think it's
17 safe for the first time to speak for
18 everybody here when I say that California,
19 and every family affected, we can safely say
20 that it's a terrible tragedy.

21 And a lot of people are concerned
22 about insurers walking out in the manner that
23 they have been walking out in California. Is
24 that possible here in New York, is the first

1 question. And if -- let me ask that first
2 question. Is that possible here in New York
3 for them to walk out in the manner that they
4 have in California?

5 DFS SUPERINTENDENT HARRIS: So it is
6 possible. And last year we did give a
7 presentation to the Legislature, and I think
8 we'll look to do one again this year, and
9 come and meet with the committee as well.

10 One I think big difference between
11 New York and California is that California
12 had capped rate increases. So any rate
13 increases over 4 percent, the insurers were
14 required to go to a public hearing. They
15 didn't have the rate they needed to cover the
16 losses, and so it didn't make sense for them
17 to be in that state. And that's why you see
18 half of homeowners in the Palisades didn't
19 have homeowner's insurance, which is -- it
20 just adds insult to injury with this tragedy.

21 We don't have that here because the
22 Insurance Law requires us to set adequate
23 rates, and we work very hard to do so.

24 SENATOR BAILEY: Certainly. And so in

1 the budget last year, we -- you know, the
2 Governor and the Legislature accepted a
3 provision relating to discrimination in
4 insurance. And it's something that my
5 colleagues and I, we tackled legislatively
6 and we would look into.

7 I represent the Bronx and the City of
8 Mount Vernon in the Legislature, and one of
9 the large concerns I have is that there are
10 many property and casualty insurers who are
11 no longer looking to insure buildings of a
12 certain size, thus decreasing the market,
13 thus increasing the cost.

14 Are there steps that we can take with
15 DFS to try to open that pool up and to have
16 more insurers insure so that what I consider
17 to be redlining, frankly, doesn't happen?

18 DFS SUPERINTENDENT HARRIS: Yeah,
19 absolutely. I would say of course we can't
20 make insurers insure certain things, but what
21 we can do is make sure that they are not
22 unfairly discriminating.

23 And the Legislature last year passed
24 and the Governor signed a prohibition on

1 discrimination against affordable housing
2 developments. When that law was passed and
3 signed, of course we followed up with
4 regulatory guidance, and it's something we
5 will continue to examine for in our
6 examinations of insurance companies, and
7 bring enforcement actions as appropriate.

8 SENATOR BAILEY: Well, it's --
9 unfortunately, it's still happening.

10 Whereas, you know, some of the
11 buildings and property owners in the
12 district, small property owners, are coming
13 to me, coming to some of my colleagues as
14 well, and saying, We can't afford to own this
15 building. We cannot afford to have this
16 building without increasing the rent as the
17 costs are passed on to them.

18 And so it becomes not just an
19 insurance issue, it becomes a housing issue.
20 And it becomes a quality-of-life issue. So
21 it's something that I'm hopeful that we can
22 ameliorate.

23 I do want to ask Commissioner McDonald
24 a question. And thank you, Superintendent

1 Harris. I appreciate your time.

2 Commissioner, having -- I have three
3 children and I live through the lens of my
4 children. And everything I do is for them.
5 And I know there's been a conversation -- if
6 I missed this -- Senator Rivera, I know he's
7 been a big proponent of school-based health
8 centers.

9 What if anything can we do to ensure
10 that children who may not be as fortunate as
11 mine are afforded adequate care in
12 school-based health centers throughout the
13 state?

14 COMMISSIONER McDONALD: Yeah, so
15 school-based health centers are important to
16 the department. One of the things we're
17 struggling with is we're trying to get them
18 more resources.

19 We had a 10 percent rate increase from
20 last year. We weren't able to give it to
21 them because we're at the upper payment
22 limit. So by moving them to Medicaid managed
23 care -- which I agree isn't popular -- that's
24 one way we can do that.

1 There's guarantees we're putting in
2 place to make sure that at least they get the
3 fee-for-service rate for at least another two
4 years. We can't commit beyond the two years.
5 But, you know, we're willing to be open to
6 that.

7 There's other things we can do through
8 the managed-care entities. Like we can make
9 sure that -- one of the things I heard was
10 that I don't need to have a referral, you
11 know, to get my kids in a school-based health
12 center. We can make the school-based health
13 centers like the way managed-care companies
14 look like urgent cares, so the kids have to
15 be seen.

16 Another thing I'll just throw in there
17 is we do subsidize the school-based health
18 centers to \$11.5 million a year, and we're
19 doing what we can to not just improve medical
20 outcomes but dental outcomes as well, because
21 I think you're exactly right. When you look
22 at where kids get services, school-based
23 health centers are often the best place.

24 But we do want to have that

1 comprehensive approach; we could look at care
2 with their pediatrician as well. And this
3 really gets to that larger issue of we're
4 trying to meet everyone's needs as best we
5 can.

6 So it's not a popular decision, but
7 it's where we're headed because we think
8 that's what's for the best in the long run.

9 SENATOR BAILEY: I just have one more
10 question and then a general statement.

11 In relation to mental health,
12 obviously there's need in schools. I guess
13 this is a quasi-question. I would hope that
14 there would be more of an emphasis placed on
15 making sure there are qualified providers for
16 mental health in schools. There seems to be,
17 now more than ever, a conversation and a
18 crisis to make sure that -- {closer to mic} I
19 didn't realize I was speaking that low -- a
20 conversation and a crisis in relation to
21 making sure that there is there.

22 Now, I've been speaking to individuals
23 from the Children's Aid Society and other
24 foster-care agencies, and it's been brought

1 to my attention that there are insurers that
2 are not willing to insure the foster-care
3 system. And it would have a ripple effect
4 not just on those children in foster care,
5 but other families.

6 I'm not sure if you are aware of it or
7 if there is a -- if we can have a further
8 conversation about that, because that seems
9 to be a crisis because they can least afford
10 not to be in these locations.

11 MEDICAID DIRECTOR BASSIRI: I would
12 love to have a follow-up conversation. That
13 is not necessarily true.

14 We've been transitioning foster care
15 to managed care for a number of years and
16 imposing -- or instituting
17 quality-improvement standards and other
18 things. And it's actually been pretty
19 successful, given the sensitivity and
20 difficulty of the population. So love to
21 connect.

22 SENATOR BAILEY: I would love to.

23 I just want to say just one more
24 thing. I was just told that 16,000 kids --

1 CHAIRMAN PRETLOW: Sorry, Senator --

2 SENATOR BAILEY: -- may lose coverage.

3 Game 6 at the buzzer, sorry.

4 CHAIRMAN PRETLOW: I'm sorry.

5 We've been joined by

6 Assemblywoman Jo Anne Simon.

7 And the next questioner is

8 Assemblywoman Giglio.

9 ASSEMBLYWOMAN GIGLIO: Good morning,
10 and thank you very much for being here today.

11 Commissioner, my questions are for
12 you. And if you could please provide "yes"
13 or "no" answers. And if we have time, then
14 you can elaborate.

15 But the Early Intervention program was
16 not as seamless of a rollout as we thought it
17 would be. Thousands of claims rejected,
18 thousands of people are dropping out of the
19 industry, to be honest with you. It's
20 creating huge financial burdens on agencies
21 and providers.

22 Do you believe that CDPAP should maybe
23 take a break on its rollout until we can
24 figure out Early Intervention?

1 DOH COMMISSIONER McDONALD: No, I
2 don't believe we should stop the CDPAP
3 rollout at all.

4 The EI Hub rollout had challenges.
5 Almost all of those have been addressed. We
6 did send money to providers three times, to
7 make sure that they could make payroll and do
8 things.

9 But we also, when we look at how much
10 money we're paying now compared to what we
11 paid last year before the rollout, we're
12 paying almost the same amount of money out
13 there. And keep in mind, this was a change
14 of five databases into one database.

15 You know, the training that we offered
16 may not have been enough. On the other hand,
17 we have people reaching out right now to --
18 every day to provide customer support for
19 people who are getting denied claims. Right
20 now 44 percent of the denied claims are
21 really from eight different providers.

22 ASSEMBLYWOMAN GIGLIO: Yes, I've heard
23 the commercials, Commissioner.

24 But what I'm saying is that I'm on the

1 phone with PCG, and PCG is fixing these
2 problems every day. So there are problems.
3 It's not just user error, but there are a lot
4 of error codes that are coming up. There's a
5 lot of work that needs to be done so that
6 providers can get paid, children can get the
7 services that they need, and agencies and
8 providers are not dropping out of the
9 industry.

10 I got three emails this morning from
11 people -- that's three agencies with a
12 hundred providers that are not going to be
13 providing Early Intervention services as of
14 March 1st. This needs to be fixed, and I'm
15 concerned about CDPAP and the rollout of it,
16 but hope to talk to you more about that.

17 DOH COMMISSIONER McDONALD: If you
18 send me the names of the three, we'll talk to
19 them today.

20 ASSEMBLYWOMAN GIGLIO: Yes, I
21 certainly will. I've been dealing directly
22 with PCG, but I will send those to you.

23 DOH COMMISSIONER McDONALD: If you
24 send it to Melissa DeRosa, we'll interact

1 today on them.

2 ASSEMBLYWOMAN GIGLIO: And the
3 increases are not coming either.

4 But my next question, the Executive
5 Budget proposes shifting 2.1 billion of other
6 state agency costs outside of the Medicaid
7 global cap. This includes OPWDD.

8 Do you think that OPWDD should be
9 setting their own rates?

10 DOH COMMISSIONER McDONALD: I mean,
11 it's just shifting that had to happen because
12 otherwise we're going to exceed the global
13 cap.

14 ASSEMBLYWOMAN GIGLIO: Well, do you
15 think OPWDD should be setting their own
16 rates?

17 The 7/1 increases and the payments
18 that were supposed to come out, those rates
19 were just set two weeks ago. And those
20 people can expect their money seven months
21 later and are borrowing hundreds of millions
22 of dollars just to keep operation costs
23 floating, because they were waiting for DOH
24 to set the rates.

1 Do you think that OPWDD should be
2 setting their own rates?

3 MEDICAID DIRECTOR BASSIRI: No. They
4 used to set their own rates, and there's a
5 reason that the Department of Health sets
6 their rates now.

7 ASSEMBLYWOMAN GIGLIO: Thank you. It
8 hasn't gotten any better, so I think it
9 should go back to OPWDD.

10 Thank you.

11 CHAIRWOMAN KRUEGER: Thank you.

12 Senator Stec.

13 SENATOR STEC: Thank you.

14 Good morning, Commissioner. Good to
15 see you, thank you.

16 I want to talk a little bit more about
17 nursing homes. As you know, my Senate
18 district's one of the largest in the state,
19 very rural Northern New York, so I'm focused
20 on upstate not-for-profit nursing homes as
21 opposed to the downstate model.

22 And as you know, between inflation --
23 I mean, these are things that have impacted
24 their costs. Inflation, which is and isn't

1 directly attributable to government, but
2 certainly workers' comp, unemployment
3 insurance debt, minimum wage increases,
4 staffing ratio mandates, utility costs have
5 all added a great deal over time to the cost
6 in nursing homes.

7 At the same time, though, with the
8 exception of the last two years of moderate
9 increases in the Medicaid rate
10 reimbursements, for decades it was very flat.
11 So we have rapidly increasing costs,
12 not-rapidly-keeping-up-with-those-costs
13 reimbursement rates.

14 And as a result, I'm seeing and I
15 continue to hear from my nursing homes in my
16 district -- and I'm sure it's true upstate --
17 they're in financial peril. St. Lawrence
18 County just lost its last assisted living
19 center last year. That's the largest
20 geographic county in the state. So we're
21 putting a lot of pressure on people to have
22 to travel great distances to find homes and
23 care for their loved ones.

24 What is the state's plan to address

1 this divergence of cost to revenue for these
2 nursing homes before they all close?

3 DOH COMMISSIONER McDONALD: Yeah, so
4 we need to approach it from multiple angles.

5 One is there is a substantial
6 investment in this budget, up to \$400 million
7 that's for nursing homes and long-term cares.
8 And the way the investment is constructed,
9 it's using the MCO assessment. But it's not
10 an across-the-board rate increase, so we can
11 have the flexibility to target investments
12 where they're needed most.

13 Because you're right, the rural areas
14 are having different challenges. I
15 think that's just one example. But we need
16 to -- you know, last year there was a
17 \$285 million investment that was a per-diem
18 increase. Before that, there was a
19 7.5 percent increase, one of the most
20 historic increases we've had.

21 I think the other thing we need to be
22 looking at, though, is one of the things I
23 hear when I talk to nursing homes, and it's
24 about workforce. When you're looking at

1 workforce, one of the things they all tell me
2 is -- and I've got to listen to them, because
3 they're the ones in this business. They want
4 certified medication aides, just like 38
5 other states do this.

6 One of the things they're struggling
7 with is hiring nurses. This is one way to
8 help them as well. And then we need to look
9 at strategies to help places hire nurses.
10 One of the things that concerns me in
11 New York State is have the nurses who have a
12 license to practice nursing don't involve
13 themselves in direct patient care.

14 I think there's a multitude of reasons
15 why that's the case. Some of the points
16 brought up earlier is looking at working
17 conditions people work in. I'm willing to
18 look at that. I partner with State Ed in
19 that in particular as well, because I want to
20 look at what are the options we can do to
21 make working as a nurse easier in New York
22 State.

23 We've convened our health workforce
24 team to look at this issue --

1 SENATOR STEC: I only have 10 seconds
2 left. My point here is this has been an ask
3 from the nursing home community for five
4 years, and they're not saying it's getting
5 better. So we're behind.

6 DOH COMMISSIONER McDONALD:
7 Understood. And we're doing more than we've
8 ever done in the past.

9 SENATOR STEC: We need to do more.

10 Thank you.

11 CHAIRMAN PRETLOW: Thank you, Senator.
12 Assemblyman Norber.

13 ASSEMBLYMAN NORBER: Thank you,
14 Commissioner, for being here today and for
15 taking all the questions.

16 As you know, State DOH has had a
17 sole-source contract with Emergent, the
18 manufacturer of Narcan for over a decade.
19 For a long time they were the only
20 4-milligram nasal product on the market. Now
21 there are several formulations and doses and,
22 most importantly, generic options that cost
23 significantly less than the brand itself.

24 Despite these market changes, DOH

1 elected to extend their sole-source contract
2 with Narcan last fall, continuing to pay a
3 very high premium for this product.

4 Given the millions of dollars that are
5 being spent on Narcan, when there more
6 cost-effective products available, does DOH
7 have any plans to have a competitive RFP?

8 DOH COMMISSIONER McDONALD: So a
9 couple of things.

10 The first is I can't disclose the
11 price we pay for Narcan, but it's the lowest
12 price in the country.

13 The second thing I can say is we are
14 interested in doing competitive procurement,
15 and we will do that next year.

16 The third thing I'll say is there's a
17 reason why we only use naloxone or Narcan and
18 not the other ones. Narcan's over the
19 counter; they went through the process
20 getting the FDA to approve that. The other
21 products like nalmeffene or Opvee that's
22 longer-acting. National experts, including
23 myself, are concerned that there isn't actual
24 data that shows it actually helps people

1 without them going into withdrawal because of
2 the half-life of being 11 hours.

3 Of course every drug needs five
4 half-lives to clear. Putting someone in
5 withdrawal for two days with the nalmeferene
6 product concerns me deeply. That's why so
7 many national experts, including myself, are
8 very concerned.

9 We've met with the company that makes
10 nalmeferene three times, asking the same
11 question three times. We still don't have
12 the answer, which is where is the clinical
13 data that shows you can use it in the field?
14 Because they got approved from the Food and
15 Drug Administration was through a bridging
16 study showing they had the same
17 bioavailability as the injectable, as the
18 nasal spray.

19 There's no data in human beings that
20 they actually can help people to recover and
21 stay out of withdrawal and actually have a
22 better outcome. So that's why we're doing
23 that.

24 ASSEMBLYMAN NORBER: Are you trying to

1 find other methods, other ways to handle
2 this, to cut costs?

3 DOH COMMISSIONER McDONALD: Well,
4 naloxone is still the best drug out there.
5 And like I said, we have the lowest price in
6 the United States. But we are going to do
7 another procurement next year to do that.
8 But having said that, we're trying to get a
9 better price and hope we do.

10 But we have the lowest price in the
11 country. People who are saying we're paying
12 too much don't know what we're paying. And I
13 know what we're paying. I can't tell you,
14 but we are the lowest price in the country.

15 ASSEMBLYMAN NORBER: Okay. All right,
16 one more question I have for you.

17 Could you explain why the Governor's
18 proposal included a cut to the physicians'
19 Excess Medical Malpractice Insurance Pool
20 when it has been in place for over 40 years
21 and the cost of the 50 percent cut is only
22 approximately 39 million?

23 DOH COMMISSIONER McDONALD: Yeah, we
24 had to look at savings this year. But I

1 think one of the things New York needs to be
2 looking closely at is how do you solve the
3 malpractice issue. I think taxpayers
4 subsidizing malpractice rates is an approach,
5 but perhaps not the best one.

6 I think looking at what other states
7 have done to solve this problem would be in
8 New York's best interest. We need long-term
9 sustainable solutions. When we met with
10 stakeholders -- I'm not saying they wanted us
11 to cut this, but what I do say is
12 stakeholders, doctors, hospitals are looking
13 for long-term sustainable solutions to
14 malpractice in New York State.

15 We pay the highest malpractice rates
16 in the country. If you're an obstetrician in
17 Long Island or in New York City, you're
18 paying the highest rates in the country.

19 ASSEMBLYMAN NORBER: Thank you.

20 CHAIRWOMAN KRUEGER: Thank you.

21 Senator Stec. No, Senator Stec went,
22 excuse me.

23 Senator O'Mara, five-minute ranker.

24 SENATOR O'MARA: Yes, thank you,

1 Chairwoman.

2 Thank you all for your testimony today
3 and being with us.

4 Commissioner McDonald, I don't think
5 anybody's brought up the Rural Ambulance Task
6 Force or where we stand on that. You know,
7 we're in a crisis situation across upstate
8 with EMS services. Where is that? I believe
9 there was a study -- a task force was put
10 together, a study's been done.

11 Where's that stand?

12 DOH COMMISSIONER McDONALD: So the
13 study should be released.

14 The study that's being done is not a
15 DOH-led study. It's not led to a report
16 required from the DOH, it's led to a report
17 due from the task force.

18 I saw the report, I told them to
19 release it. It hasn't been released yet. I
20 can find out why. But we're not -- I'm not
21 holding up that report. Because I've read
22 the report and think it should be out there.

23 We have stuff in the budget this year,
24 though, to address EMS -- not just the

1 essential service part, which I think is
2 critical to the rural areas, but giving money
3 to each county that will help them come up
4 with a strategic plan for each county and how
5 it will fit into the state.

6 And that money doesn't include
7 New York City, because they don't need it
8 right now, they have a strategic plan for
9 New York City.

10 But that's real money to help
11 counties, no matter how big they are, to
12 actually address the issues they have in
13 there. So there's an investment going on.

14 SENATOR O'MARA: So is it DOH's and
15 the Executive's position, then, that this
16 should be being done on a countywide basis?

17 DOH COMMISSIONER McDONALD: Yes. In
18 other words -- well, it may not be a county,
19 it could be a district. Like it depends how
20 the state is looked at for people there.

21 But when you look at the EMCAP
22 proposal that's in this budget, it's really
23 about giving counties what they need in order
24 to solve this problem, to make it an

1 essential service, but to really, more
2 importantly, come up with a strategic plan
3 that not just addresses what's needed in the
4 county or the district they're in, but
5 actually just how it fits into the state.
6 Because what we really want is a statewide
7 EMS program that works for everybody.

8 And, you know, one of the things about
9 New York that concerns me, if you call 911,
10 you're not sure someone's coming. In some of
11 the rural areas in particular, I worry about
12 that.

13 SENATOR O'MARA: No, there's a big
14 worry of that, and the delays are
15 significant.

16 So you're saying this task force has
17 released a report, you have their
18 recommendations, but it's not in your lap as
19 far as how we're moving forward?

20 DOH COMMISSIONER McDONALD: I'm not
21 holding up the report.

22 SENATOR O'MARA: Who's -- who --

23 DOH COMMISSIONER McDONALD: The report
24 wasn't required to be submitted by the

1 Department of Health, but by the task force.
2 So they can submit the report whenever they'd
3 like to, as far as I'm concerned.

4 SENATOR O'MARA: So you don't have the
5 report.

6 DOH COMMISSIONER McDONALD: I don't
7 have it, no.

8 SENATOR O'MARA: You don't have the
9 draft report?

10 DOH COMMISSIONER McDONALD: I saw it,
11 but I don't have it. No. I mean, but it's
12 not my report. It's their report.

13 SENATOR O'MARA: Whose court is the
14 ball in, then, at this point? Who needs to
15 move on this?

16 DOH COMMISSIONER McDONALD: I'll have
17 to get back to you. It's -- I'm not holding
18 up the report.

19 SENATOR O'MARA: Okay. On the
20 Interstate Compact Licensure of nurses,
21 something I've been pushing for for years,
22 there's another proposal in the budget this
23 year.

24 What has been the opposition to this?

1 It just doesn't make sense to me in years why
2 we've had so much trouble moving forward on
3 this issue when we have a need for nurses.
4 And particularly in a district like mine,
5 that runs along the Pennsylvania border an
6 extensive amount, it just makes sense to me
7 that we're a member of this Interstate
8 Compact.

9 Does this proposal in the budget for
10 New York to join the existing Interstate
11 Compact? Or is it a different formulation of
12 that?

13 DOH COMMISSIONER McDONALD: No, it's
14 the proposal to join the compact. And
15 43 states now have done -- have joined the
16 compact.

17 You know, interestingly, during the
18 crisis in North Carolina -- the terrible
19 hurricane, floods -- nurses from New York
20 wanted to go help, but since they weren't in
21 the compact, they couldn't. Just one more
22 example of why we should do this.

23 I don't know a rational argument why
24 New York isn't in there. I know the

1 BSN-in-10 law is a bit of a conflict, but
2 there's a way around that. So I think -- I'm
3 probably not the best person to talk about
4 who's opposed to it, because every hospital I
5 go to they ask me "Why can't we be in the
6 compact?" And I say to them it is not me who
7 is the obstacle to that.

8 SENATOR O'MARA: Do you know who is?

9 DOH COMMISSIONER McDONALD: Not the
10 Department of Health.

11 SENATOR O'MARA: Okay. You know, we
12 just -- we need to move on this. We need to
13 get involved. Forty-three other states in
14 this, it's just nonsensical to me that we're
15 not in it. But that's all I have.

16 Thank you very much.

17 DOH COMMISSIONER McDONALD: Thank you.

18 CHAIRMAN PRETLOW: Assemblyman
19 Eichenstein.

20 ASSEMBLYMAN EICHENSTEIN: Thank you,
21 Chair Pretlow.

22 Good afternoon, Commissioner. Thank
23 you for being here.

24 I want to talk to you about this

1 disastrous CDPAP transition the department
2 has deemed necessary of hiring one
3 out-of-state company in place of hardworking
4 New Yorkers.

5 Look, should there be 700 FIs? No.
6 Is the program in major need of reform? Yes.
7 This is not about saving money. I have
8 nonprofit FIs being put out of business and
9 transitioned into a for-profit company. So
10 this is not about saving money.

11 I want to go back to a response that
12 was given to my colleague Senator Rivera. Of
13 the 40,000, 22,000 have been fully
14 transitioned, correct?

15 MEDICAID DIRECTOR BASSIRI: Yes.

16 ASSEMBLYMAN EICHENSTEIN: Of the
17 22,000, are these 22,000 consumers? Because
18 I saw the department is combining the numbers
19 of consumers and caregivers.

20 MEDICAID DIRECTOR BASSIRI: So when we
21 say 40,000, it's 40,000 consumers and
22 40,000 workers. So 80,000 total people, but
23 40,000 --

24 ASSEMBLYMAN EICHENSTEIN: So 22,000

1 consumers have transitioned.

2 MEDICAID DIRECTOR BASSIRI: No,
3 workers have transitioned.

4 ASSEMBLYMAN EICHENSTEIN: How many
5 consumers have fully transitioned?

6 MEDICAID DIRECTOR BASSIRI: I will
7 have to get back to you on that.

8 ASSEMBLYMAN EICHENSTEIN: Okay. So
9 the 22,000 is not even a real number.

10 MEDICAID DIRECTOR BASSIRI: Sorry?

11 ASSEMBLYMAN EICHENSTEIN: So the
12 22,000 is not even a real number. We're
13 trying to figure out how many consumers have
14 transitioned to PPL.

15 MEDICAID DIRECTOR BASSIRI: Forty
16 thousand. Forty thousand have started or
17 completed.

18 ASSEMBLYMAN EICHENSTEIN: Not started.
19 How many consumers have fully transitioned
20 into PPL? Not caregivers.

21 MEDICAID DIRECTOR BASSIRI: They're
22 not required to transition until March 1st.
23 So that's why we say started and completed.

24 ASSEMBLYMAN EICHENSTEIN: So but my

1 point is if you're combining consumers and
2 caregivers, then the number's 280,000, then
3 it's 600,000. Right?

4 MEDICAID DIRECTOR BASSIRI: Maybe.

5 ASSEMBLYMAN EICHENSTEIN: Not maybe.

6 So it's not 22,000 fully transitioned
7 out of 280,000. I'm trying to figure out --
8 there are 280,000 consumers in the program,
9 correct?

10 MEDICAID DIRECTOR BASSIRI: At least.

11 ASSEMBLYMAN EICHENSTEIN: Okay. How
12 many of those 280,000 consumers have fully
13 transitioned into PPL?

14 MEDICAID DIRECTOR BASSIRI: Twenty-two
15 thousand have fully transitioned.

16 ASSEMBLYMAN EICHENSTEIN: Okay. So
17 it's twenty --

18 MEDICAID DIRECTOR BASSIRI: And
19 completed the registration.

20 ASSEMBLYMAN EICHENSTEIN: Well, a
21 minute ago you said that includes caregivers.
22 But it's 22,000 consumers have fully
23 transitioned into PPL. That means 258,000
24 have not.

1 MEDICAID DIRECTOR BASSIRI: Yet.

2 ASSEMBLYMAN EICHENSTEIN: Okay.

3 Commissioner, I see I'm almost out of time.

4 In 20 seconds, I -- I assume we share a goal

5 that -- to ensure that nobody loses service.

6 DOH COMMISSIONER McDONALD: That's

7 right.

8 ASSEMBLYMAN EICHENSTEIN: How could

9 you -- the transition started five weeks ago,

10 22,000 have been transitioned. It's now 49

11 days away from April 1st. How are you going

12 to transition 258,000 people?

13 CHAIRMAN PRETLOW: Hold that question.

14 Assemblyman Braunstein.

15 ASSEMBLYMAN BRAUNSTEIN: Thank you,

16 Chairman Pretlow.

17 My question is for Dr. McDonald.

18 In 2023 the Governor established the

19 Commission on the Future of Healthcare. That

20 commission was scheduled to issue

21 recommendations late 2024. To this date we

22 haven't seen any recommendations. Do you

23 have a time frame on when we will see

24 recommendations from the commission?

1 DOH COMMISSIONER McDONALD: Yeah, we
2 met with them and we're giving them data.
3 We're working with them. They're focusing on
4 long-term care, and then they're focusing on
5 the hospitals as well.

6 But, you know, as far as
7 recommendations go, I think what they're
8 really doing is -- I think in the time they
9 need to look at the data, and they come up
10 with the recommendations. I'm not worried
11 that they haven't come up with
12 recommendations. They're looking at complex
13 issues. So we'll see if they come up this
14 year with them.

15 But, I mean, I've met with them,
16 they're highly engaged, we're grateful to
17 have their support and their work.

18 ASSEMBLYMAN BRAUNSTEIN: So there's no
19 time frame, it's a we'll see --

20 DOH COMMISSIONER McDONALD: There's no
21 deadline. But, you know, they're highly
22 engaged, they're working on it, so I don't
23 know exactly when they'll release
24 recommendations.

1 I think what they're trying to do is
2 come up with good recommendations, looking at
3 a very complex system throughout New York
4 State, as to how they can make things better.
5 Because there's a lot of variables right now.
6 But they've been very good about requesting
7 the data. We've been very good about getting
8 them the data. And I'd like to see what they
9 have to come up with. We'll see.

10 ASSEMBLYMAN BRAUNSTEIN: Okay, thank
11 you.

12 CHAIRMAN PRETLOW: Assemblyman
13 Chludzinski.

14 ASSEMBLYMAN CHLUDZINSKI: Good
15 afternoon, Commissioner and Director,
16 Superintendent. Thank you for your
17 testimony. And I'm sure you're ready to
18 stretch your legs by now.

19 But I just -- I represent part of
20 Western New York, part of the City of
21 Buffalo, and my question is in regards to
22 dental services. University of Buffalo
23 Dental is the largest dental Medicaid
24 provider in Western New York. There was just

1 an article in the Democrat and Chronicle a
2 couple of days ago that reported 30,000-plus
3 are waiting for dental care.

4 We know all across New York State
5 residents, especially those who have Medicaid
6 as their payor source, are struggling for
7 dental access. Is the Department of Health
8 supportive of increasing the overall Medicaid
9 rate for dentistry in the six academic dental
10 centers?

11 DOH COMMISSIONER McDONALD: So I don't
12 know that there will be a rate increase with
13 dental this year. I think there's other
14 things in the budget that will address this.

15 One of the things we're doing through
16 the New York State of Health is looking at
17 offering a standalone dental product so
18 people can get into that. There's some scope
19 of practice proposals. One is dental
20 hygienists are very important. And I don't
21 think a dental hygienist needs to physically
22 be with the dentist.

23 Other states have done this, which is
24 a really good idea, which is to let dental

1 hygienists work in spaces where the dentist
2 isn't right there. So having these
3 collaborative practice agreements can be
4 another way of extending dentists.

5 Other strategies we can look at is
6 dental therapists. I think people look at
7 that, other states have done this. The
8 dental therapist is like a PA for a doctor --
9 a dental therapist for a dentist.

10 We are a state of 600 million teeth.
11 We're not going to get there without being a
12 little bit interested in what other states
13 have done. There are solutions here. The
14 dental hygienist in particular, though, is so
15 critical. Because if we get people to get
16 their teeth cleaned twice a year -- and we're
17 not even close -- we're going to do so much
18 better.

19 And, you know, it's an old expression,
20 an apple a day keeps the doctor away; you
21 cannot eat an apple a day without good, sound
22 teeth. So we really need to see what we can
23 do to get more people in to see the dental
24 hygienist. That's why I'm hoping that

1 scope-of-practice proposal gets a little bit
2 more attention than it has in the past.

3 ASSEMBLYMAN CHLUDZINSKI: So would you
4 support increasing Medicaid coverage for
5 that?

6 DOH COMMISSIONER McDONALD: You know,
7 so we're looking at our rates, but I can't
8 promise anything today because it's not in
9 the budget.

10 ASSEMBLYMAN CHLUDZINSKI: And one
11 other question in regards to Medicaid.
12 Enrollment remains high. The use of current
13 employment data is essential.

14 Will you commit the Department of
15 Health to exploring options for the use of
16 expedited verification processes?

17 MEDICAID DIRECTOR BASSIRI: We
18 currently do that today for anyone enrolled
19 in the New York State of Health marketplace.
20 We hit up against federal data sources, state
21 wage data sources. So that occurs today.
22 And commit to doing it per the federal and
23 state requirements moving forward.

24 ASSEMBLYMAN CHLUDZINSKI: Thank you.

1 CHAIRMAN PRETLOW: Senator?

2 CHAIRWOMAN KRUEGER: We have a new
3 Senator -- well, she's not a new Senator, but
4 a new Senator to us this morning,
5 Julia Salazar, for a three-minute question.

6 SENATOR SALAZAR: Thank you.

7 So I wanted to actually ask about the
8 New York State Drinking Water Quality
9 Council, which recommended that DOH designate
10 PFAS chemicals, 23 toxic PFAS chemicals as
11 emerging contaminants and require statewide
12 drinking water testing. However, over a year
13 later, DOH has still not proposed regulations
14 to move this recommendation forward.

15 When does DOH intent to propose
16 regulations to designate PFAS as emerging
17 contaminants?

18 DOH COMMISSIONER McDONALD: So I think
19 we're waiting for the Environmental
20 Protection Agency on that. But let me
21 double-check and get back to you on that,
22 because I think that's what's holding that up
23 right now, is the EPA standard on that.

24 SENATOR SALAZAR: Okay, that's

1 disconcerting.

2 DOH COMMISSIONER McDONALD: You know,
3 in the current climate, I understand what
4 you're saying.

5 SENATOR SALAZAR: Yeah.

6 DOH COMMISSIONER McDONALD: I do. So
7 it's on the -- there's a lot that I'm looking
8 at with the federal transition, just so you
9 know. Because as the federal transition
10 unfolds, it does change how I look at public
11 health in New York State. You're right.

12 SENATOR SALAZAR: Yeah. Yeah.
13 Inevitably. Thank you, I appreciate that.

14 In April of last year the EPA
15 finalized landmark federal drinking water
16 standards on PFAS chemicals, including
17 standards on PFOA and PFAS that are more
18 health protective than New York's current
19 standards are. However, these regulations
20 are of course at risk because of what we both
21 recognize under the current administration.

22 Will DOH commit to codifying or
23 supporting the codification of EPA's PFAS
24 standards if they are rolled back?

1 DOH COMMISSIONER McDONALD: Yes.

2 SENATOR SALAZAR: Thank you.

3 Appreciate it.

4 CHAIRMAN PRETLOW: Assemblyman

5 Anderson.

6 ASSEMBLYMAN ANDERSON: Good afternoon.

7 Thank you to the commissioner for being here
8 as well as the superintendent for being here.

9 I have three quick questions. I hope
10 I can get them out. The first one, to
11 Commissioner McDonald.

12 What are the responsibilities of the
13 seven additional full-time employees
14 recommended in the budget for hospital
15 enforcement?

16 DOH COMMISSIONER McDONALD: So that
17 actually speaks to what's called sexual
18 assault forensic examiners. And the seven
19 staff that we're hiring are to actually make
20 sure the hospitals are doing this and trained
21 to do this.

22 So what's required in the budget this
23 year is that every hospital have at least one
24 sexual assault forensic examiner on 24 hours

1 a day, seven days a week, 365 days a year. A
2 lot of the money in there -- it's like
3 2 million and change -- goes towards a
4 contract so hospitals can get training for
5 this to make sure they can have their staff
6 trained for that.

7 The rest of the money is for me to
8 have seven staff to make sure it's regulated
9 and it happens and that we help facilitate
10 the training so it works.

11 It's an important proposal; I hope it
12 goes through this year.

13 ASSEMBLYMAN ANDERSON: Thank you so
14 much, Commissioner.

15 And my next two questions are for
16 Superintendent Harris. Thank you for being
17 here this morning -- or this afternoon.

18 Are there any costs or funding issues
19 that explain why DFS has not made effective
20 use of the BDD program? You know, I always
21 go back-and-forth with you all about this.
22 And you all have only opened four branches in
23 the last few years, and that's just not
24 meeting the banking needs of neighborhoods

1 like mine where the ratio is 50,000, 40,000
2 to one ATM, not a physical branch.

3 So if you can answer that question.

4 DFS SUPERINTENDENT HARRIS: Yeah,
5 absolutely. We've actually opened seven BDDs
6 in my time as superintendent, which I think
7 is more than any of my predecessors have
8 done.

9 As you know, we administer the program
10 in connection with the Comptroller's office.
11 It also requires an application from the
12 local government, either a borough president
13 or --

14 ASSEMBLYMAN ANDERSON: But the process
15 takes entirely too long, Superintendent. And
16 I've put in bills to try to fix it, and the
17 agency just keeps pushing back as if the
18 program is running really well when it's not.

19 DFS SUPERINTENDENT HARRIS: So always
20 happy to look at bills.

21 I think the staff works very
22 diligently. Often we do get applications
23 that don't meet the requirements of the BDD
24 program --

1 ASSEMBLYMAN ANDERSON: But no one
2 hears anything from you if it doesn't meet
3 the requirements until months, months later.
4 That's something you can fix tomorrow.

5 DFS SUPERINTENDENT HARRIS: I'd be
6 happy to talk with you about any delays. The
7 team is very diligent and I think very
8 responsive. But happy to continue working to
9 make sure we can get as many BDDs up and
10 running as possible.

11 ASSEMBLYMAN ANDERSON: Thank you.

12 Let me just use my last 30 seconds to
13 align my comments with Senator Liu as it
14 relates to commuter van insurance.

15 I would love to get a commitment from
16 you today, Superintendent, to hold a
17 roundtable around this issue, with
18 stakeholders. I think punting it and vetoing
19 legislation, which the Executive has done, is
20 not the right way forward, and the
21 Stabilization Fund is not moving forward.

22 Can I get a commitment from you to
23 hold a roundtable?

24 DFS SUPERINTENDENT HARRIS: The

1 Stabilization Fund is run by ESD, so I would
2 direct you to the commissioner on the
3 Stabilization Fund.

4 CHAIRMAN PRETLOW: Thank you,
5 Madam Superintendent.

6 ASSEMBLYMAN ANDERSON: Thank you,
7 Superintendent.

8 (Interruption by protestor.)

9 CHAIRMAN PRETLOW: Assemblymember
10 Kelles.

11 ASSEMBLYWOMAN KELLES: It's one of
12 those moments where you say "I have a bill on
13 that," to address participation with torture
14 in prisons, so I'm glad he brought that up.

15 I wanted to go to the CDPAP program.
16 One of the things that I'm very -- well, let
17 me just step back for a second. Some things
18 that I've been hearing about it that I'm a
19 little worried about, concerned about, I want
20 to hear your response.

21 Particularly that PPL is saying that
22 if someone doesn't have the ability to access
23 technology, they can't qualify for the
24 program. If -- and that there's the

1 expectation that they will be required to
2 fill out all the forms. FIs up to now have
3 been the ones to fill out the 15 different
4 forms.

5 Is your policy that the FI, PPL, will
6 still be required to fill out those forms?

7 MEDICAID DIRECTOR BASSIRI: So I just
8 want to first say to the extent concerns
9 continue to be raised, please do reach out to
10 the department directly and we will address
11 those concerns, because the 15 forms that
12 you're referencing that workers need to
13 complete, a lot of those documents are
14 federally required.

15 ASSEMBLYWOMAN KELLES: I'm just asking
16 a yes or no requirement, whether or not we
17 were going to have the FI -- PPL will
18 continue to do it as the FIs have? Or are we
19 going to require the people who are seeking
20 care to fill out those forms? Just yes or no
21 on that.

22 MEDICAID DIRECTOR BASSIRI: The people
23 seeking care are going to fill out a much
24 shorter form that's four pages.

1 ASSEMBLYWOMAN KELLES: Okay, so we're
2 going to have the people filling out the
3 forms, okay. I'm very concerned about that,
4 I don't --

5 MEDICAID DIRECTOR BASSIRI: FIs were
6 not supposed to be filling out the forms.

7 ASSEMBLYWOMAN KELLES: I think PPL
8 should do it just like all the FIs have.

9 MEDICAID DIRECTOR BASSIRI: I would
10 ask that, like -- please have those members
11 reach out to us directly. We will answer any
12 questions.

13 ASSEMBLYWOMAN KELLES: I will, but we
14 can maybe follow up on that.

15 So other things that I am concerned
16 about, we -- what I'm hearing here is that
17 we're still on track. We have about 40,000,
18 but half of them are just started, which
19 could be maybe opening a file. We have no
20 idea what that means.

21 We have to get to 240,000, plus all
22 the caregivers. That's about 700,000.
23 Except that we've never collected any data on
24 how many people are in the program. We don't

1 know how many caregivers there are. We don't
2 have any information on where they are,
3 because we never collected any of that data.
4 So we can't fully know, when we do
5 transition, if we have fully transitioned.

6 I hope this is not prophetic, but one
7 of the things I'm very concerned about is on
8 April 1st we say everybody who should have
9 transitioned has transitioned to the new
10 system, and anyone who hasn't, well, they --
11 we really determined that they shouldn't have
12 been in the program to begin with. I hope we
13 don't say that. Because there have been
14 times in the past that we have reduced the
15 cost of programs by making it much more
16 stringent for people to get into the program.

17 Now, here's the problem, is that that
18 will force more people into nursing homes,
19 which is multiple times more expensive for
20 the state. We'll be back here with more
21 expensive problems to deal with, or they will
22 have to lean on their families as caregivers,
23 who will have to leave the workforce, putting
24 the family further in debt and crippling the

1 family and hurting the economy.

2 So I'm just hoping that that isn't
3 what we end up saying on April 1st.

4 MEDICAID DIRECTOR BASSIRI: We will
5 not be saying that --

6 CHAIRMAN PRETLOW: Thank you --

7 MEDICAID DIRECTOR BASSIRI: --
8 completely understand your question. No
9 assumptions are --

10 CHAIRMAN PRETLOW: -- Assemblywoman
11 Kelles.

12 (Overtalk.)

13 MEDICAID DIRECTOR BASSIRI: -- reduced
14 levels of care.

15 CHAIRMAN PRETLOW: I remind people
16 that if you ask a three-minute question, you
17 get a zero-minute answer.

18 We've been joined by
19 Assemblyman Meeks. And the next person to
20 ask questions is Assemblywoman Reyes.

21 ASSEMBLYWOMAN REYES: Good afternoon.

22 So my question is on CHHAs, certified
23 home healthcare.

24 So we've gotten reports that certified

1 home healthcare -- not CDPAPs, not aide
2 services, but post-acute home-based nursing
3 and therapy -- has declined across New York
4 State. In the Bronx, access has declined by
5 one-third. In Rochester and the Finger Lakes
6 area, it's down about 40 percent. Since
7 2019, in the Capital District, down about
8 35 percent. And that's Medicare, not
9 Medicaid.

10 So my question is, what is New York
11 State doing to ensure that managed-care
12 plans, including Medicaid managed care, are
13 paying what they need to ensure low-income
14 New Yorkers are able to receive CHHAs and
15 we're able to discharge patients safely and
16 kind of fix that bottleneck that we have in
17 the hospitals?

18 MEDICAID DIRECTOR BASSIRI: Thank you
19 for the question, Assemblymember.

20 I'm just -- as you reference, it is a
21 Medicare expense. So are you asking what the
22 Medicaid managed-care plans are doing to make
23 up for the Medicare reductions?

24 ASSEMBLYWOMAN REYES: I'm asking what

1 the state is doing to address an issue where
2 we've seen a decline in CHHA slots, and that
3 is impacting our ability to discharge
4 patients safely because there are no services
5 for them.

6 And this is not about home care
7 services, this is like very specialized acute
8 care at home.

9 MEDICAID DIRECTOR BASSIRI:

10 Understood.

11 No, I mean I think the department has
12 a number of different workforce programs to
13 help get CHHAs certified and trained.

14 But with respect to Medicaid
15 managed-care plans, we're not asking them to
16 cover costs that may have been reduced from
17 Medicare necessarily. We would be focusing
18 on doing things on the training and
19 certification side to get more CHHAs in the
20 delivery system.

21 ASSEMBLYWOMAN REYES: Okay, thank you
22 for your answer.

23 I have another question. This is
24 around the Governor's involuntary commitment

1 proposal in her Executive Budget.

2 And there is an aspect of it that is
3 the hearing process by which hospitals can,
4 at any point after admission, request a court
5 order of retention to involuntarily commit a
6 patient longer than the baseline 72-hour or
7 15-day periods.

8 And her proposal is silent on that.
9 And I anticipate that when they are in the
10 process of involuntarily committing somebody,
11 they I'm assuming will first be going to an
12 emergency room.

13 Is there any look into putting
14 resources, staffing, expanding space -- like
15 how is this going to actually work if we
16 don't do anything at the point of entry by
17 which we are evaluating people who may need
18 further services?

19 CHAIRMAN PRETLOW: Thank you for that
20 answer, Doctor.

21 (Laughter.)

22 CHAIRMAN PRETLOW: Assemblyman Maher.

23 ASSEMBLYMAN MAHER: Thank you very
24 much. Appreciate all of you being here.

1 I just want to start with saying that
2 the liaisons in your office have really been
3 great in terms of timely responses for
4 constituent services, which help people and
5 inform them every single day. So thank you
6 to your teams for that. Appreciate the
7 support.

8 The first thing I wanted to talk about
9 was I believe our Medicaid director -- you
10 had talked about increasing the Medicaid
11 rates on our way to rebasing. I just wanted
12 to ask if you believe the continuation of
13 last year's approximate 3 percent increase,
14 only about 100 million of new investment, is
15 really enough to address what has become a
16 \$1.6 billion Medicaid gap.

17 MEDICAID DIRECTOR BASSIRI: Can you
18 repeat which increase you're referring to?

19 ASSEMBLYMAN MAHER: Sure. This was
20 the investing in nursing home Medicaid rates
21 and the continuation of last year's
22 approximate 3 percent increase in the
23 Medicaid rates.

24 MEDICAID DIRECTOR BASSIRI: There it's

1 actually about 4 percent.

2 And yes, that is included and assumed
3 as part of the MCO tax, that that would be
4 recurring for the next three years.

5 ASSEMBLYMAN MAHER: Okay. With the
6 capital cuts taking away from the money that
7 we are investing in it, how can really
8 mission-driven quality-care-oriented
9 providers who value their staff and offer the
10 best wages, how are we expecting for them
11 continue to kind of live with such a minimal
12 investment --

13 MEDICAID DIRECTOR BASSIRI: Yeah.
14 Sure.

15 ASSEMBLYMAN MAHER: -- in some
16 people's minds, to prioritize that quality
17 care of our home and nursing staff?

18 MEDICAID DIRECTOR BASSIRI: I can
19 assure you that the nursing homes aren't
20 paying workers with capital funding.

21 But then most of the funding we
22 provide them is the operating component of
23 the reimbursement rate, which the Governor
24 has put in double-digit rate increases over

1 the past few years. So those are the dollars
2 that would be supporting the staff needed to
3 provide the high-quality care, not the
4 capital funding.

5 ASSEMBLYMAN MAHER: Thank you for
6 addressing that on the record. I appreciate
7 that.

8 I wanted to shift to EMS. Obviously
9 when it comes to our EMS services we've heard
10 from many of my colleagues on some of the
11 issues that we're facing. I'm looking
12 forward to also reading that report, eagerly.

13 One thing that is very clear is
14 revenue isn't really catching up to what the
15 expenses are, specifically with Medicaid
16 reimbursements. And I know this is true
17 across the board in a lot of different areas.

18 But that 128 percent of base rate for
19 BLS and then ALS 152 and 220 that was passed
20 in 2023, that's \$249, you know, per
21 transport, 429 for the Level II advanced life
22 support services. Is that enough?

23 DOH COMMISSIONER McDONALD: No, I
24 understand the concern. I think it's

1 something we need to continue to look at.

2 You know, when you go to certain parts
3 of the state I hear loud and clear that they
4 would like more. One of the things right now
5 we have to own, though, is there's so much
6 pressure on Medicaid right now. We're
7 already up 8 billion over last year. There's
8 only so many we could address this year. But
9 I understand people are concerned about it,
10 so we're looking at it.

11 ASSEMBLYMAN MAHER: Thank you. Thank
12 you for your time.

13 DOH COMMISSIONER McDONALD: You're
14 welcome.

15 CHAIRMAN PRETLOW: Are you finished?

16 Okay. Assemblywoman Lucas.

17 (Pause.)

18 ASSEMBLYWOMAN LUCAS: Got it.

19 Good afternoon, everyone.

20 Two things. One, do you have any
21 available data on the healthcare workforce by
22 district or zip codes?

23 DOH COMMISSIONER McDONALD: So you
24 want to know how many healthcare workers are

1 in there per district?

2 ASSEMBLYWOMAN LUCAS: Actually in
3 terms of the workforce, how many people are
4 benefiting from these different programs.
5 Because some of this stuff is a little bit
6 new to me. I represent the 60th Assembly
7 District. And I don't see the impact of
8 these programs in this district, so I'm
9 interested in some data to determine whether
10 or not it's equitably distributed in the
11 programs as well as the link to employment.

12 DOH COMMISSIONER McDONALD: So we
13 probably have a lot of data on what you're
14 asking. But I think what might be best is to
15 maybe send the question to us as focused as
16 you want it to be. Because one of the things
17 I want to do is I don't want to answer the
18 question there, but specifically for you.

19 ASSEMBLYWOMAN LUCAS: That's great.
20 Let me just get to the next question because
21 I don't want to run out of time.

22 We are hearing also, in a totally
23 different direction, that Public Partnership
24 Limited, which insanely is a single fiscal

1 intermediary that's contracted with DOH, that
2 they are seeking additional funds to pay
3 wages immediately. They're contracted to
4 have 100 million in their budget for wages
5 up-front.

6 They're being sued in Pennsylvania for
7 wage theft, not paying wages to workers. Did
8 DOH make a mistake in not asking for proof of
9 a higher line of credit from PPL, or are they
10 just not fulfilling?

11 Just if you can confirm that
12 information, and then also let me know what
13 level of oversight existed when it came to
14 that. Because this is extremely alarming.

15 MEDICAID DIRECTOR BASSIRI: I want to
16 make sure I understand the question.

17 ASSEMBLYWOMAN LUCAS: Sure.

18 MEDICAID DIRECTOR BASSIRI: But I can
19 tell you that we do not feel that there was
20 any mistake made. They do have the line of
21 credit they're required to have. And workers
22 are going to get paid and receive what
23 they're eligible and entitled for --

24 ASSEMBLYWOMAN LUCAS: Do they have the

1 100 million that they said --

2 MEDICAID DIRECTOR BASSIRI: Yes. Yes.

3 ASSEMBLYWOMAN LUCAS: And was there
4 oversight to confirm that they have it?

5 MEDICAID DIRECTOR BASSIRI: Yes.

6 ASSEMBLYWOMAN LUCAS: Are you aware of
7 the lawsuit that's currently --

8 MEDICAID DIRECTOR BASSIRI: And we
9 have much more oversight on them than we did
10 --

11 ASSEMBLYWOMAN LUCAS: Are you aware of
12 this lawsuit that exists?

13 MEDICAID DIRECTOR BASSIRI: I'm aware
14 of many lawsuits that exist. I'm not sure of
15 this --

16 ASSEMBLYWOMAN LUCAS: Are you aware of
17 the one that I specifically asked?

18 MEDICAID DIRECTOR BASSIRI: -- one,
19 no. Pennsylvania --

20 ASSEMBLYWOMAN LUCAS: You're not,
21 okay.

22 MEDICAID DIRECTOR BASSIRI: -- the
23 transition was over I think like 10 years
24 ago.

1 ASSEMBLYWOMAN LUCAS: Great. Are the
2 wages being paid? And are managed care
3 systems, are they --

4 CHAIRMAN PRETLOW: Thank you,
5 Assemblywoman.

6 ASSEMBLYWOMAN LUCAS: -- asked to
7 provide additional wages?

8 CHAIRMAN PRETLOW: Assemblywoman
9 Simon.

10 ASSEMBLYWOMAN SIMON: All righty. Got
11 to look to find my question, so hang on a
12 second.

13 Okay. So thank you for your
14 testimony.

15 I have a couple of questions, two
16 questions. One is with regard to outpatient
17 behavioral health and substance use services,
18 which were carved into Medicaid about a
19 decade ago, allegedly to save the state
20 money, and perhaps to provide better care.

21 What we're finding is that the
22 providers, the -- that's not changing the
23 nature of care at all and it's costing the
24 state \$400 million that we could save if we

1 carved them back out of Medicaid managed
2 care.

3 I'd like to know if I can work with
4 you on doing that.

5 MEDICAID DIRECTOR BASSIRI: Yes, we're
6 happy to work with you on anything.

7 But just so -- you're referring to
8 carving out which services?

9 ASSEMBLYWOMAN SIMON: Behavioral
10 health and substance abuse.

11 MEDICAID DIRECTOR BASSIRI: And you
12 believe that's \$40 million?

13 ASSEMBLYWOMAN SIMON: Four hundred
14 million.

15 MEDICAID DIRECTOR BASSIRI: Four
16 hundred million dollars, okay.

17 ASSEMBLYWOMAN SIMON: So we're not
18 getting any bang for our buck, and the people
19 aren't getting better care, and the providers
20 are -- it's costing them a fortune to comply,
21 and they're not able to provide the care.

22 MEDICAID DIRECTOR BASSIRI: We work
23 very closely with the Office of Mental Health
24 in administration and design of the health

1 and recovery plans I believe you're referring
2 to, and we're happy to keep talking about it.
3 But, you know, we work very closely --

4 ASSEMBLYWOMAN SIMON: Well, maybe the
5 three of us need to get together.

6 MEDICAID DIRECTOR BASSIRI: Yeah.

7 ASSEMBLYWOMAN SIMON: Thank you.

8 And then the other question I have is
9 there was a report about a year, year and a
10 half ago by the Attorney General about ghost
11 networks for -- I think it was called
12 inaccurate narcotic and inadequate health
13 plans, mental health provider network
14 directories.

15 And so it appears that one of the big
16 problems with getting help is when people
17 call, there's nobody there. Or the number is
18 out of service.

19 What is the department doing to
20 address those concerns?

21 DOH COMMISSIONER McDONALD: Yeah, so
22 that's a concern of mine too. Right? So
23 network adequacy regs we just did -- not just
24 on our side, and the superintendent can speak

1 about her side. But one of the things we're
2 doing in the New York State of Health for our
3 qualified health plans and essential plans is
4 we're actually going through that this year
5 to make sure that the network adequacy is
6 there.

7 Because I agree with you, if you call
8 for behavioral health and there's no one
9 available, that's a concern. I don't know if
10 the superintendent wants to add.

11 DFS SUPERINTENDENT HARRIS: And, you
12 know, we worked very closely with DOH, OASAS,
13 OMH on the network adequacy regs that have
14 been adopted and that require 10-day --
15 appointments within 10 days for an initial
16 appointment, seven days upon discharge.

17 So it's something we care very much
18 about. I think we've worked in great
19 partnership to get those regs across the
20 finish line.

21 And to your point about directories,
22 we do, under our regs, make sure that
23 insurers provide accurate directories. And
24 where the directories are inaccurate, they

1 have to hold the consumer harmless.

2 ASSEMBLYWOMAN SIMON: So are we doing
3 something to just keep double-checking those
4 things? Because I'm sure that that's part of
5 the problem, the numbers go out -- or just
6 stop working.

7 DFS SUPERINTENDENT HARRIS: So the
8 regulations have just been adopted. I know
9 we will be working together to examine our
10 institutions and make sure they're complying.

11 ASSEMBLYWOMAN SIMON: If you could
12 share them with me, I'd appreciate it very
13 much. Thank you.

14 CHAIRMAN PRETLOW: Assemblyman Otis.

15 ASSEMBLYMAN OTIS: Thank you.

16 Thank you, Commissioner McDonald. We
17 are look forward to working with you on the
18 EMS essential services issue. Most of the
19 bill that I carry is in the Governor's
20 budget, with some differences, and I think we
21 can work out those differences with the
22 executive team and your team. So thank you
23 for that.

24 Superintendent Harris, a question for

1 you. Earlier you spoke about theft
2 enforcement. I'm wondering if you could give
3 us your sense of the state of play of
4 cybersecurity, cyber theft enforcement in
5 New York and around the country, someplace --
6 it's sort of a sector that there are problems
7 with enforcement, there's really not that
8 much enforcement -- FBI does certain things.
9 Tell us what's going on in New York and your
10 sense of where this is all moving.

11 DFS SUPERINTENDENT HARRIS:

12 Absolutely. Thank you for the question.

13 As you know, we amended our
14 cybersecurity regulation at DFS at the end of
15 2023. It was first put in place in 2017, and
16 so six years is a long time in the
17 cybersecurity space.

18 That regulation has become the model
19 for federal regulators, for over half of
20 states.

21 But when we updated it, we looked at
22 things like ransomware, for instance. We
23 looked at the tailoring in the regulation to
24 make sure it was suitable for our largest

1 banks and insurance companies as well as our
2 small insurance brokers. We looked at
3 governance requirements for our regulated
4 entities as well.

5 It doesn't break out sort of theft as
6 a result of cyber incidents as part of the
7 regulation. But of course when we get
8 complaints, we work very closely with
9 consumers to help them get their money back
10 where we can.

11 ASSEMBLYMAN OTIS: Look forward to
12 continuing that discussion post these
13 hearings. But thank you for the great work
14 that you've done, your agency. You really
15 have a national profile, and New York
16 benefits from that. So thank you.

17 DFS SUPERINTENDENT HARRIS: Thank you.

18 CHAIRMAN PRETLOW: Assemblyman
19 Palmesano.

20 ASSEMBLYMAN PALMESANO: Yes, my
21 question is for Superintendent Harris.

22 My question is, why does DFS allow
23 insurance carriers to set prices for services
24 they don't actually cover? As we know,

1 there's a statute and it is enforced for
2 everyone in the healthcare field except
3 dental care. And then, of course, the
4 Governor vetoed a dental care non-coverage
5 services bill because she said DFS interprets
6 and enforces it.

7 Why the double standard?

8 DFS SUPERINTENDENT HARRIS: I'm not
9 sure I'm entirely clear on what you're
10 referring to. I would refer you to the
11 executive chamber on any vetoes.

12 Dental health generally is something
13 we've worked closely with DOH on, and I think
14 it's on all of our agendas to make sure that
15 New Yorkers have the plans they need and that
16 there are standardized care plans for New
17 Yorkers to make sure that they're getting
18 that care so they can eat those apples.

19 ASSEMBLYMAN PALMESANO: Yeah, we can
20 follow up on that, because my understanding
21 is this bill that the Governor vetoed would
22 have brought more parity in line with the
23 other providers.

24 So that's why we're asking the

1 question, because it seems like --

2 DFS SUPERINTENDENT HARRIS: Happy to
3 work with you on that, sir.

4 ASSEMBLYMAN PALMESANO: Thank you.

5 I would also like to go to a question
6 around electric vehicles and insurance. I've
7 had conversations -- I've been very concerned
8 about this proliferation of electric
9 vehicles. I know it's a push by the Governor
10 and those in the majority. I've talked to
11 people in the insurance industry, we've seen
12 things -- I even read on the floor where --
13 in a GM manual where they recommended you
14 don't charge the vehicles inside a structure.

15 So what are you seeing or hearing
16 relative to the impact on homeowner's
17 insurance, auto insurance rates, and are you
18 doing anything to look into that? Because
19 auto insurance and homeowner's insurance is
20 high enough now, and that's going to
21 certainly have an impact on it, from what I'm
22 hearing from people I've talked to in the
23 insurance sector. That's something that's
24 coming down the tracks that's going to impact

1 our consumers as we push this mandate further
2 and further.

3 What are you hearing, and what can be
4 done?

5 DFS SUPERINTENDENT HARRIS: Yeah, one
6 of the big contributors to rising insurance
7 costs, especially in auto, is the technology
8 inside cars. Right? So one insurer gave us
9 the example the other day that 20 years ago,
10 if you had a fender-bender, you were
11 replacing a bumper. Now you're replacing the
12 bumper and the hundreds of sensors inside of
13 it.

14 And so the parts costs go up, the
15 labor costs go up, and that therefore drives
16 insurance costs up.

17 ASSEMBLYMAN PALMESANO: And I
18 understand that point. But I'm more
19 concerned about the lithium-ion batteries
20 catching on fire.

21 DFS SUPERINTENDENT HARRIS: Yeah. And
22 I think that's part of that, yeah.

23 ASSEMBLYMAN PALMESANO: We've seen
24 what's going on down in New York City with

1 the scooters, but we've seen fires with these
2 batteries -- most people are going to charge
3 their car inside their garage, even though
4 the manual -- and I read it on the floor of
5 the Assembly -- says it doesn't recommend it.
6 If it catches on fire, it could be the
7 garage, it could be their entire house.

8 What's being done to educate, what's
9 being done to address this? Because -- and
10 what are you seeing in insurance rates or
11 projections from your contacts with the
12 insurance underwriters? This has to be a red
13 flag and a caution that no one in the
14 Legislature's talking about, the Governor's
15 not talking about it. This is another part
16 of this train wreck that's heading down the
17 tracks at the public that they don't
18 understand.

19 So what are you guys doing about it?

20 DFS SUPERINTENDENT HARRIS: Yeah, I
21 think you'll find that what we see with loss
22 trends in auto or in homeowner's, the data
23 tends to lag. Right? It's not like when
24 somebody buys an electric vehicle, they have

1 a fire that shows up that same year.

2 So as we see more electric vehicles,
3 it's a trend we'll watch closely and look
4 forward to working with you on.

5 ASSEMBLYMAN PALMESANO: Thank you.

6 CHAIRMAN PRETLOW: Thank you,
7 Madam Superintendent.

8 Assemblyman Ra, ranker, five minutes.

9 ASSEMBLYMAN RA: Thank you.

10 Good afternoon. So we've talked a lot
11 about CDPAP today, and people enrolling and
12 all of that. And I certainly share the
13 concerns of my colleagues with regard to
14 that. But I want to talk a little bit about
15 what happens on April 1st and PPL.

16 So, number one, is PPL adequately
17 capitalized to ensure the smooth management
18 of the services and payment for the services?

19 MEDICAID DIRECTOR BASSIRI: Yes.

20 ASSEMBLYMAN RA: And am I correct that
21 it was a requirement of the contract that
22 they have \$100 million in financing?

23 MEDICAID DIRECTOR BASSIRI: In a line
24 of credit, yes.

1 ASSEMBLYMAN RA: And do you know what
2 that number represents? Is it based on
3 having a certain number of days' payroll, or
4 is it just, you know, a lump-sum number that
5 was arrived at?

6 MEDICAID DIRECTOR BASSIRI: It's the
7 requirement that was included in the RFP.

8 ASSEMBLYMAN RA: Okay, so it doesn't
9 necessarily represent a certain number of
10 days' payroll that they would be able to meet
11 of care providers?

12 MEDICAID DIRECTOR BASSIRI: No. It's
13 not specified in that way.

14 ASSEMBLYMAN RA: Okay. You mentioned
15 earlier about basically plans and their
16 responsibility, making sure people have
17 continued care. My understanding is that
18 obviously because there's only going to be
19 one FI, the plans have been directed by DOH
20 to terminate their contracts with all FIs
21 other than PPL. So if it's up to them to
22 ensure continued care, what happens on April
23 1st if there is an FI that, you know, hasn't
24 enrolled or, you know, some caregiver that

1 hasn't enrolled? Is there any type of
2 infrastructure contingency plan so that the
3 health plans can ensure continued care for
4 their enrollees?

5 MEDICAID DIRECTOR BASSIRI: So what I
6 would say is that today the health plan is
7 accountable for that member. And after April
8 1st the health plan is accountable for that
9 member. That doesn't change as part of this
10 transition.

11 And because the member is their
12 responsibility, they will ensure that the
13 member receives the care they're entitled to
14 and that the worker gets paid.

15 ASSEMBLYMAN RA: But they are required
16 to terminate any other contracts other than
17 with PPL, correct?

18 MEDICAID DIRECTOR BASSIRI: Right.
19 But if they have a contract with PPL, there's
20 no reason that someone should not receive a
21 service or a worker shouldn't get paid.

22 ASSEMBLYMAN RA: I do think there's a
23 potential gap there, because they're kind of
24 -- they have to ensure that their enrollee

1 gets the coverage, but there may be things
2 that are -- you know, somebody not going
3 through the enrollment process could be
4 something that is not within their, you know,
5 power to fix.

6 MEDICAID DIRECTOR BASSIRI: Well,
7 we're meeting with the plans every week,
8 we're talking to the vendor every day.
9 They're doing a lot of outreach in the
10 community, there's community events, there's
11 virtual events. So there's plenty of
12 engagement points to get in front of these
13 issues.

14 And we encourage you all to make us
15 aware as they come up, because we've been
16 successful in resolving them thus far.

17 ASSEMBLYMAN RA: We will certainly
18 make you aware. Because they're not going to
19 be calling you guys, they're going to be
20 calling all of us, so.

21 Lastly, with -- regarding plans, my
22 understanding is PPL is asking health plans
23 for advances in payment. Are you aware of
24 that? And why would that be the case given

1 that they were required to have a certain
2 amount of financing in place?

3 MEDICAID DIRECTOR BASSIRI: That's
4 between the plans and PPL. All we've said is
5 what the rates need to be and what workers
6 are going to get paid. They're working on
7 those contracts with the plans. Most of them
8 have been signed. That's how it works in
9 most other states, with the plans advancing
10 money, but we're not -- we're not involved in
11 that.

12 ASSEMBLYMAN RA: Okay. Thank you.

13 Commissioner McDonald, I want to pivot
14 back to something that my colleague from
15 Nassau had talked about earlier, NUMC.
16 Obviously, you know, there's been a lot of
17 back and forth between the department and
18 NUMC.

19 But I want to, in particular, ask
20 about -- there is an update in this budget
21 proposal of the Temporary Operator Statute.
22 Some have speculated that that is intended to
23 potentially deal with NUMC. Is that
24 provision something the department requested

1 that the Executive put in the budget? Did it
2 come from the Executive? And what is the
3 reason for this being included in the budget
4 proposal?

5 DOH COMMISSIONER McDONALD: So there's
6 multiple updates in that particular statute,
7 and it's just really encompassing every
8 particular hospital.

9 And there's also timeline changes as
10 well in that particular bill. So that's
11 what's in the bill.

12 ASSEMBLYMAN RA: But it would -- am I
13 correct it would allow public benefit
14 corporations to be part of the list of
15 facilities that may have a temporary operator
16 appointed?

17 DOH COMMISSIONER McDONALD: It just
18 makes it apply to every hospital, that's all.

19 ASSEMBLYMAN RA: Okay, thank you. I'm
20 running out of time, so thank you for
21 answering our questions.

22 CHAIRMAN PRETLOW: Assemblyman Meeks.

23 ASSEMBLYMAN MEEKS: Thank you.

24 To the commissioner, what exactly is

1 the department doing to reduce incidents of
2 violence in healthcare facilities across the
3 state?

4 DOH COMMISSIONER McDONALD: Yeah, I
5 love the question.

6 I've traveled a ton of places; this is
7 one of the things I hear everywhere. I did
8 meet with unions on this issue, and I've met
9 with the hospitals on this, and one of the
10 things I'm finding is we don't have a
11 standard definition of workplace violence.

12 The other thing I've learned is we
13 don't have a mechanism for reporting. So I'm
14 not a big fan of doing things at people, I'm
15 a big fan of doing things with people. So
16 what we're doing this year is convening
17 stakeholders in a large group to really
18 tackle the issue together.

19 Workplace violence isn't unique to
20 New York, it's all across the country. And
21 healthcare workers are bearing the brunt of
22 it. I think it's one of the things that
23 contributes to healthcare workers not wanting
24 to be healthcare workers, and it concerns me.

1 State Ed's been a partner in this, by
2 the way, since they regulate most of the
3 healthcare workers. They've been very good
4 about joining us and looking at this issue.
5 Because one of the things I'd say is I don't
6 think anyone's really been looking at this
7 issue, so the Department of Health is trying
8 to lead on this issue and see where we can
9 get on this.

10 ASSEMBLYMAN MEEKS: Okay. And also,
11 when will the Statewide Healthcare Facility
12 Transformation Grants be awarded? And
13 currently how many are pending?

14 DOH COMMISSIONER McDONALD: So the
15 Statewide Transformation Grants for Statewide
16 IV are expected to be announced in the next
17 six weeks or so.

18 As far as Statewide V, it's going to
19 go on through sometime in 2025.

20 And I don't know exactly how many
21 awards are in Statewide IV. It's roughly
22 \$250 million, though. If I give you the
23 number I might be giving away who the
24 awardees are, and I don't mean to do that.

1 ASSEMBLYMAN MEEKS: Okay. And how
2 many Certified Home Health Agencies in the
3 state have closed since 2019? And what is
4 generally the cause of closure?

5 DOH COMMISSIONER McDONALD: So I don't
6 know the exact answer to that, about how many
7 of those agencies have closed. I'll just
8 have to get back to you on it.

9 ASSEMBLYMAN MEEKS: Okay. Do you have
10 an idea what's causing the closures,
11 generally?

12 DOH COMMISSIONER McDONALD: No, I
13 don't. Home care is actually pretty big in
14 New York. We actually are investing a lot in
15 home care. But I don't know the reasons.
16 I'll have to get back to you on it.

17 ASSEMBLYMAN MEEKS: Okay. Thank you.

18 DOH COMMISSIONER McDONALD: You're
19 welcome.

20 CHAIRMAN PRETLOW: Is that it?

21 I guess I'll take a couple of minutes
22 since we're winding this down.

23 Dr. McDonald, I know we're living in
24 an Orwellian world -- and 1984 was a book I

1 found fascinating in the time period. But
2 with regard to durable medical devices, we're
3 reimbursing people at a rate -- as a
4 percentage of 1984 reimbursement rates, which
5 is 41 years ago.

6 And when you're talking about
7 wheelchairs that cost several thousand
8 dollars, you're talking about items that are
9 expensive but the people that are
10 manufacturing them are going out of business
11 rapidly right now. I know that we do have
12 legislation that was introduced by someone
13 that you know fairly well to update the
14 period that we're using for reimbursement.

15 But to take a percentage of a
16 41-year-old rate and give that to a
17 manufacturer I think is obscene, to use a
18 light word.

19 Is there any attempt on the part of
20 the department to update these dates?

21 MEDICAID DIRECTOR BASSIRI: Thank you
22 for the question. I'm assuming you're
23 talking about Medicaid reimbursement for
24 durable medical equipment.

1 We are not benchmarking to anything
2 from 1984. We benchmark to Medicare
3 reimbursement, and there's actually a rolling
4 process by which DME suppliers and providers
5 can appeal any reimbursement rate during the
6 year, and we will update it as appropriate.

7 We are making investments into areas
8 of DME like orthotics, prosthetics. We have
9 a State of the State initiative to increase
10 and improve our policies for wheelchair and
11 other repairs, to make it easier for persons
12 with physical disabilities to go through the
13 prior-approval process.

14 So we have taken steps. We're very
15 interested in doing more, and willing to do
16 more and address some of the
17 inconsistencies --

18 CHAIRMAN PRETLOW: It's interesting
19 you mention prosthetics, because my
20 understanding is that the department has
21 consolidated everything down to a company
22 called Integra. And companies that
23 manufacture prosthetics have to go through
24 Integra, they pay a fee for that. Then when

1 the states pays Integra, the operators of the
2 -- the people that made the prosthetics
3 get -- I believe it's marked down 30 percent
4 lower than the Medicaid rate.

5 Now, you know, growing up, I grew up
6 in the theater, I saw the movie Captain Hook
7 on Broadway. And it was like a hook. If
8 we're using the rates that the state is
9 reimbursing the manufacturers of these
10 devices, we're going to be in the Dark Ages
11 when it comes to prosthetics. We don't do
12 just a hook anymore or a wooden leg --

13 MEDICAID DIRECTOR BASSIRI: Yeah. I
14 understand now, you're referring to --

15 (Overtalk.)

16 CHAIRMAN PRETLOW: -- lace it up,
17 actually operate titanium, expensive stuff.
18 And it's not being reimbursed properly by the
19 state.

20 MEDICAID DIRECTOR BASSIRI: Well,
21 actually it is being -- well, I don't want to
22 say properly. That is reimbursement from the
23 managed-care plans for durable medical
24 equipment.

1 There is no -- what you're describing
2 and the company or entity you referenced is
3 an intermediary that a health plan uses on
4 DME. It's like the PBMs for durable medical
5 equipment. So I would ask that question to
6 the health plan associations later on in
7 today's hearing.

8 CHAIRMAN PRETLOW: See, this scares
9 me, because we're talking about doing the
10 same thing with home care. And if the -- if
11 people are using this third-party entity to
12 pay the bills and now we're going to do the
13 same thing with home care, will I get the
14 same complaints from individuals that they're
15 being reimbursed at 30 percent of an ancient
16 reimbursement rate?

17 MEDICAID DIRECTOR BASSIRI: No. I
18 mean, with home care there's 600 middlemen
19 today; we're moving to one with full
20 accountability, audit and transparency. So
21 you'll get your answers if there are any
22 issues, I assure you of that.

23 CHAIRMAN PRETLOW: Okay. And just
24 another -- since we're living in the past

1 here, community health centers are being paid
2 based on costs from 1999. Knowing that
3 community health centers are the only choices
4 for many New Yorkers that receive preventive
5 or primary care, when do you plan to update
6 the year that these Medicaid rates are based
7 on?

8 MEDICAID DIRECTOR BASSIRI: So we've
9 been looking into that, and it's not actually
10 possible in the way that you're describing
11 it. There is no way, quote, unquote, to
12 rebase community health center rates.

13 What we can do is pursue alternative
14 payment methodologies to increase funding for
15 those health centers. And I think the
16 Governor's budget includes an investment for
17 clinics and health centers, and we're very
18 interested in finding more ways to support
19 them, given the federal situation and some of
20 the other pressures that they're facing.

21 CHAIRMAN PRETLOW: Well, I think
22 they're going to be in dire straits based on
23 what I'm seeing coming out of Washington
24 right now. And there has to be some way that

1 we can update them, because they do supply --
2 or provide, I should say, a large percentage
3 of the healthcare to several communities in
4 the State of New York.

5 Thank you.

6 Commissioner Harris, I just have one
7 quick question for you. I've already run
8 this past you, and I'm going to beat it to
9 death if I have to.

10 Insurance companies pay in excess of
11 \$2 billion per annum on advertising. It's a
12 known fact that less than 10 percent of
13 people ever change their auto insurance, so
14 these are billions of dollars that are being
15 spent, in my eyes, unnecessarily.

16 I also know that insurance rates are
17 based on profit, premiums less whatever the
18 expenses are. And if we reduce the expenses
19 of these insurance companies by over \$2
20 billion, would that have a positive effect on
21 rates, which is to lower those rates?

22 DFS SUPERINTENDENT HARRIS: Thank you
23 so much for the question. I think it's an
24 important thing. And as you and I have

1 discussed, we're happy to look further into
2 it.

3 I would say we do see risk continuing
4 to increase as -- when I was chatting with
5 your colleague earlier we talked about the
6 cost of parts going up, the cost of labor has
7 gone up, there's a lot of evidence to suggest
8 that people are becoming increasingly worse
9 drivers, so that there's more frequent
10 accidents and more severe accidents.

11 So I think making sure we're looking
12 at expenses, whether it be advertising or
13 other administrative costs, might help
14 mitigate cost increases. I want to be
15 careful not to suggest that it might result
16 in a net decrease to premiums.

17 CHAIRMAN PRETLOW: All right, thank
18 you.

19 Senator?

20 CHAIRWOMAN KRUEGER: Thank you.

21 Three minutes, second up for Gustavo
22 Rivera, chair.

23 SENATOR RIVERA: I'm back!

24 All right, I'll be quick, since I have

1 a couple of things that I want to get to.

2 First, just again for the record,
3 talked about it plenty, global cap, bad idea,
4 old metric, we should get rid of it. You
5 folks decide what's going to be under it, not
6 under it every year. It's an old metric. We
7 should get rid of it. I have a bill to do
8 just that. But it would be great if you all
9 didn't bring it up. Just number one.

10 Number two, on the MCO tax, I'm just
11 going to say for the record I'm very, very,
12 very thankful for all your efforts to get
13 them approved before the last administration
14 went away. That is a good thing.

15 There is however, one thing I wanted
16 to point out. So currently, as far as what's
17 going to be invested, 10 million of it goes
18 to federal qualified health centers,
19 500 million of it goes to general budgetary
20 relief. It would be my very respectful
21 suggestion that of that 500, maybe a little
22 bit more could come through FQHCs,
23 considering these are -- they are incredibly
24 essential in places around the state that are

1 very much in need. So there's that.

2 Number three -- this one is a
3 question. So EIs, on Early Intervention -- a
4 couple of folks have asked about it. So last
5 year there was an agreed-upon increase of
6 5 percent that was supposed to go into effect
7 on April 1st, but it was not submitted by the
8 state to the feds until December 31st. So
9 we're going to see potentially a delay here?
10 Tell me a little bit about what's happening
11 there.

12 DOH COMMISSIONER McDONALD: So the
13 State Plan Amendment was submitted
14 December 31st. When it's approved, we'll be
15 able to pay people retroactive to October
16 1st.

17 The State Plan Amendment -- you know,
18 we did everything we could. You know, we
19 were ready to submit it on time, but we had
20 to find the savings that were included in
21 last year's budget. When we couldn't find
22 it, Division of Budget just gave us
23 permission to submit the State Plan Amendment
24 because they knew it was so important.

1 That's what happened.

2 SENATOR RIVERA: I'm going to
3 definitely follow up on that one since that
4 is -- it's essential that these folks get the
5 --

6 (Overtalk.)

7 DOH COMMISSIONER McDONALD: Please do.
8 No, no, great.

9 SENATOR RIVERA: -- that big lag could
10 kill some of them as far as providers are
11 concerned.

12 Two more quick things. As far as --
13 many of my colleagues have expressed concerns
14 about CDPAP. Can you tell me how many
15 workers there are? We've been talking about
16 consumers. Can you tell me about how many
17 workers are in the program?

18 MEDICAID DIRECTOR BASSIRI: So we
19 don't have all that data, but we believe that
20 there's between 200,000 to 300,000 workers.
21 Some are licensed agency workers that are
22 going back to LHCSAs, so --

23 SENATOR RIVERA: Between 200,000 and
24 300,000. It makes sense at least -- if

1 there's 280,000 consumers, it would make
2 sense that at least one per. So there's at
3 least 280,000, probably more. Because in
4 certain instances there are certain folks who
5 have more than one person taking care of
6 them.

7 So I would say that is -- so that's a
8 concern that we all have, right, because we
9 not only have to -- certainly the people that
10 are making the transition are the consumers,
11 but the workers are the ones that are going
12 to provide the services. So we've got to
13 make sure that they transition over.

14 And I'm sad to say that at least from
15 what we've heard here -- I don't know about
16 anybody else, but the fears have not been
17 assuaged. I have not -- I don't think it's
18 sufficient what we heard today.

19 So, last thing, to end on a positive
20 note, nice red velvet jacket, sir. It's a
21 nice one.

22 (Laughter.)

23 DOH COMMISSIONER McDONALD: Seventy
24 percent off at Macy's.

1 (Laughter.)

2 SENATOR RIVERA: I'm good, Madam
3 Chair.

4 CHAIRMAN PRETLOW: Thank you, Senator.
5 Assemblywoman Paulin for her three
6 minutes of follow-up.

7 ASSEMBLYWOMAN PAULIN: Thank you so
8 much.

9 First just some comments from hearing
10 from my colleagues.

11 CDPAP, we encourage you to please come
12 to us way before -- or before the April 1st
13 deadline, because we here feel pretty
14 convinced that that's not going to be
15 fulfilled.

16 Two, on MIF, I share my colleague
17 Senator Krueger's comments and
18 Assemblyman Slater's comments. I worry that
19 without a plan in place that we're going to
20 see closure and we do not want to see that.
21 So if the intent is to go forward with a
22 plan, we should have that plan prior to
23 shutting people down, especially people in
24 the middle of the process.

1 Three, school-based health centers. I
2 point you to the Connecticut study that was
3 done just recently which showed that managed
4 care -- that actually fee-for-service is
5 cheaper than managed care. So if the goal of
6 the school-based health centers is money, I
7 point you to that analysis.

8 Two, on that same point -- and to a
9 point you made, Commissioner, which is on
10 dental care -- I share your passion. I carry
11 those bills for increased services for people
12 across the state by allowing dental
13 hygienists to do more.

14 I really am concerned with
15 school-based health centers and the -- the --
16 I'm not going to say the threat, but the
17 concern that the providers particularly of
18 dental health have, that they won't be able
19 to continue serving. They are not -- they
20 are contracted separately, and we really have
21 to be sure that dental health is taken care
22 of, in addition to not burdening the
23 school-based health centers.

24 Now, a couple of follow-up questions

1 if I have time. Not really. I will ask one.

2 The HERDS data that was collected
3 during the pandemic -- it's been now five
4 years since the onset of the pandemic. We
5 know about the workforce shortage. Why are
6 we still collecting that data? What is it
7 being used for?

8 DOH COMMISSIONER McDONALD: We're
9 going to move towards weekly surveys instead
10 of daily surveys. And we're moving in the
11 next couple of weeks to do that.

12 You asked what it's used for. It's to
13 monitor hospital capacity. Where we're at a
14 point, though, is I don't think we need to
15 look at it every day anymore. I know it's a
16 burden on the hospitals, so we're moving to
17 weekly. I need to get some information on
18 this.

19 ASSEMBLYWOMAN PAULIN: Thank you. I
20 know I don't have time, but I'm going to let
21 you know my question is to give follow-up and
22 tell me later.

23 Adult daycare health programs. Again,
24 they were shut down during COVID. Only 60 of

1 the 120 have come back. And we know that
2 what will happen is these individuals go into
3 nursing homes. What is the plan?

4 CHAIRWOMAN KRUEGER: Thank you.

5 I think I'm your last three minutes.
6 You're almost escaping.

7 So in the Governor's Budget Briefing
8 Book, she said that she would include funding
9 for DOH to complete a comprehensive review of
10 New York's network adequacy requirements.
11 But I don't find the funding line in the
12 actual budget, and it seems to me, one, this
13 is crucial. But two, you need staff to do
14 this and you need a budget line.

15 So what is your understanding?

16 DOH COMMISSIONER McDONALD: So we're
17 doing that through New York State of Health.
18 And it will be covered through New York State
19 of Health, is my understanding of that. And
20 we just did our network adequacy regulations.
21 That's where we're going with that. Because
22 I think this is a very important issue.

23 I can't speak to a budget line that's
24 not in there. Sometimes with New York State

1 of Health things are in there and it's just
2 not obvious.

3 CHAIRWOMAN KRUEGER: Okay. So you
4 said you already did some kind of evaluation?

5 DOH COMMISSIONER McDONALD: We did --
6 network adequacy regulations were just
7 promulgated. Literally, I signed them last
8 week. I think it was -- today is Wednesday?
9 I think I signed it last Thursday.

10 But as far as network adequacy study,
11 that's being done by the New York State of
12 Health. It is in the budget. But the money
13 in there is federal money, so it's in the New
14 York State of Health budget.

15 CHAIRWOMAN KRUEGER: Okay. So we will
16 certainly look at the regulations. I just
17 want to emphasize for the record people
18 constantly call my office saying "My network
19 lists all these doctors. I reach out, none
20 of them are taking new patients. None of the
21 specialists actually think they're in the
22 network and are surprised to hear that the
23 network is listing them."

24 So I hope that these regulations

1 clarify what the rules of the road need to
2 be, because doctors that don't take new
3 patients aren't particularly useful. And
4 doctors that don't even know they're in the
5 system really don't help us.

6 DOH COMMISSIONER McDONALD: You're
7 right. Yup.

8 DFS SUPERINTENDENT HARRIS: And I
9 would just -- I can't speak to the providers,
10 but we do have, as part of the regulation,
11 requirements for accuracy in the directories.
12 And if those directories are not accurate,
13 the insurers have to hold the consumer
14 harmless.

15 CHAIRWOMAN KRUEGER: Good. So I look
16 forward to working with both of your agencies
17 to make sure this is what it's supposed to
18 be.

19 And with that, I think we're actually
20 allowing you to leave.

21 CHAIRMAN PRETLOW: No, I have one
22 more.

23 (Audience reaction.)

24 CHAIRWOMAN KRUEGER: Wait, wait, wait.

1 Who snuck in?

2 CHAIRMAN PRETLOW: We don't want to
3 just rush out. It's only been three and a
4 half, four hours.

5 (Laughter.)

6 CHAIRMAN PRETLOW: David Weprin, for
7 his follow-up three minutes.

8 CHAIRWOMAN KRUEGER: Sorry. Sorry.

9 CHAIRMAN PRETLOW: That's okay.

10 ASSEMBLYMAN WEPRIN: For Commissioner
11 McDonald. You know, this house -- the
12 Assembly and the Legislature in general have
13 always been strong supporters of
14 Early Intervention. And I know we had had
15 discussions about a 4 percent enhancement on
16 Early Intervention. Is there a plan for
17 that? And is that going to happen?

18 DOH COMMISSIONER McDONALD: So
19 Early Intervention has a 5 percent increase
20 plus a 4 percent rural modifier. Early
21 Intervention is incredibly important. It's a
22 very cost-effective program. And, you know,
23 it -- so that's what's going to happen.

24 And we have to wait for the Centers

1 for Medicaid & Medicare Services to approve
2 the State Plan Amendment, which we submitted
3 December 31, 2024. But the money will be
4 retroactive to October 1st.

5 ASSEMBLYMAN WEPRIN: Okay. I strongly
6 support that.

7 DOH COMMISSIONER McDONALD: Good. I
8 do too. Thank you.

9 ASSEMBLYMAN WEPRIN: Thank you.

10 CHAIRWOMAN KRUEGER: Okay? Good. Now
11 we will actually let you leave. But as
12 you're walking out, everyone, let them go.

13 (Laughter.)

14 CHAIRWOMAN KRUEGER: They need to have
15 personal moments. And we need to not have
16 conversations here because we have a whole
17 afternoon's worth of additional people. So
18 you move on through. Legislators, leave them
19 alone.

20 And the next panel, come on up, which
21 is -- and thank you all. So now we have
22 HANYS; 1199SEIU; 32BJ Benefit Fund; New York
23 State Nurses Association; and the Greater
24 New York Hospital Association.

1 Let's make sure we have enough chairs
2 for five testifiers. I think we're going to
3 need an extra -- thank you, Ian. All right.

4 (Pause, off the record.)

5 CHAIRWOMAN KRUEGER: Why don't we
6 start. First what you do is you introduce
7 yourself -- you just go down. That's so that
8 the tech guys know what name to put up when
9 you're actually testifying. So if you'd just
10 run down the line first.

11 Thank you.

12 MS. GRAUSE: Sure.

13 CHAIRWOMAN KRUEGER: And you have to
14 press the button till it turns green.
15 There's like a sweet spot right above the
16 word "PUSH."

17 MS. GRAUSE: Good afternoon. My name
18 is Bea Grause, from HANYS.

19 MR. BELL: Leon Bell, policy director
20 at the New York State Nurses Association.

21 MS. OPSAHL: Cora Opsahl, 32BJ Health
22 Fund.

23 MS. SCHAUB: Helen Schaub, 1199SEIU.

24 MR. RASKE: Ken Raske, Greater New

1 York Hospital Association.

2 CHAIRWOMAN KRUEGER: Great. Welcome.

3 Shall we just continue in that order,
4 is that okay?

5 MS. GRAUSE: Sure.

6 CHAIRWOMAN KRUEGER: Great. And you
7 each have three minutes, so you know to
8 summarize.

9 MS. GRAUSE: Yes.

10 CHAIRWOMAN KRUEGER: Thank you.

11 MS. GRAUSE: All right, thank you.

12 Good afternoon, Chairs Krueger,
13 Pretlow, Rivera, and Paulin, and committee
14 members. As I said before, I'm Bea Grause,
15 president of the Healthcare Association of
16 New York State, representing nonprofit and
17 public hospitals, health systems and
18 post-acute providers across New York. Thank
19 you for this opportunity to testify on the
20 '25-'26 Executive Budget.

21 The testimony and discussion at
22 today's hearing has made us all keenly aware
23 of the unprecedented and unpredictable
24 immediate threats that could destabilize or

1 even dismantle New York's healthcare system.
2 Whether through executive order or by action
3 of Congress, New York faces the very real
4 possibility of significantly reduced or
5 eliminated federal funding this year.

6 Access to care is created and
7 preserved through federal and state funding.
8 Our hospitals and health systems across
9 New York are working diligently to navigate
10 this world of uncertainty as they deliver
11 care to individual patients and preserve care
12 to patients in their community.

13 Keeping our hospitals and nursing
14 homes open and capable of serving New York's
15 communities isn't just an immediate challenge
16 -- it's also a major concern for the weeks,
17 months, and years ahead.

18 For example, by 2030, in New York we
19 will have 860,000 more senior citizens than
20 we did in 2020. So from 2020 to 2030. Their
21 care needs are fueling increasing and
22 changing patient demand across all care
23 settings.

24 We have a workforce gap, as you talked

1 about earlier, that New York must close to
2 meet that demand. And meanwhile, millions of
3 New Yorkers still don't have equitable access
4 to care in their communities.

5 And lastly, affordability for
6 government, businesses, providers and
7 individuals remains a core issue. We fully
8 support the Governor's decision to leverage
9 the revenue from the approved tax on managed
10 care organizations to provide additional
11 federal Medicaid funding. But as important
12 as the funding, we also strongly support
13 Governor Hochul's strategic healthcare
14 framework. This framework calls for
15 sustained investment, workforce support,
16 innovative care models, and other proposals
17 designed to preserve access to care and, over
18 time, bend the cost curve by making the
19 delivery of healthcare less costly.

20 One important example within the
21 strategic framework is the proposal to
22 continue and expand the Safety Net
23 Transformation Program, a multiyear program
24 created in last year's budget that offers

1 both capital and operational assistance to
2 help support and transform safety net
3 facilities.

4 This proposal is designed with an eye
5 toward innovation, access and affordability.
6 I urge you to support and build on it.

7 CHAIRWOMAN KRUEGER: Thank you.

8 MS. GRAUSE: Thank you.

9 CHAIRWOMAN KRUEGER: Next?

10 MR. BELL: Thank you for the
11 opportunity to speak to you today. My name
12 is Leon Bell. I'm policy director at the New
13 York State Nurses Association.

14 NYSNA's strongly supportive of and is
15 heartened to see the proposals in the budget
16 that would affect increased coverage,
17 increased benefits for New Yorkers. We favor
18 a single-payer health system, so anything
19 that gets us closer to that goal, we are
20 supportive of.

21 We also welcome the increased support
22 for safety-net providers. But we would urge
23 that you use the full funding created by the
24 MCO tax and revoke some of the cutbacks in

1 other safety-net funding areas in order to
2 actually get that money to safety nets, to
3 the hospitals, increasing reimbursement rates
4 across the board, and other measures to make
5 sure that our providers continue to operate.

6 We support the proposals, various
7 proposals in the budget that would increase
8 the regulation and oversight of business
9 practices of insurers, PBMs, and providers.
10 We're particularly concerned by some of the
11 abuses with for-profit providers, the PBM
12 industry, and even some large hospital
13 systems which seem to be more concerned with
14 their bottom lines than providing care to
15 patients.

16 We are concerned, however, that the
17 budget does not effectively address the
18 staffing crisis that we're seeing in our
19 hospitals and nursing homes, and it does not
20 take steps to stabilize the workforce that we
21 have, particularly the RN workforce. It is
22 our view that the staffing crisis is
23 primarily driven by poor working conditions
24 and inadequate pay and benefits that are

1 driving nurses out of the workforce or toward
2 less stressful jobs away from patient care.

3 And Commissioner McDonald recognized
4 that. He noted, for example, that out of the
5 305,000 licensed nurse RNs that we had in
6 2018, New York State now has 453,000 licensed
7 RNs, roughly a 50 percent increase between
8 2018 and 2025. But the workforce has
9 remained relatively stagnant. According to
10 BLS statistics, it's only gone up from
11 182,000 to 190,000 in 2023.

12 To us, that indicates that the issue
13 is working conditions and not a need to get
14 more licensed nurses or more nurses into the
15 workforce. The problem is that we are
16 getting them but then they're not staying.

17 So we would urge -- on that issue we
18 would urge very strongly that you consider
19 rejecting the interstate compact. That's not
20 going to do anything but get us more
21 expensive agency nurses. It's going to get
22 us cross-state telehealth provided by, you
23 know, corporations in low-wage states, and
24 it's also going to continue to disrupt and

1 undermine the existing nursing workforce.

2 And I can answer any questions about
3 that issue if you have any.

4 CHAIRWOMAN KRUEGER: Thank you.

5 MS. OPSAHL: Thank you for the
6 opportunity to testify on healthcare
7 affordability issues that impact the
8 Executive Budget.

9 My name is Cora Opsahl, and I'm here
10 representing the 32BJ Health Fund, one of the
11 largest self-insured funds in New York State.
12 32BJ Health Fund provides health benefits to
13 over 200,000 32BJ union members and their
14 families.

15 Today we want to note our support for
16 several Executive Budget proposals that will
17 create greater healthcare affordability and
18 accountability for our participants, and
19 encourage the Legislature to support the Fair
20 Pricing Act, sponsored by Senator Krueger and
21 Assemblymember Jackson.

22 We support the Executive Budget
23 proposals to bolster the Department of
24 Health's provider material transaction review

1 process, and enhance hospital community
2 benefit reporting requirements. Enhancing
3 hospital merger and transaction oversight is
4 particularly critical to maintaining a
5 competitive and affordable healthcare market
6 for our members.

7 New York State's hospital marketplace
8 is becoming increasingly consolidated through
9 multi-hospital system acquisitions and
10 mergers, which in turn drives up prices of
11 care. Since 2004, the cost of health
12 benefits for our participants has increased
13 from 17 percent of total compensation to
14 37 percent. Wages have risen 54 percent,
15 while healthcare costs have gone up
16 230 percent.

17 As a self-funded plan, the price of
18 health services directly impacts our budget
19 and our ability to keep costs low for our
20 members. While many factors drive the rising
21 cost of healthcare, our data and that of
22 others consistently points to one
23 overwhelming contributor, rising hospital
24 prices. Most recently, rising healthcare

1 costs are being driven by shifting services
2 and increasing prices in the hospital
3 outpatient system.

4 In 2016, about 30 percent of
5 non-emergency CT scans occurred in the
6 hospital outpatient department. By 2022,
7 over 40 percent occurred in the hospital
8 outpatient department. This is worrisome
9 because the average price we pay for a CT
10 scan in the hospital setting is almost double
11 that in a provider's or doctor's office.

12 This is why we urge the Legislature to
13 support the Fair Pricing Act. This proposal
14 seeks to establish a price cap on routine,
15 low-complexity healthcare services so that
16 prices more closely mirror those of
17 lower-cost settings. A study released this
18 morning by health economists at Brown
19 University shows that this policy could save
20 \$1.1 billion each year in New York State,
21 with up to 213 million in savings directly to
22 patients through lower out-of-pocket
23 expenses.

24 You've heard testimony today about

1 hospitals being underfunded by public payors.
2 This is especially true for many safety-net
3 hospitals who do not charge the high prices
4 of other consolidated hospital systems. They
5 would be exempt from the Fair Pricing Act.

6 However, there's another side of our
7 healthcare system that has an enormous impact
8 on affordability for patients and plan
9 sponsors.

10 I'm happy to take questions.

11 CHAIRWOMAN KRUEGER: Thank you.

12 MS. SCHAUB: Good afternoon. Thank
13 you so much for this opportunity to testify.
14 I think rather than repeat points that other
15 folks have made that are contained in our
16 written testimony, I'll just try to make a
17 couple of points.

18 One, you know, the federal threats
19 that Bea mentioned that other people have
20 testified about are very, very real. They
21 are particularly real to New York State
22 because some of the proposals on the table,
23 which, you know, I just like to flag, you
24 know, the target of saving over 2 trillion

1 dollars from Medicaid is 30 percent of
2 Medicaid spending projected over the next 10
3 years. So if they get anywhere close to that
4 number, that is a very dramatic cut to our
5 state in particular, depending on which of
6 their proposals they look at.

7 It is a very real threat. But we also
8 think we have a very real ability,
9 particularly to call on our New York State
10 representatives to stand up for our state, to
11 stand up for the people who depend on
12 Medicaid, and to find the savings either not
13 at all or elsewhere in order to preserve the
14 healthcare that people so need in our state,
15 whether it's home care, whether it's clinics,
16 whether it's nursing home care or hospital
17 care.

18 So it's a real threat. We have a real
19 ability, all of us as New Yorkers, regardless
20 of political party, to stand up and protect
21 our Medicaid program. I would urge everybody
22 to do that, because this debate is engaged
23 right now in Washington. There's going to be
24 a markup on Thursday that will start to tell

1 us what's happening with those very, very
2 large targets.

3 In terms of New York State, the state
4 is actually in a pretty decent financial
5 position, as is evidenced by the Governor's
6 budget, and we're very pleased that we're
7 starting where we're starting, with
8 continuing last year's investments.

9 A couple of things to flag. One, you
10 know, we believe all of the money that comes
11 from the MCO tax ought to be invested in
12 healthcare. Taking money off the top for the
13 General Fund does not make sense. In
14 particular, you know, the Legislature has
15 wisely added 500 million each year for safety
16 nets in the last three years. That is not
17 optional money. That is not cream on the
18 top. That is money that those hospitals
19 desperately need to stay open, and that
20 should be in the final budget.

21 We also need to make sure there's
22 sufficient resources particularly for the
23 lowest-rate nursing homes. We've seen
24 significant closures, particularly upstate,

1 that are impacting people's ability to access
2 high-quality care.

3 We want to keep our North Star,
4 closing the Medicaid gap, recognizing
5 Medicaid has to pay the cost of care if we're
6 going to have a fair equitable system that
7 allows people to access care. This budget
8 continues that progress, but we need to keep
9 moving it as we fight the fights in
10 Washington.

11 Thank you.

12 CHAIRWOMAN KRUEGER: Thank you.

13 MR. RASKE: Good afternoon,
14 Madam Chairman. Ken Raske here.

15 I want to first thank this legislative
16 body and also my colleague to my left from
17 1199SEIU for listening to the pleas that we
18 made last year before you that was echoed in
19 the Healthcare Justice Campaign, which was
20 aimed at reducing healthcare disparities in
21 communities of color and, at the same time,
22 looked at the origin of the significant
23 underpayment of the Medicaid program, to the
24 tune of about 30 percent.

1 So thank you very much, and thank you,
2 my colleague Helen at 1199, for engaging in
3 that massive effort.

4 The Governor's budget heard this. The
5 Governor has responded. We're very thankful
6 to her budget and the proposals that are in
7 it. We too, like Helen, want to add to it,
8 because we think there's some areas of
9 deficit. And we will bring those to your
10 attention as we go on.

11 The need of the hospitals throughout
12 the state are pretty obvious. Three out of
13 five are losing money. They're old,
14 antiquated plants to the tune of about 27
15 below the national average, and we still are
16 darn near the bottom of financial performance
17 in the United States. Not what you would
18 consider a good record.

19 And, you know, this budget needs to
20 correct some of those problems and begin the
21 trajectory for recovery. And I believe, with
22 your assistance, and with the guidance of the
23 executive branch, we can achieve that.

24 But let's be clear. We have a clear

1 and present danger, and it's in Washington.
2 Yesterday the Greater New York Hospital
3 Association joined with the AAMC, which is
4 the American Association of Medical Colleges,
5 as well as our colleagues in Boston, and
6 filed suit in federal district against the
7 National Institutes of Health for taking --
8 listen to this number -- \$850 million out of
9 research institutions in New York State, 9
10 billion across the United States.

11 This was just yesterday. Could you
12 imagine what's going to happen when we get to
13 Medicare and Medicaid? Okay?

14 So I need your help again. I need
15 Republicans, I need Democrats, I need you all
16 to work with us to fend off this problem. I
17 have an issue with 32BJ on this Fair Pricing
18 Act. We'll hear more about that in a minute.
19 But my fight is in Washington, it ain't here.
20 And let's go at the root cause of this
21 problem.

22 So that, ladies and gentlemen, is my
23 plea to you. You heard us last year. Let's
24 all get on a train and head south, because

1 that's where we need to be.

2 Thank you.

3 CHAIRWOMAN KRUEGER: Thank you very
4 much.

5 Our first questioner is Gustavo -- no,
6 not Gustavo Rivera.

7 SENATOR RIVERA: Never first.

8 CHAIRWOMAN KRUEGER: Never first.

9 Any other Senator? Senator Gonzalez
10 asked me for a turn.

11 Senator Gonzalez.

12 SENATOR GONZALEZ: Thank you. Thank
13 you so much, Chairwoman.

14 And thank you all so much for being
15 here today. I am Kristen Gonzalez, I'm the
16 State Senator for District 59. I represent
17 NYU Langone.

18 And to your point, President Raske, we
19 certainly feel the threat from the federal
20 government. So today my questions are for
21 you.

22 You stated in a Crain's article that
23 Greater New York Hospital Association's
24 immigration enforcement tool kit distributed

1 to member hospitals offers no advice on
2 whether hospitals should comply with
3 immigration enforcement procedures.

4 Does not giving this guidance place
5 patients in danger or make people less likely
6 to seek care?

7 MR. RASKE: Forgive me, because I'm
8 not being disrespectful, it was just -- there
9 was a couple of moments I didn't hear.

10 On the immigration guidance, we have a
11 total tool-book which is given to the
12 hospitals which is intended to be customized
13 at each institution as to how they handle the
14 questions and problems presented by ICE
15 officials. And it is not a code of
16 conformity, it is just a bunch of assembled
17 ideas that came out of the field to say how
18 best to handle it.

19 We -- in the hospital community, we --

20 SENATOR GONZALEZ: All right. And
21 just for the sake of time -- I don't mean to
22 interrupt, but I want to clarify even if it
23 is not a one-size-fits-all, the general
24 guidance so far has nothing in it about

1 whether or not to comply with Immigration and
2 Customs Enforcement.

3 And so the question is, if you aren't
4 at least providing a baseline of guidance
5 that can or cannot be adopted across the
6 hospitals in your network, are you -- do you
7 think that will make people feel less safe
8 when they go to one of your member hospitals?

9 MS. SCHAUB: Senator, if I may, we
10 actually looked at the guidance. It was
11 shared with us by the Hospital
12 Association because we wanted to train our
13 members about how to deal with this
14 situation.

15 I think everybody is very clear,
16 healthcare workers want to provide
17 healthcare, do not want any interruption in
18 that, and certainly do not want to be in the
19 position of, you know, having that care
20 interrupted by immigration enforcement.

21 The guidance outlines legally what the
22 hospitals are required to comply with, which
23 is a very narrow situation, right, where
24 there is a judicial warrant specifically

1 naming both the hospital and the individual.

2 So the guidance as I've seen it,
3 shared by the Hospital Association, which we
4 use to help train our members, does indicate
5 that is the only situation in which there's a
6 legal requirement to comply and then outlines
7 all the other things that a hospital can do
8 to set up a procedure.

9 MR. RASKE: We make it quite clear,
10 Helen, in there that it has to be signed by a
11 judge. And that is about as clear as you're
12 going to get.

13 SENATOR GONZALEZ: We can continue the
14 conversation offline. Thank you.

15 CHAIRWOMAN KRUEGER: Thank you,
16 Senator.

17 CHAIRMAN PRETLOW: Assemblyman Jensen.

18 ASSEMBLYMAN JENSEN: Thank you very
19 much, Chairman Pretlow.

20 As somebody from Rochester, I'm going
21 to direct this question to Bea.

22 We heard a few minutes ago from the
23 representative from 32BJ, who talked about a
24 proposal that would cap hospital outpatient

1 reimbursement. And there's a savings
2 attached to that of \$1.3 billion. Wouldn't
3 that savings be coming from other providers?
4 And how would that affect hospitals,
5 especially upstate hospitals or safety-net
6 hospitals?

7 MS. GRAUSE: Sure, thank you,
8 Assemblyman.

9 Yes, the 32BJ bill is essentially a
10 price cap. We would -- which New York has
11 tried before and it failed. The 1.1 billion
12 I think in the article today that was cited
13 in terms of savings that would occur would
14 come directly from hospitals. And so the
15 savings to the 32BJ -- or to self-insured
16 health funds would come from hospitals. And
17 that, of course, would destabilize hospitals,
18 as Ken said, three out of four hospitals in
19 New York have a zero -- have an unsustainable
20 margin.

21 And so capping the reimbursement that
22 is coming from outpatient procedures --
23 which, as the commissioner said this morning,
24 more and more care is happening in the

1 outpatient side -- would be a direct cut to
2 hospitals.

3 ASSEMBLYMAN JENSEN: So when we're
4 talking about the access to care, how much of
5 that is influenced by the throughput issues
6 that hospitals are facing, especially for
7 hospitals where you have nursing homes that
8 have had to take beds offline due to staffing
9 concerns?

10 MS. GRAUSE: Sure. The whole issue
11 around throughput, which is how a patient
12 enters a healthcare system and then enters a
13 hospital and moves out of a hospital, is
14 influenced by a number of factors, but it
15 does require that there's both pre-hospital
16 care and post-hospital care. So having
17 access to nursing homes so that a patient can
18 be admitted, then if appropriate, discharged
19 to a nursing home, is an important factor as
20 well.

21 And so that ties into adequate
22 reimbursement for nursing homes so that they
23 can hire enough healthcare workers to
24 maintain that capacity.

1 ASSEMBLYMAN JENSEN: I asked the
2 commissioner this morning about the
3 Healthcare Transformation capital funding.
4 How important is that funding to go out the
5 door in an efficient and effective manner so
6 that systems can prepare not just for the
7 projects that they've already applied for,
8 but looking to meet the needs of their
9 community around them?

10 MS. GRAUSE: Well, I think it's
11 critically important. Healthcare planning is
12 a multiyear process, so it takes a number of
13 years to build a plan and execute a plan. So
14 I think securing that funding is a critical
15 component in moving those projects along.

16 ASSEMBLYMAN JENSEN: Thank you.
17 And thank you all for your testimonies
18 today.

19 CHAIRWOMAN KRUEGER: Thank you.
20 Senator Webb.

21 SENATOR WEBB: Good afternoon. Thank
22 you all so much for being here.

23 Earlier we were asking Commissioner
24 McDonald with regards to the CDPAP program,

1 and I know 1199SEIU is working on that. As
2 we continue this conversation around
3 improving more equitable access to quality
4 and affordable healthcare, what are some of
5 the things that you are seeing with regards
6 to challenges that people may be experiencing
7 with this rollout?

8 I know I've spoken with constituents
9 who -- my region was one of the first regions
10 that was a part of the rollout, and I
11 consistently get calls that it's very
12 difficult to navigate the system. And while
13 I know Senator Rivera had mentioned this
14 earlier, that we recognize that there has to
15 be more of a concerted effort on this
16 program, and at the same time we recognize
17 that there are bad actors who have also
18 created more disparities.

19 So I was hoping if you could lift that
20 up a little bit more. Thank you.

21 MS. SCHAUB: Thank you.

22 Here's what I would say. We think the
23 Legislature made the right decision last year
24 to seek savings in this program by reducing

1 administrative costs, excess administrative
2 costs and profit, rather than changing
3 eligibility for the program, rather than
4 cutting wages for workers in the program --
5 both of which were on the table, if people
6 recall, at the beginning of the budget
7 process.

8 You decided, we're not going to change
9 eligibility, we're not going to cut wages, we
10 are going to figure out how to drive more
11 money down to the folks who benefit from this
12 program and the people that serve them. We
13 believe that was the right decision.

14 We also understand that making a
15 change of this magnitude is very challenging,
16 as there's been a lot of highlights of today.
17 We would call ourselves Team Make It Work, to
18 figure out how to do that. The April 1st
19 deadline, I think as you know, is in statute.
20 Right? In order to push that, the statute
21 has to be changed, and I think that's a
22 conversation you all may be engaged in.

23 In the meantime, I think what we're
24 trying to do as much as we can when we're

1 communicating with workers and other folks,
2 is to make sure people have the correct
3 information, make sure they're connected,
4 flagging issues if they have difficulty being
5 connected. And I really think it's incumbent
6 upon all of us, whether we're an elected
7 official or a community organization, to make
8 sure people have the right information to do
9 the warm handoff, to do a three-way call, to
10 help people navigate the system.

11 I think it both makes sure people have
12 the access, they're as set up as they can be
13 on April 1st, but also the more people that
14 do that, the more any problems will be
15 flagged. Right? If your office is, you
16 know, doing a three-way call to connect
17 somebody and then you see there's an issue,
18 you are able to know what that issue is and
19 escalate it. We're trying to do that same
20 thing.

21 I think we all got to help people make
22 sure that they get access through this new
23 system, and then use that process to flag any
24 issues and escalate them.

1 SENATOR WEBB: Thank you.

2 CHAIRMAN PRETLOW: Thank you.

3 Assemblyman Ra.

4 ASSEMBLYMAN RA: Thank you.

5 So I just had a few questions, I think
6 in particular for HANYS.

7 So the Executive Budget is proposing
8 to require hospitals to report a significant
9 number of data points to the department that
10 reflect their community benefit spending. I
11 know there's currently federal requirements
12 to the IRS. So is this duplicative? Is it
13 going to increase a -- you know, a burden on
14 the institutions to report this to the State
15 DOH?

16 MS. GRAUSE: Yes, thank you,
17 Assemblymember.

18 Yes, it is duplicative. We don't
19 support it. It's the -- those are the exact
20 same data points that are required to the
21 IRS, so we don't think it's necessary.

22 ASSEMBLYMAN RA: And then the -- I was
23 looking through your testimony and you
24 actually have this very helpful chart of

1 different items, including --

2 MS. GRAUSE: We try to be helpful.

3 ASSEMBLYMAN RA: -- including the
4 Empire Clinical Research Investigator Program
5 and that proposed cut. You know, I know a
6 lot of the programs involved in this are --
7 you know, do very important work. This dates
8 back over 20 years and, you know, trains
9 physicians in clinical research to advance
10 biomedical research in the State of New York.

11 And last year the Legislature was
12 successful in restoring funding. Any sense
13 of why we're back here again with this being
14 cut?

15 MS. GRAUSE: I'm sorry, I did not hear
16 the name of the program.

17 ASSEMBLYMAN RA: The Empire Clinical
18 Research Investigator Program.

19 MS. GRAUSE: I don't have any insight
20 as to why the program would be cut, but we
21 certainly support continued research.

22 ASSEMBLYMAN RA: And I know it came
23 up, obviously, earlier talking about some
24 federal issues, but I think it dovetails back

1 into the importance of these type of research
2 programs that we do fund in small ways in New
3 York State. You know, obviously this is --
4 when you think about our healthcare spending,
5 \$3.45 million is not a lot of money to have
6 to see a cut with it.

7 MS. GRAUSE: Right. Well, I think
8 it's important to remember that the medical
9 advances are always happening. And I think
10 New Yorkers and, frankly, the American people
11 want medical advances to continue to happen.
12 And that takes years and research leadership
13 and investment in both the clinical and in
14 developing our workforce, training our
15 workforce, as well as developing medical
16 advances.

17 So I think it's penny-wise and
18 pound-foolish to cut that funding. In fact,
19 I think we should be increasing it.

20 ASSEMBLYMAN RA: And really quickly,
21 1199, do you share our concerns with that
22 April 1st date and getting CDPAP completely
23 transitioned over from the side of the
24 workers?

1 MS. SCHAUB: Yes, I think we -- you
2 know, we made recommendations to the state
3 back in the summer about how to do a
4 thoughtful transition. It included a longer
5 time frame. We're certainly for anything
6 that can make sure that everybody gets to
7 where they need to go and that there's no
8 fear or disruption of services.

9 ASSEMBLYMAN RA: Thank you.

10 CHAIRWOMAN KRUEGER: Okay, thank you.

11 I'm going to go next. Thank you all.

12 So I don't disagree when some of you
13 highlight that the real crisis is at the
14 federal level. I think we all know the real
15 crisis is at the federal level, and we don't
16 know what's coming next.

17 But because we don't know what's
18 coming next, other than pretty much a
19 guarantee of cuts across the board in
20 everything we care about, what are each of
21 you recommending to help New York State move
22 forward with an expansion of primary care?
23 Because we all know if we don't have primary
24 care, you have more patients in your

1 hospitals. And no disrespect, we don't want
2 more patients in our hospitals, we don't want
3 them to get sick.

4 So what would each of you recommend we
5 focus on to increase primary care and fewer
6 New Yorkers getting sick when we can't even
7 count on federal money coming forward to help
8 us with truly sick people?

9 MR. BELL: You want left to right or
10 right to left?

11 CHAIRWOMAN KRUEGER: Any of you.

12 MR. RASKE: Senator, that's a great
13 question.

14 We will begin by saying that the
15 healthcare community is dedicated to
16 eliminating the large number of disparities
17 that exist within populations across the
18 state -- a lot of which would be generated by
19 the lack of primary care, which is I think
20 getting to your point. And therefore it
21 shows the dire need for an investment to be
22 made.

23 Here's the dilemma that we're in. The
24 dilemma is -- is because of the significant

1 underpayments that exist within Medicaid
2 primarily, and Medicare to a secondary sense.
3 Because of that, there is no elasticity of
4 investment wherewithal to be made by these
5 institutions in these communities. They
6 could be rural communities, they could be
7 inner-city communities. It doesn't make any
8 difference. But that lack of resilience is
9 the problem.

10 It is that lack of resilience which
11 forces hospitals to charge the commercial
12 payors more to offset it. The beef that 32BJ
13 has isn't with the hospitals, it's with the
14 underpayments, because that is the driver.
15 The root cause of that is the underpayments.
16 That is the root cause of the lack of
17 investment as well.

18 That is my opinion, Senator.

19 CHAIRWOMAN KRUEGER: Someone else?

20 MS. SCHAUB: Can I just -- I do think
21 it's important to note the role of clinics,
22 whether it's a hospital-based clinic or
23 whether it's a federally qualified health
24 clinic, in serving people, particularly who

1 are underinsured or have Medicaid.

2 You know, many of the private primary
3 practices around the state do not serve
4 Medicaid patients, for example, and certainly
5 do not serve people who are uninsured. So we
6 do have to look at the health of those
7 institutions, again, whether hospital-based
8 or FQHCs, and make sure they're adequately
9 reimbursed.

10 CHAIRWOMAN KRUEGER: So my time is up.
11 At another time we can all talk about why I
12 actually agree with 32BJ and am carrying that
13 bill. But I think we have that on schedule
14 as well.

15 CHAIRMAN PRETLOW: Thank you, Senator.

16 CHAIRWOMAN KRUEGER: Thank you.

17 CHAIRMAN PRETLOW: Assemblywoman
18 Paulin.

19 ASSEMBLYWOMAN PAULIN: Thank you so
20 much.

21 A question for Helen. You know, I
22 know that you've been monitoring the CDPAP
23 program very closely and having conversations
24 with PPL to ensure the transition. And I

1 heard you're open to potential change.

2 You know, what do you think that
3 timeline for that possible postponement
4 should look like? And what type of
5 postponement are you supportive of?

6 MS. SCHAUB: So again, you know, I
7 think, as I said, we believe you all made the
8 right decision. You know, we think the
9 current system is not sustainable. You know,
10 having that many intermediaries, many of whom
11 undertake questionable practices, whether
12 it's wage theft, whether it's the
13 million-dollar salaries, all of those things,
14 that's not a good use of our Medicaid
15 dollars.

16 Having one accountable institution is,
17 we think -- makes a lot more sense. So we're
18 supportive of the transition, but we want to
19 make sure everybody gets there. I think we
20 had originally said we thought a full
21 transition could look like 18 months. I
22 think it, you know, depending on how much
23 progress has been made by this point, that
24 could certainly be a shorter time frame.

1 But again, it's a statutory deadline,
2 right? So it's up to the Legislature and the
3 Governor to agree to move that deadline, and
4 I think doing it in a way that keeps the
5 transition on track but gives adequate time
6 to get people there is certainly something
7 that we would be supportive of and would make
8 sense to us.

9 MR. RASKE: Chairman Paulin, could I
10 add?

11 ASSEMBLYWOMAN PAULIN: Absolutely.

12 MR. RASKE: Okay, thank you.

13 I did an editorial the other day in
14 the Albany Times Union which really speaks to
15 the explosive growth of CDPAP -- 500 percent
16 in a short period of time versus the overall
17 growth of Medicaid at 46 percent. That's a
18 pretty wicked difference. And what that
19 does, that's going to crowd out the spending
20 from the rest of the Medicaid program at that
21 rate.

22 So something needs to be done. I
23 think what you've done is you've set a course
24 to try to put your arms around it. And we'll

1 have to see if that works. But I think it's
2 a course that needs to be followed through
3 with. I think between you and the executive
4 branch, you have done as much as you possibly
5 can. Because we certainly in the hospital
6 community support home health care. We need
7 it. But we don't need it to crowd out
8 everything else.

9 So let's see if this works, and let's
10 give it a try in the next year or so, and
11 then talk about it as we go forward.

12 ASSEMBLYWOMAN PAULIN: Thank you.

13 Back to the postponement date a little
14 bit. It sounds like if we were going to
15 postpone, the advice that we're hearing is
16 that we should do it prior to the end of the
17 budget process, because otherwise that
18 transition will be problematic. Am I hearing
19 that correctly?

20 MS. SCHAUB: Yeah, I don't think you
21 want uncertainty on March 31st about what's
22 happening the next day, so I think either
23 doing it or declaring that you're not going
24 to do it, you know, the sooner that happens,

1 I think that would be helpful for everyone.

2 CHAIRWOMAN KRUEGER: I have to cut you
3 off, sorry. Thank you.

4 Next, Senator Bailey.

5 SENATOR BAILEY: Good afternoon,
6 everyone. Really quick -- I know this three
7 minutes goes by quick, and I've wasted five
8 seconds just saying that.

9 In relation to Greater New York and
10 HANYS, we had brief conversations yesterday.
11 I just want to clarify, what are some of the
12 things that we as legislators can do
13 statutorily to improve or ameliorate the
14 relationship between you and insurance
15 companies?

16 MR. RASKE: I would love to know what
17 you could do.

18 (Laughter.)

19 MR. RASKE: But the first thing is you
20 have to recognize the problem. And my major
21 difficulty has been getting people to really
22 recognize the following fact: One out of
23 every four claims that we submit to insurers
24 gets bounced. Okay?

1 One out of four. Could you imagine
2 the amount of money that that represents in
3 the aggregate, and the amount of hardship
4 that goes on?

5 I would say, if I were in your
6 shoes -- and I would use your regulatory
7 apparatus at DFS to do it -- to say if one in
8 four is outrageous, why don't you cut it in
9 half? I would make a target. Let's make it
10 one in eight. Let's see if we can hit a
11 target.

12 Use your -- the power that you have
13 over DFS to tell them they have to stop these
14 abusive practices of the insurers. It is in
15 the regulatory authority that they can do it.

16 Furthermore, in terms of your
17 contracting authority with the federal
18 government, you could do it through the
19 Medicare Advantage plan, and it's something
20 that we talked to the feds about, or you
21 could do it through the plans that you have
22 within Medicaid. You have a lot at your
23 disposal if you only used it from that point
24 of view.

1 But I would make a target. This one
2 of four is baloney. Let's make it one out of
3 eight and see if you can get there. And you
4 know what, if you did that, sir --

5 SENATOR BAILEY: I want to give her an
6 opportunity to respond. You got a lot to
7 say; I want to talk to you later.

8 (Laughter.)

9 SENATOR BAILEY: So -- (pointing).

10 MS. GRAUSE: Just filling in on what
11 Ken said, I think more data from -- better
12 data from DFS would be very important and
13 very helpful as we're trying to decrease that
14 denial rate.

15 I think in some instances there have
16 been collaborations between payors and
17 providers, but I think a hallmark of that is
18 really better data from the payors in terms
19 of what they're seeing on their side, so that
20 they work together to make sure that patients
21 are actually getting the care that they need
22 and they're working collaboratively to make
23 sure that that care is happening outside of
24 the hospital.

1 We actually -- Senator Krueger, we do
2 think that our system works better when
3 patients don't get care in the hospital --
4 they can get it other places.

5 SENATOR BAILEY: Thank you.

6 CHAIRWOMAN KRUEGER: Thank you.

7 Assembly.

8 CHAIRMAN PRETLOW: Assemblyman Slater.

9 ASSEMBLYMAN SLATER: Thank you very
10 much.

11 I have a question regarding the sexual
12 assault forensic examiners that I think would
13 be best to HANYS. The Executive Budget
14 includes a proposal that would require
15 hospitals to designate hospital sexual
16 violence response coordinators who integrate
17 the hospital's response to sexual violence in
18 the hospital's clinical oversight and quality
19 improvement structure, and ensure the chain
20 of custody of forensic evidence is
21 maintained.

22 It would also require sexual assault
23 forensic examiners that are on call and
24 available at all times.

1 When I was reading the executive
2 briefing book and Article VII memo, it
3 referenced \$2 million in investments or state
4 costs in relation to this proposal. Can you
5 explain to me what the purpose of the funding
6 is? And also, if you could, is it available
7 to help hospitals recruit and retain the
8 practitioners required pursuant to this
9 proposal?

10 MS. GRAUSE: Thank you for that
11 question.

12 Actually, many years ago I worked as a
13 sexual assault nurse examiner, so I do have
14 personal experience in this area.

15 I think our concern primarily is that
16 this is an unfunded mandate, and that the
17 workforce issues alone of making sure that
18 every hospital has a sexual assault nurse
19 examiner -- actually, a team of sexual
20 assault nurse examiners -- is a major
21 undertaking, assuming you could get them
22 through the training and actually recruit and
23 retain them. So that's one thing.

24 And then actually building that

1 program, which involves training not just
2 nurses but physicians and others, as well as
3 making sure you have the appropriate facility
4 and supplies and follow-through and
5 collaboration with local police, is a very
6 big undertaking.

7 So obviously access to care, making
8 sure we're providing care to those patients
9 indeed is critically important. But we need
10 the funding and full support of the state in
11 order to make that a reality.

12 ASSEMBLYMAN SLATER: Understood.

13 And if we can continue, the
14 Executive Budget language does not authorize
15 or acknowledge the use of telehealth to meet
16 this mandate, but the briefing book does
17 reference that the funding may be used to
18 potentially expand telehealth capacity in
19 hospitals that have legitimate challenges
20 securing their own trained examiners.

21 Is the Governor's intent that
22 hospitals could meet the SAFE requirement via
23 telehealth?

24 MS. GRAUSE: I'd have to look into

1 that a little bit more. I don't know enough,
2 and I certainly did not use that in my
3 practice.

4 ASSEMBLYMAN SLATER: Understood.
5 Understood. Could you share how many
6 currently certified SAFE professionals there
7 are in New York State? I don't know if you
8 have that data.

9 MS. GRAUSE: I don't know that off the
10 top of my head.

11 ASSEMBLYMAN SLATER: Does anybody else
12 on the dais possibly know?

13 MR. RASKE: No idea.

14 ASSEMBLYMAN SLATER: No?

15 And the proposal would take effect on
16 October 1st. Without knowing the number of
17 currently available providers, it seems hard
18 to evaluate the likelihood of hospitals being
19 able to come into compliance by the 1st. So
20 given the amount of time needed to recruit
21 for these positions --

22 (Time clock sounds.)

23 ASSEMBLYMAN SLATER: Just in the
24 middle.

1 MS. GRAUSE: It's a very short
2 timeline, yes --

3 ASSEMBLYMAN SLATER: Three minutes
4 goes fast.

5 MS. GRAUSE: -- we agree.

6 ASSEMBLYMAN SLATER: Thank you.

7 CHAIRWOMAN KRUEGER: Thank you.

8 Senator Rhoads.

9 SENATOR RHOADS: Thank you,
10 Madam Chairwoman.

11 Just a quick question for the panel.
12 And it -- my understanding, during COVID --
13 obviously, we've been talking a lot about
14 nursing shortages, staffing shortages in
15 hospitals. During COVID my understanding is
16 that the refusal rate for the COVID vaccine
17 was somewhere in the area of around 23
18 percent. As a result you had thousands of
19 healthcare workers that lost their jobs.

20 Has there been any change, by the way,
21 in the status of the requirement that
22 hospital workers must have a COVID vaccine?
23 A number of executive orders were withdrawn.

24 MR. RASKE: The orders were withdrawn.

1 SENATOR RHOADS: Okay. But has there
2 been any effort for those who were dismissed,
3 otherwise qualified individuals, in the face
4 of a staffing shortage, to be given their
5 jobs back? Is that something that you would
6 advocate for?

7 MS. GRAUSE: I would have to look into
8 that. I believe there are instances where
9 those healthcare workers have gone back to
10 the jobs. But I -- I would have to research
11 that, but I believe that that has happened.

12 SENATOR RHOADS: Okay. Any other
13 opinions?

14 MR. BELL: Just to briefly add to
15 Bea's comment, it's not a requirement
16 anymore. So any of those workers can walk
17 into any provider that's hiring and apply for
18 a job. It's not a requirement. So it's not
19 a bar to anybody.

20 SENATOR RHOADS: Okay. Understood.
21 Understood. I appreciate that.

22 The real question is for the ones that
23 were dismissed, would it be appropriate to
24 guarantee them their job back, since most

1 facilities -- certainly hospitals -- are
2 still having shortages? Rather than having
3 to go through the process of reapplying if
4 there happens to be an opening that's
5 advertised for.

6 MS. GRAUSE: You know, I would go back
7 to what Leon said. I think that in -- just
8 from you're saying, I think a guarantee is
9 every termination and rehiring has its own
10 unique set of facts, so I think a guarantee
11 would tend to complicate things rather than
12 allowing a worker to reapply and work that
13 process that already exists.

14 SENATOR RHOADS: I appreciate it.
15 Thank you.

16 MS. SCHAUB: Could I just make two
17 points?

18 You know, because of how early that
19 happened for healthcare workers, we're
20 talking about probably five years ago. So I
21 think you're not hopefully having people
22 sitting at home for five years. Maybe they
23 found other work in not clinical settings,
24 other things.

1 Secondly, you know, I think there's a
2 lot of drivers of the healthcare workforce
3 shortage. We would be happy to talk about
4 any of them. We really have to work on that
5 on all fronts to make sure that both the jobs
6 are sustainable and we have the workforce we
7 need to care for folks.

8 So that may be a small slice. I think
9 there are a lot of other issues that we're
10 confronting in terms of making sure we have
11 an adequate workforce.

12 SENATOR RHOADS: Thank you very much.

13 CHAIRWOMAN KRUEGER: Assembly?

14 CHAIRMAN PRETLOW: Assemblywoman
15 Kelles.

16 ASSEMBLYWOMAN KELLES: Just one
17 follow-up. You were talking about the CDPAP,
18 and I'm curious what data you think we should
19 collect and criteria we need to assess and
20 ensure that the FIs, the new sub-FIs that we
21 are getting are not those that were misusing
22 funds.

23 MS. SCHAUB: So, you know, there has
24 been a pretty extensive vetting process of

1 what they're calling the CDPAP facilitators,
2 right? So PPL is the overarching FI.
3 They're going to pay the workers. They're
4 going to be the co-employer with the
5 consumers for all the workers.

6 The facilitators have a more limited
7 role. The companies that were FIs before
8 that are now coming on as facilitators,
9 including the Independent Living Centers, are
10 going to be primarily assisting consumers.

11 ASSEMBLYWOMAN KELLES: Just a
12 question. Do we have actually any criteria
13 that we're assessing? Are we asking for any
14 data? Do we have any information from these?
15 Is that something that you have all seen?

16 I certainly would love to see that
17 criteria, because clearly there are some
18 groups that -- or some FIs that were maybe
19 keeping more of the funds or paying their
20 employees -- or, you know, their leadership.
21 We don't -- I haven't seen any of that data,
22 so I can't assess whether these ones are or
23 aren't.

24 MS. SCHAUB: So, you know, I know the

1 full list of facilitators, I believe there
2 were a few more approved yesterday. So those
3 are on the website. You know, it's possible
4 to then use the same things that we've looked
5 at with the industry in terms of the cost
6 reports, other things to assess them.

7 The only point I would make is that
8 they have a much more limited role. They're
9 not going to be, for example, paying workers.
10 Right?

11 So I think we want to evaluate them
12 for the new role that they're going to be
13 playing versus their old role.

14 ASSEMBLYWOMAN KELLES: My concern
15 ultimately is that, you know, the burden will
16 be put on blaming the people in the program
17 that, you know, they were abusing the system
18 and we know, of course, that a lot of it was
19 coming from the FIs, which is why we have
20 reduced it down. So --

21 MS. SCHAUB: Hundred percent. And,
22 you know, we know it's a very important
23 lifesaving service, and we want to make sure
24 people continue to access it.

1 CHAIRWOMAN KRUEGER: Do you have more?

2 ASSEMBLYWOMAN KELLES: (Shaking head.)

3 CHAIRWOMAN KRUEGER: Okay.

4 Senator Gustavo Rivera.

5 SENATOR RIVERA: Thank you.

6 Since I only have three minutes, I'll
7 be quick. A couple of things.

8 Certainly in agreement with what was
9 said a little earlier as far as the
10 500 million that is from the MCO tax. It
11 should absolutely be invested back into the
12 system, as opposed to go someplace else. So
13 I thank you for being supportive of that
14 position.

15 I have three things that I want to see
16 if we can get to. Number -- well, this one
17 I'll say quickly. Obviously there's a
18 disagreement between 1199 and folks like
19 myself who believe that the transition of
20 CDPAP is far more, you know, challenging than
21 certainly the administration has said, and
22 that you folks have said.

23 I am -- I would hope that if there
24 are -- that if there's any influence on the

1 process, and if we see that as we get closer
2 to April 1st that things are not happening,
3 that maybe we could push it. Certainly we --
4 I would be open to that. I asked them to --
5 it has to come from the administration, but
6 that's something that should be out there.

7 Two things, though. One, we haven't
8 really talked about this, but I wanted to
9 hear actually on the issue of the nurse
10 compact. I know that there's a position that
11 NYSNA has about this. If you could take a
12 little bit of time to tell us about what your
13 opposition is to the compact.

14 And I have one more thing that I'd
15 want to see if I can get to, but go ahead.

16 MR. BELL: Well, in addition to the
17 more data-driven stuff -- for example, you
18 know, the number of licenses, the number of
19 nurse's licenses in New York, the
20 participation rate is really low because
21 nurses are leaving the workforce or not
22 taking these jobs. And it was acknowledged
23 by Commissioner McDonald this morning that
24 only 50 percent of our licensed nurses --

1 SENATOR RIVERA: Can you move the
2 microphone a little bit closer, please?

3 MR. BELL: Only 50 percent of our
4 licensed nurses are actually working at the
5 bedside.

6 But I think in this current political
7 and budgetary context at the federal level,
8 and also what's been going on at the states,
9 I think you need to take serious
10 consideration on the compact, on the issue
11 that this opens the door to malicious
12 intervention by foreign state actors -- the
13 attorney general of Texas comes to mind --
14 that could come in and attempt to disrupt our
15 healthcare system and disrupt the
16 availability of abortion care, reproductive
17 healthcare, transgender type healthcare
18 issues --

19 SENATOR RIVERA: Sorry, I only have
20 45 more seconds. I will interrupt you there
21 but say that I'd certainly -- that's an
22 aspect that I had not heard about, and I
23 would certainly like for us to privately talk
24 about it more at length, because that's --

1 I'm certainly interested in that aspect of
2 it, and I had not heard about that particular
3 concern.

4 MR. BELL: We can certainly follow up
5 outside of this, or I don't know if you want
6 to --

7 SENATOR RIVERA: Yeah, outside of
8 this. We can certainly follow up in your
9 office.

10 The last thing is I don't know if
11 there's -- school-based health centers. I
12 know particularly from HANYS and Greater
13 New York, these are -- there are concerns
14 about what's happening right now. I'm not
15 sure -- there's some of your members who have
16 said that -- who are sponsors of these
17 organizations and have been incredibly
18 important all over the state, certainly in
19 the Bronx. I don't know if you have any --
20 there's 10 seconds. But are you in support
21 or opposition to the move?

22 MS. SCHAUB: I mean, we can say we
23 represent school-based healthcare center
24 workers, I think we're all aligned that they

1 should remain carved out. It does not make
2 sense to {inaudible}.

3 SENATOR RIVERA: Thank you so much.

4 Thank you, Madam Chair.

5 CHAIRMAN PRETLOW: Assemblywoman
6 Solages.

7 ASSEMBLYWOMAN SOLAGES: Thank you so
8 much for testifying before us.

9 You know, we have a healthcare
10 workforce shortage, and I want to know: Do
11 you have any ideas or are there any items
12 within the Executive Budget that you support
13 to help close that gap? I know we need to be
14 creative because we are at a severe
15 disadvantage.

16 MS. GRAUSE: I'll start. Thank you,
17 Assemblymember.

18 There are a lot of ideas that we
19 support. We support, strongly support having
20 New York join the nursing compact, because we
21 think it will increase the pool of available
22 nurses to come in, and we think that that
23 would be a net positive for us.

24 We also think that there's a lot that

1 we could all work on together, looking
2 particularly at Leon, around building the
3 pipeline, doing more to widen the educational
4 pipeline where we're recruiting more students
5 to come in, and certainly doing more on
6 retention to make sure that we're retaining
7 our healthcare workers wherever they work
8 across the care continuum.

9 And then finally, I think looking at
10 scope of practice and making sure that all
11 licensed professionals are operating at the
12 top of their license and that we also
13 together are exploring new models of care.

14 We do support the use of telemedicine.
15 We do support innovating around different
16 care models so that we can make sure we're
17 preserving access to care as well as
18 supporting the professionals who are
19 providing that care.

20 ASSEMBLYWOMAN SOLAGES: Thank you.

21 MR. RASKE: I would only add to the
22 question that this is a team sport. We need
23 everybody. We need all of our colleagues in
24 organized labor. There are no bad ideas;

1 they all need to be explored.

2 We have pockets of severe shortages
3 around this state, dire needs, Rochester
4 being one. But we can find many more beyond
5 that.

6 And -- and the pipeline to do this is
7 so long that we need everybody to row in the
8 very same direction. And on that score, the
9 waiver that the state has, the workforce
10 improvement areas that they've identified,
11 the workforce that obviously 1199 has done in
12 terms of retraining and training programs --
13 amazing stuff, but it is a long pipeline. We
14 need more of it. We need to do it at a
15 continuous basis and explore every new and
16 better idea that comes along. That really is
17 the solution.

18 And like I said, there are no bad
19 ideas here.

20 MS. SCHAUB: Just to flag, the waiver
21 investment is hundreds of millions of dollars
22 in a career pathway, a career ladder for both
23 coming into the healthcare field and new
24 folks. Those things are just up and running,

1 right? And I think we want to make sure that
2 all the members of the Legislature really
3 have those materials. There's ones in areas
4 of the state so that you can share that with
5 constituents to get folks into those paid
6 training programs.

7 CHAIRMAN PRETLOW: Thank you.

8 Assemblymember Bores.

9 ASSEMBLYMAN BORES: Thank you all for
10 being here and waiting through that morning
11 panel.

12 First, I want to thank in particular
13 NYSNA and HANYS for calling out in their
14 written testimony support for the Governor's
15 proposal about covering iatrogenic
16 infertility, fertility preservation in those
17 cases. New York obviously took the lead in
18 2019, was the first state to require private
19 insurance to cover this, but we've been
20 leaving those on Medicaid off. And I think
21 it's such a crucial inclusion, and not
22 controversial. But appreciate you for
23 calling it out and putting it there as well.

24 I have a question for HANYS. In

1 your -- I think it was in the appendix you
2 listed 2024 projected operating margins for
3 hospitals. Fifty percent negative,
4 25 percent unsustainable, 25 percent
5 unlabeled. What's in the unsustainable?

6 MS. GRAUSE: Unsustainable is a
7 3 percent margin or less.

8 ASSEMBLYMAN BORES: Three percent
9 margin or less. Okay, so that means if you
10 have 3 percent or 3.1 percent you're in at
11 least the 75th percentile of hospitals in the
12 state?

13 MS. GRAUSE: If you're at 3.1, you're
14 in -- yes, you're 75th or above for that --
15 for that time period, snapshot in time, yeah.

16 ASSEMBLYMAN BORES: Yeah, that point
17 in time.

18 Do you have a sense, you know, what
19 percentile, if you're in the -- you're
20 getting 8 percent operating margins or
21 10 percent operating margins? Is that
22 unheard of in this state?

23 MS. GRAUSE: It's probably unheard of
24 in New York. It's not unheard of outside of

1 New York. But I would be surprised to see
2 that.

3 MR. RASKE: I would have to say
4 3 percent would be attractive to virtually
5 ever hospital in this state, if we could
6 achieve 3 percent. There's a couple that are
7 above it, but very, very few.

8 And Bea is absolutely right, when you
9 go around the country, we are at the bottom
10 of the list as it relates to our ability to
11 regenerate ourselves.

12 ASSEMBLYMAN BORES: Thank you. I
13 totally agree, we need to find a way to
14 support the safety-net hospitals and many of
15 the hospitals in New York State. I just want
16 to call out that, you know, 32BJ in your
17 testimony referenced a hospital in my
18 district that for the past 12 years, 13 years
19 has had a minimum of 8 percent operating
20 margin the entire time, up to 26 percent,
21 which is the Lenox Hill Hospital. I just
22 find that interesting as they approach a new
23 renovation.

24 Thank you all.

1 CHAIRWOMAN KRUEGER: We have no more
2 Senators. Are you done?

3 CHAIRMAN PRETLOW: We're done.

4 CHAIRWOMAN KRUEGER: All right. Then
5 we want to thank you very much for your
6 participation today. I know there's many
7 follow-up discussions to be had in the
8 future. So thank you all.

9 And we're not going to mob them as
10 they leave, we're going to make room for the
11 next panel to come up, and that is Panel B:
12 Primary Care Development Corporation;
13 Health Care For All New York; New York Health
14 Plan Association; and Medicaid Matters
15 New York.

16 (Pause; off the record.)

17 CHAIRWOMAN KRUEGER: Just a reminder
18 for people who are keeping track of the -- if
19 you know you're on the next panel after this
20 one, if you wouldn't mind moving towards the
21 front, because it makes it easier then for
22 people to slide into the table.

23 So first we're going to start by each
24 person introducing themselves so that the

1 guys in the video room know what name to put
2 up when you start to talk, and then we'll
3 start the testimony. So starting on my
4 right, your left.

5 MS. COHEN: Hi, I'm Louise Cohen. I'm
6 the CEO of the Primary Care Development
7 Corporation, which is a New York State
8 not-for-profit --

9 CHAIRWOMAN KRUEGER: Thank you.

10 MS. COHEN: -- that is dedicated to
11 primary care.

12 CHAIRWOMAN KRUEGER: That's all we
13 need right now, because now we're going to
14 the next person.

15 MS. COHEN: Oh, I'm sorry.

16 MS. WAGNER: Mia Wagner, with the
17 Health Care For All New York Campaign.

18 CHAIRWOMAN KRUEGER: Next?

19 There's a sweet spot just above the
20 letter -- the word.

21 MS. KASSEL: I'm Lara Kassel. I'm the
22 coordinator of Medicaid Matters New York.

23 MR. LINZER: Eric Linzer, with the
24 Health Plan Association.

1 CHAIRWOMAN KRUEGER: Thank you.

2 Okay, now your three minutes.

3 MS. COHEN: Great. Well, thank you
4 for inviting us here today. I appreciate
5 your longstanding support of the Primary Care
6 Development Corporation.

7 The healthcare system in New York
8 State is out of balance and there isn't
9 enough primary care in New York State. Thank
10 you, Senator Krueger, for your pointing this
11 out earlier. I know it, you all know it, and
12 frankly your constituents know it.

13 There was a recent survey of about
14 20,000 people in New York State. A young
15 woman from Buffalo said she can't afford to
16 go to the doctor; she knows that she got
17 sicker, and then her medications cost more as
18 a result, and she said: "How could an
19 average New Yorker pay these bills?"

20 An older woman in Suffolk, her PCP
21 doesn't have appointments, so they just send
22 her to urgent care. So what's the point of
23 primary care if we actually can't get in
24 there?

1 So I've had trouble getting primary
2 care, and this is my business. And I'm sure
3 that that's true for many of you.

4 The healthcare system in New York
5 State is unbalanced. Primary care doctors
6 and nurses are really doing their best, but
7 most of the money in the system goes
8 elsewhere. Somewhere in the neighborhood of
9 about 95 percent of the dollars go places
10 other than in primary care. Which leaves
11 about 5 to 7 cents on the healthcare dollar
12 for primary care.

13 The best model that we have, which is
14 Federally Qualified Health Centers, not the
15 only type of primary care -- obviously,
16 hospitals provide a lot of primary care, as
17 do independent practices. But FQHCs haven't
18 had their rates rebalanced in about 20 years.

19 So people go to urgent care, they go
20 to the emergency room -- none of which can
21 help them with what primary care does, which
22 is prevention, early diagnosis, and early
23 treatment. Which helps people, keeps them
24 out of the hospital, keeps them out of

1 long-term care, and supports healthier
2 communities as well. And the cost of an ER
3 visit is somewhere in the neighborhood,
4 probably depending on where you are in the
5 state, of about \$1200. And it's about 150 to
6 maybe 300 for a primary care visit.

7 So this costs New Yorkers and New York
8 State an extraordinary amount of money.
9 Many, many millions of dollars every month
10 are getting paid for the sequela of not
11 having primary care.

12 But we can do something about this.
13 And you all have in front of you a bill
14 called the Primary Care Investment Act --
15 thank you to Senator Rivera and
16 Assemblymember Paulin. And this bill would
17 require payors to measure their primary care
18 spending, rebalancing it by increasing it
19 slowly, 1 percent year over year, till they
20 get to about 12.5 cents of their total
21 healthcare spending.

22 This is not new. There's a number of
23 states that -- California has set a
24 15 percent target, Massachusetts has set a

1 high target, Oregon, Colorado, Delaware --
2 there's a whole host of states that are
3 working on this or that have done this, and
4 we are kind of lagging behind a little bit.

5 And you all want to ask me now,
6 where's that money going to come from, right?
7 And remember that ER visit that I referred to
8 earlier? The money is going to come,
9 ultimately, from our insuring that people
10 stay out of the emergency room.

11 MS. WAGNER: Hi. My name's Mia
12 Wagner, and I'm senior health policy analyst
13 at the Community Service Society of New York,
14 on behalf of the Health Care For All New York
15 Campaign.

16 I'd like to thank the chairs and
17 members of the Senate Finance and Assembly
18 Ways and Means committees for allowing the
19 public to weigh in on the state budget.

20 HCFANY is a statewide coalition of
21 over 170 organizations dedicated to achieving
22 quality, affordable health coverage for all
23 New Yorkers.

24 An analysis of proposed cuts to

1 federal health programs estimates over \$10
2 billion in costs to the state to maintain
3 coverage for New Yorkers. Given the
4 uncertain federal landscape of healthcare
5 programs, managed-care organizations' tax
6 revenue provides an opportunity for the state
7 to ensure New Yorkers can access and afford
8 healthcare.

9 The Legislature should consider
10 alternatives to the Governor's proposed
11 distribution of \$1.4 billion of this tax
12 revenue, which does not include any direct
13 support for patients.

14 First, make children's health
15 insurance affordable for middle-income
16 families. Once families pass the 400 percent
17 FPL income threshold, their child's health
18 insurance premium increases by around \$3,000
19 per child annually. In addition, the Child
20 Health Plus does not follow the same rules as
21 Medicaid and the Essential Plan. The state
22 should require coverage to begin on the first
23 of the month in which a child becomes
24 eligible for and enrolls in coverage.

1 Addressing these issues would cost an
2 estimated \$30 million to \$50 million, which
3 is only a fraction of the MCO tax revenue but
4 would make a considerable difference in New
5 York families' budgets.

6 Second, address New York's expensive
7 healthcare system. New York is ranked second
8 in the nation for most healthcare spending
9 per person. Creating an independent New
10 York office of healthcare affordability,
11 similar to the model in California, would
12 begin to remedy this.

13 In addition, the Legislature should
14 consider including provisions of the Fair
15 Pricing Act, S705 or A2140, to ensure
16 consumers and payors are charged a fair
17 reimbursement rate for routine medical
18 services regardless of where the patient gets
19 their care.

20 Brown University researchers estimate
21 the Fair Pricing Act would yield savings of
22 more than a billion dollars in New York.

23 The state can also take action to
24 improve patient outcomes and reduce

1 inequities by including provisions of the
2 Primary Care Investment Act, S1634 and
3 A1915A, in the final budget.

4 Third, the state should set aside some
5 MCO tax revenue for principal reserves or a
6 Rainy Day Fund, to ensure New Yorkers' access
7 to care is protected under threat of federal
8 cuts.

9 Lastly, Navigators and the Community
10 Health Advocates program, or CHA, help people
11 across the state enroll in and use their
12 health insurance and otherwise access
13 healthcare. The instability of the federal
14 landscape makes these programs even more
15 critical.

16 HCFANY would like to thank the
17 Legislature for its past support of CHA. We
18 are grateful the Governor's budget includes
19 \$5.5 million and request the Legislature to
20 allocate an additional 1.5 million to support
21 CHA's ability to continue helping New Yorkers
22 navigate the healthcare system.

23 Similarly, HCFANY is grateful the
24 Governor's budget includes \$28 million for

1 Navigators. However, the Navigator program
2 has not received more than a single
3 cost-of-living adjustment since 2013. HCFANY
4 urges the Legislature to fund the Navigator
5 program at \$38 million to guarantee continued
6 high-quality enrollment services.

7 Thank you for your consideration of
8 our concerns.

9 MS. KASSEL: Thank you for the
10 opportunity to address you today. I'm
11 Lara Kassel. I'm the coordinator of
12 Medicaid Matters New York.

13 Medicaid Matters is a statewide
14 coalition, and our mission is to bring the
15 interests of people who are served by
16 Medicaid in New York to policy-making and
17 budget-making in New York. That is our sole
18 mission. We do that in a variety of ways,
19 and we intentionally include people who are
20 themselves consumers, people who have
21 Medicaid for their insurance coverage, in the
22 work that we do.

23 We are at this time, like so many
24 other people have already talked about,

1 bringing our attention to the very real
2 threats that we are seeing at the
3 congressional level, at the federal level,
4 and we are doing that using our consumer
5 perspective -- with our mission in mind,
6 bringing to light what the potential cuts at
7 the federal level would mean to the people
8 who are served by Medicaid.

9 There is a lot of information, there's
10 a lot of education to do of our New York
11 congressional delegation, and our role we see
12 as vitally important because it's about
13 bringing the interests of people and what the
14 potential threats would mean to them and
15 their access to services.

16 I would take a moment to impress upon
17 you to join us in this fight. These threats
18 cannot be understated, and it's going to take
19 all of us. So if you would be interested in
20 potentially talking to your counterparts, we
21 would be happy to provide you with materials,
22 talking points, et cetera. You all know the
23 Medicaid program in New York, and we would be
24 happy to help you talk to your counterparts

1 in the delegation.

2 With all of that said, we are not
3 wavering from our vision for New York's
4 Medicaid program. We maintain an agenda that
5 is about making sure people have access to
6 services where they are, when they need them,
7 to keep them well and living independently in
8 their homes.

9 This year's budget doesn't make
10 significant wholesale cuts to the Medicaid
11 program. However, there are measures
12 proposed in the budget that are proposed to
13 find, quote unquote, savings. We refer to
14 those things as cuts, because there are
15 several things that are proposed that would
16 be cut from the program that would endanger
17 people's access to services.

18 We think that this is a time when the
19 Division of the Budget has identified
20 surplus. There are ways that the Governor is
21 using some of that surplus to provide some
22 affordability relief, shall we say. We think
23 that there is an opportunity to reprioritize
24 using some of the surplus, perhaps

1 reprioritizing the use of the MCO tax credit,
2 et cetera.

3 I'm happy to say more later.

4 CHAIRWOMAN KRUEGER: Thank you.

5 MR. LINZER: Thank you for the
6 opportunity to testify. While our written
7 comments outline a number of issues that we
8 both support and oppose in the
9 Executive Budget, I'd like to use my time in
10 response to some of the concerns and comments
11 that have come up today related to the single
12 FI transition.

13 Our primary concern, and the concern
14 of our members, has been and continues to be
15 that the transition doesn't disrupt care for
16 members, so that they can remain independent,
17 and that PPL pays the members' personal
18 assistants. We recognize the short
19 turnaround time. And by comparison, the move
20 to mandatory MLTC enrollment took over
21 several years and was done by region; the
22 transition of the pharmacy carveout benefit
23 took about a year, with clear guidance from
24 DOH.

1 On the comment that if PPL isn't
2 ready, this is what the state has plans for,
3 I think it's important to note that plans
4 have been working collaboratively with both
5 the Department of Health and with PPL,
6 sending member information to PPL so that
7 those individuals get registered. But it's
8 important to remember that it's PPL's
9 responsibility to ensure that both the member
10 and the personal assistant are enrolled in
11 their system by April 1st.

12 Now, if PPL is not ready -- I know
13 there was a lot of concerns about that during
14 the course of the morning and early sessions
15 -- plans will work with members, but those
16 members may face some disruptions because PPL
17 will be the only remaining FI in the market.
18 So the state has directed plans to terminate
19 all other FI contracts by April 1st, at which
20 point we're only dealing with PPL.

21 And as the single FI, this has given
22 PPL undue leverage in contract negotiations
23 with plans. They've demanded significant
24 funding advances, we believe in the hundreds

1 of millions of dollars for it to cover the
2 CDPAP payroll. If PPL has cash-flow issues
3 after April 1st, plans should not be asked or
4 expected to finance paying their pay-givers
5 outside the normal claims process.

6 Let me put it simply. Plans should
7 not be expected to be PPL's bank.

8 PPL has also demanded excessive
9 reimbursement rates, which in many cases are
10 more than what plans are currently paying,
11 and it's contrary -- we think it's contrary
12 to the state's expectation that the move to a
13 single FI would create substantial savings.
14 We have raised these issues on a regular
15 basis with the state.

16 Now, with implementation seven weeks
17 away, our focus remains on protecting these
18 members, protecting the services, avoiding
19 disruptions for both the member and their
20 PAs. And we remain committed to working
21 diligently with DOH and PPL so that there's a
22 smooth transition for the New Yorkers who
23 rely on this program.

24 Appreciate the opportunity to testify,

1 and happy to answer any questions on this or
2 other items that were enclosed in our
3 testimony.

4 CHAIRWOMAN KRUEGER: Thank you.

5 Senator Rivera.

6 SENATOR RIVERA: I'm usually not
7 first, but there's a couple of things that I
8 wanted to follow up on.

9 First, Lara, you have -- like right at
10 the end you got cut off when you were talking
11 about -- and I want to make sure that you
12 finish that thought, since we've had -- we're
13 all thankful that the MCO tax, we've got it,
14 we got some of that money, we can reinvest
15 it, and you got cut off there because the
16 time ran out. So give us 30 seconds on where
17 you think that should be invested.

18 MS. KASSEL: Sure. Thank you,
19 Senator.

20 And I will add that that is only one
21 source for funding. That as you and others,
22 you and your colleagues have identified,
23 there are other places where we could be
24 finding funding.

1 SENATOR RIVERA: Like raising taxes on
2 the wealthy, perhaps?

3 MS. KASSEL: We support progressive
4 tax reform.

5 We also support perhaps reconsidering
6 managed long-term care. That would be
7 another place to find some savings, real
8 savings in the Medicaid program.

9 And we think that this is a time to,
10 again, reprioritize, invest in primary care.
11 We support the Primary Care Investment Act,
12 invest in access to long-term services and
13 supports through enhancing the workforce.
14 And also the Legislature buying back the MRT
15 cuts that were made in 2020, specifically the
16 ADL restriction to services. And
17 community-based mental health care for both
18 children and adults. Many -- many places
19 where we can find that funding, including
20 reorganizing the MCO tax.

21 SENATOR RIVERA: I wanted to make sure
22 some of that was on the record. On primary
23 care, I'm obviously on board, I carry this
24 bill, I think we should be spending more

1 money on it.

2 Eric, I want to get to a couple of
3 things. I know that you folks have taken a
4 position on school-based health centers.
5 Could you share with us as far as the
6 transition from managed care to -- I'm sorry,
7 from fee-for-service to managed care?

8 MR. LINZER: We've submitted -- as
9 you're aware as chair of the Health
10 Committee, we've submitted our memo in
11 support of your bill to keep it outside of
12 managed care. I think there are concerns in
13 plans that we've expressed, you know, with --
14 in that memo about some of the administrative
15 operational challenges.

16 You know, the only caveat I would say
17 is that as that proceeds forward, even though
18 we don't think that's the right approach --
19 plans do have to be operationally ready for
20 April 1st. Much the same way that we had
21 similar concerns related to the pharmacy
22 carveout, at a certain point we've got to be
23 ready to go.

24 SENATOR RIVERA: Gotcha. I just

1 wanted to make sure that was on the record.

2 And lastly, you mentioned some of this
3 is related to the concern that we all have
4 about the transition that is supposed to
5 happen by April 1st. And you mentioned some
6 of the things that the administration is
7 saying, et cetera.

8 Would you be -- is the Health Plan
9 Association, would they be supportive of a
10 move of the date?

11 MR. LINZER: I think a reasonable --
12 you know, I think a reasonable -- you know,
13 an extension of the time frame is reasonable.
14 What that would look like, I think a lot
15 really depends upon where PPL is at in the
16 process.

17 SENATOR RIVERA: Thank you.

18 Thank you, Madam Chair.

19 CHAIRWOMAN KRUEGER: Thank you.

20 CHAIRMAN PRETLOW: Thank you.

21 Assemblywoman Paulin.

22 ASSEMBLYWOMAN PAULIN: Got it. Thank
23 you. Thank you so much.

24 So the concerns of CDPAP you know we

1 share. The goal, as I remember, for managed
2 care is so that you manage individuals and
3 their care. How does that translate when
4 we're talking about rolling in the
5 school-based health centers and dental care,
6 which is done often by large contract, and to
7 a group of children who are even uninsured?

8 So I just wondered if you'd taken a
9 position or any thoughts about that
10 transition.

11 MR. LINZER: Yeah, on the school-based
12 health centers transition, as I mentioned,
13 we've supported the bill to keep it carved
14 out of managed care. I think -- you know, as
15 I mentioned, I think the real challenge is
16 that similar to the single FI, we're seven
17 weeks away from implementation. Plans have
18 to be -- you know, have been working towards
19 that.

20 And this is I think similar to, you
21 know, previous transitions -- again, the
22 example being the pharmacy benefit carveout.
23 At a certain point, plans have to be ready to
24 go in order to be compliant.

1 ASSEMBLYWOMAN PAULIN: And I know
2 notices have gone out, you know, to the
3 school-based health centers and to the dental
4 providers who are often, again, separately
5 contracted with, claiming that they won't be
6 able to survive. I wonder if you have --
7 because of the way it would be structured,
8 that's what they're fearful of.

9 Is it your concern as well?

10 MR. LINZER: You know, our concern --
11 I think our concern has been some of the
12 administrative processes in place here have
13 to be built out. Plans are doing -- are
14 engaged in that right now.

15 We'd certainly be happy to, you know,
16 get additional information from our members
17 and follow up with your office with
18 additional details.

19 ASSEMBLYWOMAN PAULIN: So you think
20 the rationale is money-driven, I'm assuming.

21 MR. LINZER: You know, I don't know
22 what the rationale is from the
23 administration, you know, beyond what
24 Commissioner McDonald had articulated earlier

1 today.

2 ASSEMBLYWOMAN PAULIN: That's what I
3 think. Thank you.

4 CHAIRWOMAN KRUEGER: Other Senators?
5 Oh, hello.

6 SENATOR RHOADS: Hi.

7 CHAIRWOMAN KRUEGER: Another Senator.
8 Sorry. Senator Rhoads.

9 SENATOR RHOADS: Thank you. Thank
10 you, Madam Chairwoman.

11 Question for you, Mr. Linzer.

12 Part AA of Chapter 57 of the Laws of
13 2024 required New York State regulated
14 insurers to reimburse providers licensed by
15 the Office of Mental Health and Office of
16 Addiction Services and Supports at or above
17 the Medicaid rate for outpatient behavioral
18 health services.

19 Health plans have worked closely with
20 the Department of Financial Services and the
21 Office of Mental Health to implement these
22 requirements before the effective date of
23 January 1st of this year. In the Executive
24 Budget Briefing Book the Governor proposed to

1 allocate a million dollars to the Office of
2 Mental Health to monitor plan compliance with
3 this reimbursement mandate for fiscal year
4 '25.

5 Can you explain the impact of this
6 mandate?

7 MR. LINZER: Yeah, so I think there's,
8 you know, two points I would want to make on
9 this. You know, first and foremost, plans
10 didn't necessarily oppose this issue. The
11 big concern that we had was ensuring that we
12 had sufficient guidance because the way
13 Medicaid pays, you know, looks different than
14 the way commercial payors may pay. So, you
15 know, in some instances you're talking about
16 different systems.

17 I think the concerns we had were the
18 timing of the guidance. The first, you know,
19 really set of conversations or formal
20 conversations that took place occurred in
21 October of last year. The final set of
22 guidance that we had for January 1
23 implementation was December -- you know,
24 mid-December, around December 16th.

1 What we would like to see as an
2 approach would be directing OMH to provide or
3 having them provide a fee schedule in order
4 to really, one, simplify the process and,
5 two, alleviate some of the concerns between
6 plans and providers.

7 You know, that said, I think the
8 comments that Commissioner Sullivan had made
9 last week as part of the Mental Health
10 hearing, you know, noting that they've been
11 working with the industry, that things have
12 been improving, I think demonstrates our
13 industry's commitment to making sure that
14 individuals get the care and services that
15 they need.

16 SENATOR RHOADS: I appreciate that.

17 In the limited time that I have left,
18 there's another portion of the Governor's
19 proposal specifically with respect to
20 workers' compensation, suggesting that
21 private insurance cover worker-related
22 healthcare costs and then seek reimbursement
23 after there's been a decision from the
24 Workers' Compensation Board from workers'

1 compensation insurers.

2 Does HPA have a position with respect
3 to that?

4 MR. LINZER: We'll take a look at
5 that. We haven't taken a formal position.
6 But we'll, you know, certainly go back and
7 have another look at it and follow up with
8 you.

9 SENATOR RHOADS: It's almost like
10 using our health plans as a sort of a bank.
11 Good luck getting reimbursed, but --

12 MR. LINZER: Well, as you heard me
13 before, you know, the ind -- you know, should
14 not be viewed as, you know, any particular --
15 you know, an organization's or an industry's
16 bank reserves are there for -- you know, in
17 the event of a rainy day.

18 SENATOR RHOADS: Thank you so much.

19 CHAIRWOMAN KRUEGER: Thank you.

20 CHAIRMAN PRETLOW: Thank you.

21 Assemblyman Jensen.

22 ASSEMBLYMAN JENSEN: Thank you,
23 Chairman. This question's going to be for
24 HPA. I know in the commissioner's question

1 time, one of my colleagues asked about the
2 Medicaid Quality Incentive Funding Pool. And
3 certainly in the Governor's proposed budget
4 she's proposing \$15 million used for this
5 program, which has been vital in enhancing
6 quality of care for individuals on Medicaid,
7 supporting a wide range of initiatives
8 between plans and providers.

9 What do the plans currently spend
10 Quality Pool dollars on now? And what
11 programs might negatively be affected if
12 these funds are cut?

13 MR. LINZER: Well, I think certainly
14 we want to express our appreciation to the
15 Executive for including funding for the
16 QI program in the Executive Budget. In past
17 years typically it's been zeroed out, and
18 it's you and your colleagues in the
19 Legislature that have been the folks who've
20 worked to restore that funding.

21 The dollars typically go through -- go
22 to support programs that plans engage with
23 their provider partners, organizations in the
24 community, really to address the social

1 determinants of health, address the
2 disparities and address equity in care for
3 underserved populations.

4 So as examples, some of the programs
5 plans will fund will be covering the cost of
6 healthy food home delivery programs to
7 members with chronic illnesses, funding for
8 physician's offices and community health
9 centers to conduct outreach around important
10 preventative services, providing in-home
11 wellness visits and vaccinations.

12 So it's a whole host of things, but it
13 really depends upon, you know, plans working
14 with their community providers to see what
15 the need is in the community.

16 The loss of these funds, you know,
17 would mean that these types of programs,
18 these types of investments wouldn't be able
19 to continue to ultimately benefit individuals
20 enrolled in the Medicaid program.

21 ASSEMBLYMAN JENSEN: Thank you.

22 You know, it's part of the budget
23 dance when you don't know if these funds are
24 actually going to be appropriated or not.

1 What does that do to the plans and the
2 planning process with their provider partners
3 when they may be looking at in the future
4 trying to build these initiatives, if they
5 don't know the money's going to be there on
6 --

7 MR. LINZER: The uncertainty makes it
8 really difficult for plans, providers, their
9 community partners to make those longer-term
10 investments.

11 So sort of the back-and-forth or the
12 investments you make without knowing that the
13 dollars are going to be there I think creates
14 a lot of uncertainty and some trepidation
15 among providers. Fully funding it, codifying
16 this program into statute would go a long way
17 to really giving some assurances to the
18 community.

19 ASSEMBLYMAN JENSEN: So I know
20 legislation requiring a statute has been
21 vetoed by the Governor. You would support
22 legislation to do such?

23 MR. LINZER: Yes, we would support it.

24 And we certainly appreciate the

1 support of the caucus of this in the past.

2 ASSEMBLYMAN JENSEN: Thank you.

3 CHAIRWOMAN KRUEGER: Okay, thank you.

4 I think I'm the last Senator.

5 Thank you all very much.

6 I guess my question is really for
7 Louise. So I'm a big believer that we have
8 to do more for primary care.

9 And I'm also carrying this bill that
10 was extremely unpopular with most people on
11 the previous panel, to actually require fair
12 pricing and site-neutral payments.

13 And the research done shows that as
14 more and more what I thought of as primary
15 care doctor's visits, like a new patient
16 visit, end up moving into a hospital-based
17 facility, the research shows the cost has
18 gone up from \$88.39 to \$436.

19 It seems to me that's sort of
20 counterintuitive to what you're trying to
21 point out we need to be doing more of. So I
22 was curious what your perspective on all this
23 is.

24 MS. COHEN: So I think there's a whole

1 host of ways in which hospitals get
2 cross-subsidized by all kinds of things, and
3 site-neutral payments is one of the ways in
4 which hospitals get cross-subsidized. But we
5 also know that most of that money probably
6 doesn't go back into the primary care arm of
7 the hospital, it probably goes back to
8 something else in the hospital.

9 So from a primary care perspective, we
10 actually think it's critically important to
11 get the funding for primary care to the
12 primary care team so that they can do what
13 they need to do.

14 CHAIRWOMAN KRUEGER: It's also true
15 that there is an actual maximum availability
16 of money for healthcare, although sometimes
17 some people aren't sure about that. And so
18 if you spend it in one way, you're not
19 spending it in the other.

20 Do you agree?

21 MS. COHEN: Absolutely. I mean, I
22 think we need hospitals when we need them,
23 but we need to stop having hospitals taking
24 care of people who could have -- their

1 diseases could have been prevented. You
2 know, you don't want -- if you need an
3 amputation of your leg because you have
4 diabetes and you've gotten to that point,
5 yes, you need a hospital, that's critically
6 important. You need a good one, and you need
7 one in your county.

8 But we need to get people not -- well
9 before that, right? And that's where we need
10 to put a lot of emphasis on prevention, we
11 need to stop raising barriers to get to
12 primary care. We need to increase the
13 primary care workforce, obviously, just like
14 everything else. But I think that, again,
15 sort of the bottom line driving those price
16 costs is what it is.

17 There's also a phenomenon where a lot
18 of independent practices have been bought up
19 recently in the last couple of years. And
20 what we know is -- and what we know, because
21 we do a lot of work with those independent
22 practices to help them get to
23 patient-centered medical home recognition.
24 And what we have learned is that being

1 affiliated with a hospital often means very
2 little. But yet the costs now are being
3 accrued to -- you know, a lot of that money
4 is going back to the hospital.

5 Even the PCMH payments may or may not
6 actually be going directly to the primary
7 care provider.

8 So we think that there's a whole host
9 of ways in which not only is primary care not
10 resourced, but it's not actually getting the
11 benefit that it's supposed to be getting.

12 CHAIRWOMAN KRUEGER: Thank you.

13 Assembly?

14 CHAIRMAN PRETLOW: Assemblyman Weprin.

15 ASSEMBLYMAN WEPRIN: Thank you,

16 Mr. Chairman.

17 I have a question for Mr. Linzer.

18 I don't know if you were here during
19 the commissioner's testimony on the whole
20 CDPAP timetable and he's convinced
21 everything's going to happen by April 1st
22 and, you know, it's all going to be smooth
23 and there aren't going to be any problems and
24 it's proceeding accordingly.

1 I tend to agree with you, and many of
2 my colleagues here are a little nervous about
3 PPL being the only fiscal intermediary and
4 not meeting the needs of the hundreds of
5 thousands of recipients of consumers, of
6 patients.

7 What would your suggestion be to us in
8 light of the commissioner seems to have, you
9 know, taken his position and it's --
10 everything's working well and moving fast and
11 everything else.

12 Is there any advice you could give us?
13 Because I'm very skeptical and I tend to
14 agree with your analysis. What can we do at
15 this point? What would you suggest?

16 MR. LINZER: So just so I'm clear, we
17 haven't necessarily been opposed to the
18 single FI as this went through last year's
19 budget. I think our concern becomes, you
20 know, making sure that the transition runs
21 smoothly.

22 So on your question about how to be
23 thinking about this, I think first and
24 foremost, you know, the focus needs to be on

1 ensuring that the member continues to get the
2 care that they need, the PAs continue to get
3 -- you know, get paid as they should.

4 Plans have experience with this,
5 having, as I mentioned, gone through a number
6 of different transitions. The information
7 that the commissioner and the Medicaid
8 director had spoken to, you know, earlier
9 today about the benchmarks that they're
10 meeting, you know, if that information is
11 probably clearer to folks as far as the
12 distribution between the number of members
13 that have been enrolled and registered with
14 PPL, the number of, you know, PAs.

15 The challenge for the plans is we
16 don't have line of sight into the number of
17 PAs. I mean, we're certainly, you know,
18 engaging with PPL and with DOH, sending out
19 letters, following up with phone calls and
20 outreach.

21 I think where the challenge comes in
22 is if you've got individuals come April 1st
23 who haven't registered, whether it's the
24 individual or the PA, they're not going to be

1 able to access their services. Plans will be
2 there and can certainly work with the member.
3 But remember, this is consumer-directed. The
4 member can choose if they want to continue
5 with their particular PA, but if they're not
6 in the system, they're not going to be able
7 to access them.

8 Where the plans would -- you know,
9 would be, I think the recourse for plans
10 would be then to work with the member, see if
11 they want to get their services through a
12 LHCSA. But if the individual chooses not to
13 go that route, there's not going to be an
14 opportunity for them.

15 CHAIRMAN PRETLOW: Thank you.

16 Assemblyman Ra.

17 ASSEMBLYMAN WEPRIN: I hear you.

18 Thank you.

19 ASSEMBLYMAN RA: Thank you.

20 For HPA, I'm sure you heard on the
21 previous panel there was a discussion about
22 the frequency of claim denials. Do you have
23 any data regarding that? Is that one in four
24 number accurate?

1 MR. LINZER: We disagree with that
2 number. And also the premise that there's
3 not sufficient data out there. So, you know,
4 two points.

5 On the comment about the percentage of
6 denials, plans have to submit on an
7 every-six-month basis to the Department of
8 Financial Services, you know, a significant
9 report on what their claims denials are, you
10 know, number of claims, number denied, number
11 paid, number denied in part, numbers paid in
12 full, et cetera, as well as the major reasons
13 for denials.

14 So to give you a sense of this, in
15 2023, you know, almost 75 percent of claims
16 that plans have received -- and this is about
17 312 million claims in New York that got
18 submitted, nearly 75 percent of the claims
19 got paid in full. Fifteen percent got denied
20 in full, about 10 percent were paid in part,
21 denied in part.

22 But the reason for the denials, you
23 know, often are what we've come to see -- and
24 I'm happy to send follow-up information to

1 the committee, to your offices and others on
2 this -- is that the major reasons are things
3 such as it's not a covered benefit. You
4 know, about 23 percent of those denials are
5 in that bucket, 13 percent are for
6 coding-related issues, another 7 to 8 percent
7 are a result of duplicate claims.

8 So this notion that, you know, cutting
9 the number of denials or the number of
10 denials is taking money away from hospitals,
11 well, many of these denials are a result of
12 errors, mistakes, or in some instances
13 upcoding on the part of the hospitals, which
14 is money that's coming out of the pocket of
15 the employer, the consumer or the labor
16 union.

17 ASSEMBLYMAN RA: Thank you. And this
18 isn't really a question, but unfortunately
19 one of my takeaways I think from the first
20 panel was that we're going to have issues
21 with this CDPAP transition where people are
22 going to lose care, and basically the
23 finger's probably going to get pointed at you
24 guys when that happens.

1 And I feel like, as I said to the
2 commissioner, you know, when you have --
3 you're being told you have to terminate every
4 other FI, you're kind of -- the patient is
5 going to be looking at you, saying "I can't
6 get my care," and you're going to be stuck
7 with it. Right?

8 MR. LINZER: It's a valid concern.
9 You know, as I mentioned earlier, you know,
10 plans are doing everything that they can to
11 communicate. But come April 1st, if you have
12 an individual or a PA that didn't register,
13 that's going to have the potential for
14 disruptions. Plans will still have -- you
15 know, there are ways for plans to work with
16 that particular member, but they may not be
17 able to go the CDPAP route.

18 ASSEMBLYMAN RA: Thank you.

19 CHAIRMAN PRETLOW: Thank you.

20 Assemblywoman Solages.

21 ASSEMBLYWOMAN SOLAGES: I want to go
22 back to talking about the Quality Incentive
23 Program, because it's a program that I think
24 is vital to the state, especially when you

1 discuss marginalized communities and getting
2 into the root causes of health disparities
3 and poverty, ensuring that we incentivize
4 those to do better.

5 And so I know we had a thorough
6 discussion prior, but I wanted to find out,
7 were there any issues and delays in payment
8 or do you hear of any providers, you know,
9 complaining about the budget uncertainties?

10 MR. LINZER: I think where we hear
11 that concern is through our member plans.
12 That if you're trying to think about
13 investments you're going to make -- and
14 again, it's going to vary from community to
15 community, meeting the needs of particular
16 communities, because it's not a
17 one-size-fits-all approach. But to engage in
18 the conversation of, you know, would a
19 provider practice be willing to engage in
20 outreach to folks off-hours so people who
21 aren't able to get in 9-to-5 are able to get
22 their vaccinations and their wellness visits.

23 But that requires those providers to
24 make investments. And there has to be at

1 least some level of assurance that that
2 money's going to come back, provided that you
3 hit certain -- with the QI Program, if you
4 hit those quality marks, then you'll receive
5 -- you get the quality award for it.

6 But the lack of certainty around that
7 I think does create some challenges among
8 plans, providers, community organizations as
9 to how much of an investment are you going to
10 be willing to make. Because the money is
11 finite.

12 ASSEMBLYWOMAN SOLAGES: And if the
13 plan were to be discontinued -- I know it's a
14 relatively new plan, but if it was
15 discontinued, what impact would you see in
16 communities?

17 MR. LINZER: It obviously would depend
18 on what the type of program is. But I think
19 it's a real takeaway and it's a loss for
20 those communities, and particularly those
21 providers and organizations that have come to
22 rely on it to make those investments, because
23 it means, you know, either loss of staff,
24 loss of outreach, but really loss for

1 patients, families and individuals enrolled
2 in Medicaid, because those services may not
3 be there for them.

4 ASSEMBLYWOMAN SOLAGES: And some of
5 those are the neediest people. So we're
6 going to continue advocating for additional
7 funding and also to codify it in law so we
8 can protect this wonderful program.

9 Thank you.

10 MR. LINZER: Well, we certainly
11 appreciate your leadership and the leadership
12 of the caucus. And we think this is just
13 such an important and valuable program, given
14 the focus on equity and addressing
15 underserved communities.

16 ASSEMBLYWOMAN SOLAGES: Yeah,
17 especially in this time where we know the
18 federal government is going after the
19 diversity, equity programs.

20 MR. LINZER: Right.

21 ASSEMBLYWOMAN SOLAGES: Thank you.

22 CHAIRMAN PRETLOW: Assemblyman Slater?

23 MS. COHEN: If I could just say that
24 providers cobble together money from all

1 kinds of places, right? There's
2 reimbursement, there's grants, and then
3 there's programs like this.

4 And that's why we're calling for sort
5 of a much broader investment in primary care
6 and really thinking about how we don't
7 necessarily think about a program year after
8 year, but really a broader investment.

9 CHAIRWOMAN KRUEGER: All right, I
10 think we have run out of legislators. Just
11 double-checking.

12 Then I want to thank all of you for
13 participating today. Thank you very much for
14 your work.

15 And I'm going to call up Panel C:
16 Empire Center for Public Policy; LeadingAge
17 New York; New York State Association of
18 County Health Officials; Nassau Health Care
19 Corporation; and CHCANYS, Community Health
20 Care Association of New York State.

21 We'll get an extra chair, don't worry.
22 We won't make you stand.

23 Hi, everyone. Good afternoon. I'm
24 going to ask you first to introduce yourself

1 by name so that the tech people know what
2 name to put up under you, and then we'll
3 start the testimony.

4 Bill?

5 MR. HAMMOND: Bill Hammond with --

6 CHAIRWOMAN KRUEGER: Bill, you have to
7 press the button -- oh, there you go. They
8 did it for you.

9 MR. HAMMOND: Bill Hammond, senior
10 fellow for health policy at the
11 Empire Center.

12 CHAIRWOMAN KRUEGER: Thank you.

13 Next?

14 MS. BARRETT: Sebrina Barrett, CEO of
15 LeadingAge New York.

16 CHAIRWOMAN KRUEGER: Thank you.

17 MS. BEERS: Linda Beers, Essex County,
18 New York, public health director, for
19 NYSACHO.

20 CHAIRWOMAN KRUEGER: Thank you.

21 MS. RYAN: Meg Ryan, CEO of
22 Nassau Health Care Corporation.

23 MS. DUHAN: Rose Duhan, CEO of the
24 Community Health Care Association of New York

1 State.

2 CHAIRWOMAN KRUEGER: Great. So now
3 we'll start the clock. You each get three
4 minutes. I'll go back and start with Bill,
5 if that's okay.

6 MR. HAMMOND: So I wanted to -- we've
7 heard a lot about nitty-gritty details of
8 Medicaid; I wanted to look at the big
9 picture. This budget calls for the state
10 share of Medicaid spending to increase by 6.4
11 billion, or 17 percent. I think like the --
12 some of these numbers can get a little
13 numbing, but over the past four years the
14 state share has increased by 60 percent.

15 Senator Gallivan brought up earlier
16 that at the comprehensive level, including
17 federal aid and the local contribution, it's
18 gone from 89 billion to 124 billion in four
19 years. I didn't believe that at first; I had
20 to look it up and double-check.

21 The rate of growth is more than three
22 times the average of the previous decade. So
23 we're undergoing a really remarkable period
24 of pouring money into Medicaid at this moment

1 in the State of New York -- which, by the
2 way, even in 2022, even in 2015, had the
3 highest per-capita Medicaid spending of any
4 state. So we're -- we're increasing what's
5 already a very expensive program.

6 It's happening in a time when the
7 economy is generally good, it's growing.
8 Unemployment is low, poverty is stable or
9 declining. So it's not in response to some
10 drastic change in the nature of our
11 population.

12 The Governor herself has said that
13 this rate of increase is unsustainable --
14 said it two or three times, I think -- but
15 did not offer any major plan for bringing it
16 under control.

17 There's also very little in the way of
18 an agenda for addressing the problems in our
19 healthcare system. All of this spending has
20 not prevented us from having hospitals that
21 are among the lowest-rated in the country by
22 the federal government's rating system. It
23 hasn't prevented us from having the problems
24 in the nursing homes that the Attorney

1 General's lawsuits have brought out, the
2 really, you know, horrible conditions and the
3 profiteering.

4 And meanwhile, I guess to borrow a
5 phrase from Governor Carey -- Hugh Carey, the
6 late Hugh Carey -- we're acting as if the
7 days of wine and roses are going to continue
8 forever. But if you're paying attention to
9 headlines in Washington, it doesn't seem like
10 that's the case. There's talk about cutting
11 trillions of dollars from the federal
12 budget -- that's probably a 10-year figure.
13 Medicaid is one of the biggest targets, it
14 appears, although there's been some mixed
15 messaging on that.

16 But if there is significant cutting to
17 Medicaid, New York is going to bear a
18 disproportionate share of it because New York
19 is disproportionately a big spender on
20 Medicaid.

21 CHAIRWOMAN KRUEGER: Thank you.

22 Next?

23 MS. BARRETT: I'm Sebrina Barrett, CEO
24 of LeadingAge New York, a position I began on

1 January 21 when the Executive Budget was
2 released.

3 With a paltry 1.3 percent funding
4 increase and no restoration of the cap cut,
5 the budget does not address the urgent needs
6 of older adults and people who need
7 long-term-care services. We need more
8 permanent funding.

9 Claiming that "Your family is my
10 fight," the Governor's budget doesn't do
11 enough for a key component of most of
12 New York's families: Our grandfathers,
13 grandmothers, great-aunts and uncles, as well
14 as the New Yorkers who care for our older
15 adults either as family members or paid
16 long-term caregivers.

17 Year after year we tell you that we
18 will lose services due to inadequate funding,
19 and that is happening now. In 2024, United
20 Helpers closed its assisted living program,
21 leaving St. Lawrence County with no assisted
22 living services. In the Oswego-Syracuse
23 region, St. Luke and Community Wellness
24 Partners had four nursing homes with 800

1 beds; now they have three, with about 400.
2 In Rochester, the inability to discharge
3 people to hospitals due to lack of services
4 has resulted in overcrowding of hospitals.
5 The same dynamic has resulted in backups in
6 ERs in the Capital District, resulting in
7 long ER wait times and first responders
8 waiting hours in parking lots.

9 I experienced this firsthand on Friday
10 when my 75-year-old father waited 17 hours
11 for a hospital bed.

12 Reimbursement for long-term care has
13 been so low for so long that more and more of
14 our members are closing their doors. To make
15 sure there's no misunderstanding, we have
16 lost 3500 nursing home beds since 2014, more
17 than 7200 beds are offline due to staffing
18 shortages. If things continue more than
19 72,000 beds run by financially distressed
20 providers could close.

21 Added together, that is nearly 83,000
22 beds. The closures would fill Madison Square
23 Garden four times.

24 Where are your constituents going to

1 go? Many will relocate hours away from their
2 loved ones, nursing home residents will lose
3 their home and their caregivers. What about
4 the economic impacts to your communities and
5 the families who will have to care for loved
6 ones?

7 Any new funding has been diluted by
8 the capital cut and other take-backs. The
9 Governor's proposal adds only 1.3 percent new
10 dollars, and the 15 percent cap cut must be
11 restored so providers can offer home-like
12 facilities and honor their debt commitments
13 made before the state broke its promise and
14 eliminated those funds. They have to pay the
15 debt. With capital funds cut, the money has
16 to come from somewhere.

17 Unless it is addressed, this is going
18 to get worse. Between 2015 and 2040, the
19 number of adults over 85 will double in
20 New York, while the number of working-age
21 people to help them is shrinking. We can't
22 compete for this already-stretched-thin
23 workforce. Investments in a system trying to
24 survive on rates last set in 2007 are needed

1 today.

2 We do appreciate the Governor's
3 proposal that would allow medication aides in
4 nursing homes.

5 Finally, for long-term care in New
6 York to work, all parts of the system must be
7 supported. We need funding increases in the
8 Assisted Living Program, Adult Day Health
9 Care Medicaid rate, and home care. We need
10 to expand the Assisted Living Program this
11 year. It is the only Medicaid assisted
12 living option in the state. And we can save
13 4.5 million in Medicaid annually by creating
14 a new Resident Assistant position to help
15 older adults.

16 Thank you.

17 CHAIRWOMAN KRUEGER: Thank you.

18 Next?

19 MS. BEERS: Hello. Chairs Krueger,
20 Pretlow, Rivera and Paulin, and members of
21 the Joint Health Budget Committee, thank you
22 today for the opportunity to deliver
23 testimony regarding the Governor's proposed
24 '24-'25 state budget.

1 My name is Linda Beers. I serve as
2 the director of public health for
3 Essex County. I'm here today in my role as
4 the president of New York State Association
5 of County Health Officials, known as NYSACHO,
6 which represents local health departments
7 across New York State.

8 NYSACHO's mission is to support,
9 advocate for and empower local health
10 departments' workforce to promote health and
11 wellness, protect communities, and prevent
12 disease, disability and injury throughout
13 New York State.

14 You may be wondering who local health
15 officials are beyond our professional roles.
16 We are parents, active military
17 servicemembers, farmers, hunters, musicians,
18 dedicated community volunteers. We're deeply
19 invested in the well-being and the economic
20 strength of our communities because we live,
21 work and raise our families here. Public
22 health is the foundation of a thriving,
23 successful community.

24 We've submitted our formal written

1 testimony articulating the priorities of the
2 public health community, and the NYSACHO team
3 is prepared to address any questions or
4 concerns you or your staff may have relative
5 to our submission.

6 Many of our priorities have not
7 changed. They range from workforce
8 shortages, Article 6 state aid, which is the
9 cornerstone of public health funding, lead
10 poisoning prevention, and clean drinking
11 water, to tick-borne diseases, maternal child
12 health, and the Early Intervention Program,
13 among many others.

14 From our written testimony I'd like to
15 call your attention to our comments related
16 to the Early Intervention Program and the
17 crisis that it is facing.

18 What has changed, however, is the
19 context of our efforts. As you know,
20 transition in leadership at any level often
21 brings uncertainty and public health is no
22 exception. That sense of uncertainty for
23 public health has rarely been more profound
24 than it is today, so we look to you, our

1 state leaders and partners, to be a reliable,
2 steady hand that ensures our public health
3 infrastructure and supported, sustained
4 prioritization.

5 We ask you to maintain a steadfast
6 focus on public health even as change and
7 uncertainty challenges us. The local health
8 directors and commissioners of NYSACHO serve
9 the very communities you represent, and
10 they're counting on us to keep public health
11 at the forefront. It is our duty to
12 prioritize their needs and continue our
13 efforts to protect them.

14 We appreciate your partnership over
15 the years, and we remain at the ready to
16 provide any information or assistance you may
17 need. Thank you for the opportunity.

18 CHAIRWOMAN KRUEGER: Thank you.

19 MS. RYAN: NHCC is the public benefit
20 corporation that manages Nassau County's only
21 public hospital, NUMC; public SNF; A. Holly
22 Patterson; jail; infirmary; and co-operates
23 health centers. We are a Level 1 trauma
24 center, recertified again in 2024. We have

1 the only burn unit in the county and the only
2 multi-place hyperbaric chamber on Long
3 Island.

4 We served over 275,000 patients in our
5 award-winning emergency room last year. We
6 are a teaching hospital with over
7 350 residents that are learning from the best
8 at a mission-driven institution.

9 Currently we have over 440 people who
10 call A. Holly Patterson their home. We have
11 over 3,600 dedicated employees, mostly CSEA,
12 who have been out of a contract for over two
13 years. Two years is too long, especially as
14 this is our first contract after caring for
15 our community during COVID.

16 NUMC is a designated hospital for
17 inmates and for all presidents of the United
18 States. We provide high-quality healthcare
19 to all.

20 I'd like to note that I submitted
21 written testimony with details of our robust
22 services and our improvements, as I'd like to
23 spend my time today to advise you of the
24 reforms implemented, the expansion of the

1 access of care, and our improvements since I
2 last came before you.

3 I pledged to you a year ago, after
4 only a few days as the interim CEO, that I
5 would institute a series of reforms that
6 would require less aid year after year, a
7 reduction in gap funding. I am proud to
8 inform you today that this pledge has been
9 fulfilled. Over the past 12 months we
10 expanded access of care and increased
11 services to our community, all without a
12 dollar from New York State.

13 We increased our clinic hours, which
14 resulted in an additional 16,700 visits in
15 2024 compared to 2023. We began MRIs under
16 sedation as an additional revenue stream. We
17 restructured departments to optimize savings.
18 We waived copays for our employees who opted
19 to get healthcare at our facilities. And so
20 much more.

21 Despite certain press and others
22 misrepresenting that we were running out of
23 cash in 30 days -- proven to be false, we did
24 not -- we recruited and retained employees.

1 We closed the 2024 year with over 600 percent
2 more cash in the bank than 2023. This is
3 with a patient/payor mix of 80 percent
4 Medicaid, Medicare, and no pay.

5 While reviewing all of our funding
6 sources, we uncovered that NUMC has been
7 fronting the state's share of Medicaid DSH
8 payments, which has hurt our bottom line for
9 decades. We currently are disputing this
10 with the state, raised the issue with the
11 feds, and we hope to resolve this issue soon.
12 Because the law is quite clear: The poor
13 Medicaid hospitals should not be paying
14 millions of dollars annually in order to
15 access federal funds.

16 Last year we applied for four New York
17 State VAPAP grants and two Transformation
18 grants and, sadly, were not awarded any. I
19 am pleased to report that we no longer
20 qualify for VAP today because our finances
21 are stronger than a year ago.

22 I'd like to also note the Executive
23 Budget proposal to amend a law that was never
24 used in the history of New York State to give

1 DOH the increased power to install a
2 temporary operator without a hearing first.
3 This move is inappropriate in the budget
4 process, and I look forward to discussing
5 this proposal with you.

6 We have been under NIFA authority for
7 five years. This administration provides
8 daily cash balances, timely financials to
9 NIFA and to our board.

10 I'm asking for a restoration of our
11 aid and for funds to help advance a 2025 CSEA
12 contract. Our employee salaries are less
13 than any other public hospital. We have
14 dedicated employees that care for the poorest
15 and sickest in our community, and they
16 deserve to be paid a fair and equitable wage.

17 New York State is funding all other
18 hospitals, and it's unacceptable that NHCC
19 has its Medicaid payments halved.

20 Thank you. I appreciate your support.

21 (Scattered applause.)

22 MS. RYAN: I had more.

23 (Laughter.)

24 MS. RYAN: I'll save it for later.

1 MS. DUHAN: Good afternoon. I want to
2 start by just thanking the Legislature and
3 acknowledging all this discussion that has
4 been on primary care. I really appreciate
5 that focus because it is so critical.

6 The Community Health Care Association
7 of New York State represents 80 community
8 health center or FQHC, Federally Qualified
9 Health Center organizations that have over
10 900 sites and serve 2.4 million New Yorkers
11 across the state.

12 On behalf of our members I want to
13 thank the Legislature for your ongoing
14 commitment and support to community health
15 centers, and we need your help now more than
16 ever to fix two and a half decades of
17 underinvestment in community health centers.
18 As I think has been noted, our rates have not
19 been updated since the year 2000, so it's
20 been some time, and longer than others that
21 have been mentioned.

22 As Senator Rivera noted, there is a
23 small increase for community health centers
24 in the budget, which we appreciated. But as

1 Senator Rivera noted, it is not enough. It
2 is not enough to ensure that there is
3 continued access to primary care in the
4 communities that need it most.

5 So I'm asking you -- we need rate
6 reform. And so I'm asking you to include the
7 language that is in Senator Rivera's bill,
8 S5489, and Assemblywoman Paulin's bill, A67.
9 So thank you for introducing those. I'm
10 asking you to include that -- the Legislature
11 to include the language in those bills in
12 their one-house budgets.

13 I'm also asking, in a direct response
14 to Senator Krueger's question about primary
15 care, I'm asking that the Legislature
16 dedicate 15 percent of the MCO tax revenues
17 specifically to primary care, including
18 75 million for community health center rate
19 increases.

20 Without this investment and rate
21 reform, we cannot guarantee that health
22 centers will survive at a time when more New
23 Yorkers than ever have come to rely on them.

24 One in eight New Yorkers get primary

1 care at their community health center.
2 New Yorkers count on us. Can we count on
3 you? Thank you.

4 CHAIRWOMAN KRUEGER: Thank you.

5 Senator Gallivan.

6 SENATOR GALLIVAN: Thank you,
7 Madam Chair.

8 Thank you all for being here today. I
9 have -- well, I guess two questions.

10 How do you talk so fast, is the first
11 question.

12 (Laughter.)

13 SENATOR GALLIVAN: You don't have to
14 answer.

15 MS. RYAN: Middle child.

16 (Laughter.)

17 SENATOR GALLIVAN: Mr. Hammond, a
18 question. I think you were going in a
19 certain direction, and I want to give you an
20 opportunity to follow through on it. And if
21 not, I'm still interested in your response.

22 What recommendations would you have
23 for our state to get control of Medicaid
24 spending and ensure proper oversight and

1 accountability of that spending?

2 MR. HAMMOND: I mean, it would just
3 start with, you know, not spending as much.
4 I mean, like the -- there was this -- I'm
5 sorry --

6 (Overtalk.)

7 SENATOR GALLIVAN: Specific steps, if
8 you have them. If you have specific
9 recommendations.

10 MR. HAMMOND: One big thing to do
11 would be to reduce enrollment. We now have
12 enrollment that's 40 percent of the state, if
13 you include the Essential Plan, it's
14 44 percent of the state. And in New York
15 City, it's 60 percent.

16 This is supposed to be a safety net
17 health plan. It's not supposed to be
18 covering that many people. A large number of
19 those people appear to have incomes that are
20 outside of the eligibility range. So -- and
21 we've -- I think it's a truism in healthcare
22 that private insurance pays better than
23 Medicaid does. So if more people were in
24 private insurance, the providers would

1 benefit from that.

2 MS. DUHAN: I can take a different
3 perspective than Mr. Hammond.

4 I really think that health insurance
5 is essential for coverage so that people can
6 get the primary and preventive care they
7 need. And so ensuring that as many people as
8 possible have that coverage really helps to
9 reduce costs in the long run because a
10 healthier population is going to be a less
11 expensive population.

12 MR. HAMMOND: Yeah, I didn't mean to
13 say that we should reduce --

14 SENATOR GALLIVAN: For the sake of
15 time, let me jump in. I want to get into one
16 specific thing. I think it has to do with
17 accountability.

18 I think everybody agrees, you've heard
19 many comments from the panel -- from the
20 legislators up here and the concern for the
21 CDPAP program. We have -- the spending, it's
22 grown incredibly. But now we have a problem
23 with the oversight of it. And many of us
24 think it's because the Department of Health

1 did not properly oversee it in the first
2 place that we end up in this mess.

3 So what specific recommendations would
4 you have for oversight of that particular
5 program?

6 MR. HAMMOND: Well, there are two
7 measures that were already enacted into state
8 law in 2020 and just haven't been implemented
9 yet, haven't been made effective. One would
10 sort of restructure how you decide who's
11 eligible in terms of their level of
12 disability. I don't have the details in my
13 head, but it basically involves using
14 activities of daily life.

15 And the other would be a more serious
16 look back at assets for financial
17 eligibility.

18 SENATOR GALLIVAN: Thank you.

19 CHAIRWOMAN KRUEGER: Assembly.

20 CHAIRMAN PRETLOW: Assemblymember
21 Jensen.

22 ASSEMBLYMAN JENSEN: Thank you,
23 Mr. Chairman.

24 This question is going to be for

1 LeadingAge.

2 I asked the commissioner when he was
3 up on the hot seat about the cuts to capital
4 funding for nursing homes. Could you share a
5 little bit about what kind of capital
6 projects or enhancements to resident care
7 would this capital funding usually support?

8 MS. BARRETT: Capital funding would
9 usually support projects that would make
10 nursing homes safer, that would make them
11 more home-like for the residents.

12 And the reality is a lot of our
13 LeadingAge members made these type of
14 improvements relying on that capital funding.
15 And now they're having -- they're stuck with
16 that debt that they can't pay because we've
17 had a 15 percent capital cut. That can be
18 restored for about \$41 million.

19 The other thing that's a hardship is
20 they rely on it to fund those projects going
21 forward. So if they don't have the security
22 and the backing of the state with respect to
23 that funding, they're not going to be able to
24 make those kind of improvements that make

1 nursing homes safer, more home-like. We have
2 a lot of nursing homes that are older and
3 they need improvements -- you know, good
4 ventilation, things like that.

5 So it's really important, it's crucial
6 that those funds be restored.

7 And because they were cut, it really
8 diluted the modest increases that happened
9 last year, the 285 million, which was a
10 one-time addition in funding. That
11 285 million is in the proposed budget with
12 just an addition of 50 million in state
13 share. And it really means little -- less
14 than 1 percent -- to our members if that
15 capital cut continues to be in place.

16 ASSEMBLYMAN JENSEN: So when you talk
17 about facilities that may have spent the
18 money for capital projects with the
19 assumption that it was going to be reimbursed
20 on the back end, where we're talking about,
21 you know, reliance on agency or traveling
22 nurses, combined with losses from having to
23 take units offline to do short staffing, are
24 these all indicative about why we're seeing

1 an increase in closure numbers of facilities
2 across the state?

3 MS. BARRETT: Yeah. So the
4 closures -- there's two things that are
5 happening.

6 One, beds are offline because
7 nonprofit nursing homes are not able to
8 staff, they don't have the funding to recruit
9 and retain staff. And so they're mindful of
10 their mission, they want to provide the best
11 care possible. And they're not going to put
12 folks in beds if they can't properly care for
13 those folks because of staffing. So that's
14 part of it.

15 And the second is, yeah, we're looking
16 at real shortages in staff -- I'm sorry,
17 funding, that's going to cause these
18 closures.

19 It's -- you know, I heard our
20 members -- we had our Lobby Day last week,
21 and I've heard them talking about going from
22 900 beds to 400 beds and maybe, by the end of
23 the year, 100 beds. And, you know, it's
24 going to -- the reality of that is people are

1 going to have to drive hours to see their
2 loved ones.

3 ASSEMBLYMAN JENSEN: Thank you.

4 CHAIRWOMAN KRUEGER: Thank you.

5 Senator Ryan.

6 SENATOR CHRIS RYAN: Good afternoon.

7 Thank you, Chairman. And thank you to
8 our panel.

9 I guess to that same question, I think
10 it's sort of -- my colleague -- you know,
11 obviously this is a real concern. Real, real
12 concern with the access or in-access to those
13 beds.

14 I just want to look forward a little
15 bit. I guess the question is -- because I
16 just want to make sure that I understand.
17 And I think I know the question: What is the
18 single biggest contributor to those beds
19 coming offline?

20 MS. BARRETT: Funding. Our rates
21 haven't been rebased since 2007. We are
22 facing rising costs, like everywhere else.
23 I've got members that have union contracts
24 that have had 18 percent increases for wages

1 that will -- another 5 percent, as part of
2 that 18 percent, is coming this year.

3 Upstate, similar problem. Folks can
4 go and work retail or restaurants for more
5 money, and so those jobs are just not being
6 filled. So that's a huge part of it. You
7 know, you've got to have staff in order to
8 provide care.

9 SENATOR CHRIS RYAN: And obviously as
10 wage costs and costs go up.

11 But what, in your estimation, would be
12 the ballpark for the funding gap? Cents on
13 the dollar.

14 MS. BARRETT: Yeah. Well, we need
15 a -- 1.6 billion. When you don't fund things
16 properly for year after year after year, it's
17 going to grow, the funding gap is going to
18 grow. And basically this gap is just the
19 difference between what things cost, actually
20 cost, and what they're being reimbursed.

21 And so, you know, I think it's, you
22 know, 400-and-some-odd-million state share.
23 We're asking for a 20 percent increase. We
24 understand that's a heavy lift. But this is

1 the need that we have. It's not going away.

2 SENATOR CHRIS RYAN: Last question.

3 It's a question that you probably -- well,
4 you won't be able to answer it because it's
5 kind of a hypothetical.

6 But if this trend continues and the
7 funding continues to be a funding gap,
8 whereas you continue to see costs rise, do
9 you anticipate how many more beds would come
10 offline or -- I guess it's -- again, it's a
11 hypothetical question. I have 30 seconds.
12 But glad to hear it.

13 MS. BARRETT: Yeah, in our written
14 materials you can see a map that shows the
15 nursing homes that are financially in
16 distress, or the percentage of where those
17 are at, because it's spread throughout the
18 state.

19 And we estimate a total of about
20 83,000 beds. And like I said, that would
21 fill Madison Square Garden four times. And
22 I'm not sure where those folks are going to
23 go. And it's preventing -- it's hurting the
24 hospitals too. Because if they can't

1 discharge folks to nursing homes, they're
2 taking up hospital beds.

3 SENATOR CHRIS RYAN: I'll just say,
4 with two seconds left here, that no room at
5 the inn is not an answer.

6 MS. BARRETT: Right.

7 CHAIRWOMAN KRUEGER: Thank you.
8 Assembly.

9 CHAIRMAN PRETLOW: Assemblyman Ra.

10 ASSEMBLYMAN RA: Thank you.

11 Thanks for making the trip up. I just
12 wanted to ask a couple of questions regarding
13 the current state of the hospital.

14 So we know DOH has had some I guess
15 back-and-forth with you guys. You know,
16 letters and things of that nature. But has
17 the New York State Department of Health
18 actually sat down with you and your team at
19 the hospital to discuss the hospital, its
20 finances and all of these issues?

21 MS. RYAN: No, Assemblyman.

22 ASSEMBLYMAN RA: So it's basically
23 been, you know, letters that have come to you
24 and --

1 MS. RYAN: Yes. So DOH has asked us
2 for -- has corresponded with us since last
3 year. We have responded to all requests.
4 And we have asked for meetings from DOH,
5 and sadly they have not fulfilled our
6 request.

7 So we have not had a meeting with the
8 commissioner of Health or his team, and the
9 last time the commissioner of Health team or
10 the commissioner of Health came in was in
11 2017. So it's been a while. And the last
12 time we had a call with DOH was back in March
13 regarding our VAPAP application, which I said
14 we're no longer qualified for that program
15 anyway right now, because our finances are in
16 a stronger position.

17 ASSEMBLYMAN RA: Okay. And can you
18 just detail that again where the progress
19 that has been made with regard to finances
20 over the last couple of years -- because it
21 is pretty remarkable the progress you've
22 made.

23 MS. RYAN: Sure. So early in 2024 we
24 had \$11 million in the bank. That covered

1 one payroll. We ended 2024 with
2 \$90 million in the bank. We do pay our
3 bills.

4 We are -- you know, we have
5 restructured our departments, we have
6 optimized our savings. The reforms are
7 working. We improved our quality scores. We
8 went from a "D" for -- that was stuck at a
9 "D" for six years -- to a national score of a
10 "C." We passed every DOH survey that
11 occurred, 10 of them in the past 11 months.

12 And we were recertified as a Level 1
13 trauma center the same day that we had our
14 Joint Commission accreditation. So we got
15 hit twice in the same day, and we passed both
16 with flying colors.

17 So we are making finance improvements,
18 quality improvements, and it's disappointing
19 that we're not able to sit down and reveal
20 these great improvements with DOH and the
21 state.

22 ASSEMBLYMAN RA: Okay. Thank you.

23 And I think just in terms of your
24 services -- I know Senator Rhoads brought

1 this up with the commissioner earlier -- you
2 know, the burn center, something obviously
3 that's important to our volunteer
4 firefighters community. All of the other
5 resources that are there and would disappear
6 for Nassau County residents, particularly,
7 you know, central, western Nassau County if,
8 you know, NUMC doesn't survive. So I
9 appreciate the strides you and our staff and
10 your team there have made in moving forward,
11 and know that while sometimes you hear
12 different noise coming from Albany, I think
13 amongst your legislative delegation you have
14 a lot of support here to help move you guys
15 forward.

16 MS. RYAN: Thank you so much.

17 ASSEMBLYMAN RA: Thank you.

18 CHAIRWOMAN KRUEGER: Senator Rivera.

19 SENATOR RIVERA: Bro. You know I
20 respect you, but you suggested earlier that
21 we should just spend less money and then you
22 said, about Medicaid, this is supposed to be
23 a safety-net program. Would you agree that
24 perhaps it's because there's a big chunk of

1 the people in this state that require that
2 safety net? Would you not agree with that?

3 MR. HAMMOND: Our poverty level is
4 somewhere in the neighborhood of 15 or
5 16 percent, and our enrollment is 40 -- or
6 44 percent. I mean, we are -- our poverty
7 level is a little bit above average. We're
8 sort of in the middle of the pack. Our
9 Medicaid spending is absolutely at the top.

10 SENATOR RIVERA: Gotcha. It is at the
11 top because we have a more robust Medicaid
12 program than other states. And that is a, I
13 would argue, a positive. And turning to some
14 of the folks that actually provide that care
15 across the state, and federally qualified
16 health centers, I certainly would invite you
17 to see the type of stuff that happens in
18 those places and the transformative things
19 that they do there. And the fact that we
20 need to invest in them more.

21 So yes, I am indeed saying we should
22 spend more money, and more money that would
23 actually go to places that actually give
24 people more stability in their lives. Which

1 costs the system less as a whole.

2 And one of these days I'm going to
3 convince you on the single-payer issue.
4 Because insurance is the problem here.

5 MR. HAMMOND: One of my points,
6 though, is that we're not getting the good
7 quality. We're putting in the money and
8 we're not getting the good quality. We're
9 not -- we have the imbalance, the lack of
10 primary care. We have some of the longest
11 emergency room wait times in the country.
12 Our hospitals are -- you know, I think I said
13 this during my testimony. If you look at our
14 average scores in the federal Hospital
15 Compare system, they're typically in the
16 bottom five.

17 So, you know, it's not working. Just
18 writing checks year after year isn't getting
19 us the results that we deserve.

20 SENATOR RIVERA: And I would argue,
21 and I would argue that there's certainly --
22 there's certainly -- and the reason why I
23 respect you is there's a lot of work that you
24 do that does point out some of these things

1 that we could actually be better at. I just
2 have an issue with the notion that we should
3 just spend less and we'll be fine,
4 particularly considering some of the folks
5 that I represent and some of the folks that
6 are served by federally qualified health
7 centers and other safety-net institutions
8 across the state.

9 MR. HAMMOND: A significant share of
10 what we're spending does not take the form of
11 reimbursing a provider for care. It takes
12 the form of grants: Operating grants,
13 capital grants --

14 SENATOR RIVERA: And on that end, by
15 the way, I would argue and I have
16 consistently argued this, the reason we
17 should raise Medicaid rates is because giving
18 higher Medicaid rates to institutions that
19 require them to survive would allow them to
20 provide themselves a little bit of stability,
21 as opposed to having to come to the state on
22 hands and knees saying, Hey, we're going to
23 run out of money.

24 This is our fault. We've done this

1 over a long period of time.

2 MR. HAMMOND: If you had a smaller
3 Medicaid program that was focused more on the
4 populations that it was originally intended
5 to serve, you could pay better rates because
6 it wouldn't be such a sprawling --

7 SENATOR RIVERA: Two seconds. Still
8 like ya, but you're wrong on a lot of this.
9 But God love ya.

10 (Laughter.)

11 CHAIRWOMAN KRUEGER: Thank you.
12 Assembly.

13 CHAIRMAN PRETLOW: Assemblywoman
14 Paulin.

15 ASSEMBLYWOMAN PAULIN: Thank you so
16 much, and thank you for coming.

17 CHCANYS. The -- I don't know whether
18 you were here when the Medicaid director said
19 that the rebasing doesn't work. Obviously
20 the bill that we have is rebasing and an
21 additional rate setting. I mean, is that
22 your view?

23 MS. DUHAN: The way that the
24 Department of Health thinks of rebasing, I

1 would say that --

2 ASSEMBLYWOMAN PAULIN: You know what,
3 we can't hear. I don't know --

4 MS. DUHAN: I agree with what the
5 Medicaid director said. The way that the
6 department thinks of rebasing does not work.
7 That's why we've been asking for rate reform.

8 And the changes that are in the bill
9 that you sponsor, thank you very much, are
10 those changes.

11 So we're just -- maybe it's a nuance
12 of language, but it's also an important
13 function of the federal protections for
14 community health centers to ensure our -- the
15 way that our rates are constructed, there
16 does have to be a change as the Medicaid
17 director was saying. We do need an
18 alternative payment methodology.

19 So I would agree with them in terms of
20 the technical piece, and we also think that
21 there needs to be an investment that goes
22 with that, with those changes.

23 ASSEMBLYWOMAN PAULIN: But just again,
24 our bill does the trick, right?

1 MS. DUHAN: Yes. Yes. Thank you,
2 yes, exactly. We are calling your bill rate
3 reform, not rebasing, for exactly that
4 purpose.

5 ASSEMBLYWOMAN PAULIN: Thank you.

6 MS. DUHAN: Yes, thank you.

7 CHAIRWOMAN KRUEGER: Senator Rhoads.

8 SENATOR RHOADS: Thank you,
9 Madam Chairwoman.

10 To Nassau Health Care Corporation and
11 Meg Ryan, now that you've had an opportunity
12 to catch your breath --

13 MS. RYAN: Yes.

14 SENATOR RHOADS: -- just the list that
15 you went through of accomplishments is quite
16 impressive. Could you summarize what your
17 financial position was at the start of 2024
18 versus what is today? In other words, at the
19 start of 2024, I believe Nassau Health Care
20 Corporation had a projected deficit in excess
21 of a hundred million?

22 MS. RYAN: Right. So in our 20 -- we
23 were expected to lose, in 2023, \$180 million,
24 and we lost \$80 million. And we ended the

1 year -- or early in I guess 2024 we had \$11
2 million in our cash positions, which would --
3 that covers one pay period.

4 And then we closed the end of the year
5 with -- we had 89-point-something, so
6 \$90 million in our cash positions and we are
7 -- you know, we're waiting to -- we're doing
8 our 2024 audit, we just began that, right
9 now.

10 SENATOR RHOADS: Okay. And I know
11 that Assemblyman Ra had alluded to a number
12 of requirements from the Department of Health
13 that were supposed to be tied to additional
14 state funding. And correct me if I'm wrong,
15 Nassau University Medical Center has lost
16 probably in excess of about half a billion
17 dollars in state funding, versus historical
18 averages over the last six years, is that
19 correct?

20 MS. RYAN: Correct. That is correct.
21 And we have -- then we uncovered this DSH
22 scheme that we haven't -- we've been fronting
23 the state share of the DSH payments for
24 decades. So that totals over a billion

1 dollars.

2 So last year alone, we put up
3 \$50 million of the non-state -- on the
4 non-federal, the state share of the money.
5 So if we just had that \$50 million from the
6 state, we would have a \$30 million loss. So
7 it would close the loop. So --

8 SENATOR RHOADS: You'd be close to
9 break even if that occurred?

10 MS. RYAN: Correct.

11 SENATOR RHOADS: So in the last year
12 -- because when I asked Commissioner McDonald
13 what the holdup was on receiving funding, he
14 spoke about leadership.

15 MS. RYAN: Sure. I'd like to -- oh,
16 sorry.

17 SENATOR RHOADS: Okay. He spoke about
18 leadership at the hospital. So what you're
19 telling me, under your leadership in the past
20 year, you've closed, without any state
21 funding and without any state funding for the
22 last five years, you've closed a \$100 million
23 gap in operating, you've cut your deficit by
24 a hundred million dollars.

1 MS. RYAN: While expanding our
2 services.

3 SENATOR RHOADS: While expanding
4 services, while 83 percent of your patients
5 have no insurance, Medicare or Medicaid.
6 Your Medicaid reimbursement rate is 72 cents
7 out of every dollar, so you're losing 28
8 cents out of every dollar of Medicaid
9 coverage that you provide to a patient.
10 Right?

11 What more are we looking for in terms
12 of leadership than what's being provided
13 right now? And to the Governor and to
14 Commissioner McDonald, stop playing politics
15 with the leadership of this hospital.
16 Provide the services that Nassau County
17 residents need from their only safety-net
18 hospital, and provide them the funding that
19 they need to be able to continue to serve our
20 residents.

21 MS. RYAN: Thank you, Senator.

22 CHAIRWOMAN KRUEGER: Assemblymember
23 Solages.

24 ASSEMBLYWOMAN SOLAGES: This is for

1 President Ryan.

2 Despite you just saying that you pay
3 your bills, it seems that NUMC hasn't paid
4 their health insurance bill. So the hospital
5 is --

6 MS. RYAN: That is incorrect.

7 ASSEMBLYWOMAN SOLAGES: -- owes
8 \$400 million to NYSHIP.

9 MS. RYAN: Sure, I'd like to address
10 that.

11 So we do pay our bills. We pay our
12 NYSHIP every month, \$2 million, under a plan
13 that was implemented under our chairman and
14 CEO at the time. So he was doing double duty
15 and there was no questioning of his
16 leadership, George Tsunis, under the current
17 administration.

18 So under that payment plan, which I
19 did not make that deal, we have paid monthly,
20 timely. So we are up-to-date under that
21 contract. So contractually we are
22 up-to-date.

23 And if our DSH payments were paid
24 appropriately, we would be able to pay more

1 to NYSHIP.

2 ASSEMBLYWOMAN SOLAGES: And how much
3 does the hospital spend on multiple mailers
4 that have gone out to Nassau County families
5 criticizing the state over the last 15
6 months?

7 MS. RYAN: I don't have that on me.
8 Not as much as --

9 (Overtalk.)

10 ASSEMBLYWOMAN SOLAGES: You don't have
11 an assessment about how much you spent on
12 mailers?

13 MS. RYAN: Yes, we did send mailers.
14 Yes.

15 ASSEMBLYWOMAN SOLAGES: Okay. And how
16 much do you pay for those mailers --

17 MS. RYAN: I don't have that on me. I
18 can get that.

19 ASSEMBLYWOMAN SOLAGES: -- that could
20 have gone to patient care and services?

21 MS. RYAN: I can send that to you. I
22 don't have it.

23 ASSEMBLYWOMAN SOLAGES: Okay, I would
24 love to have that information.

1 MS. RYAN: Sure.

2 ASSEMBLYWOMAN SOLAGES: And then
3 what's your vision for the hospital? Does it
4 ensure that you're going to have partnerships
5 with private hospitals? Are you going to do
6 real estate development? What's the vision
7 for the hospital?

8 MS. RYAN: Sure. I'd like to have
9 strategic partnerships. I think it's very
10 important. I think the bad press that we're
11 having and this back-and-forth with the
12 Department of Health is hurting those
13 strategic partnerships and hurting
14 recruiting. We are not opposed to anything
15 going forward. Strategic partnerships? We
16 have many partnerships with hospitals, other
17 hospitals right now. Northwell, we have
18 different alliances with Northwell, the
19 Catholics, and we're actually just two days
20 ago we contacted another hospital in the city
21 that we are looking to work with.

22 So we are not opposed to any strategic
23 partnerships. Right now my vision is to keep
24 the doors open. I'm proud that we have not

1 done any layoffs in the past year. So I want
2 to keep our doors open, I want our CSEA
3 contract to be complete in 2025, and I want
4 to keep our services going. We are
5 evaluating -- any services that are needed
6 for the community, we are keeping. Anything
7 that we think is not optimizing, we are
8 cutting.

9 ASSEMBLYWOMAN SOLAGES: So what
10 specifically long-term financial plans do you
11 have for the hospital so that --

12 MS. RYAN: To get our funding from
13 New York State that we're entitled to, so we
14 can continue our services being the first
15 responder hospital for Nassau County, being
16 the only burn unit. We are 80 percent -- we
17 are serving the poorest of the poor in Nassau
18 County, and we want to continue those
19 services and make sure they have access to
20 care.

21 We are -- we just purchased a new
22 mammogram van that every politician on both
23 sides of the aisle uses. We'll be getting
24 that next month. I used -- we had a

1 fundraiser for that and raised \$560,000 to
2 put towards that.

3 So we're -- we're looking to what
4 services the community needs, and we're
5 responding to those.

6 ASSEMBLYWOMAN SOLAGES: So how are you
7 generating revenue for the hospital? Aside
8 from begging for the state aid, what is the
9 hospital doing internally to generate
10 revenue?

11 MS. RYAN: I just told you. We
12 optimize our services. We went through each
13 department and restructured services and
14 staff. So we did that in the past 12 months.
15 We increased our services by expanding our
16 clinics, that's an extra revenue stream.
17 We're adding more --

18 ASSEMBLYWOMAN SOLAGES: And is this
19 sustainable to ensure that the hospital --

20 MS. RYAN: It's not sustainable
21 without state aid. We are -- we treat
22 Medicaid patients, so we need our subsidies.

23 ASSEMBLYWOMAN SOLAGES: Thank you.

24 CHAIRWOMAN KRUEGER: Okay, I think the

1 Senate is done.

2 Assembly?

3 CHAIRMAN PRETLOW: The Assembly is
4 never done.

5 (Laughter.)

6 CHAIRMAN PRETLOW: Assemblyman Slater.

7 ASSEMBLYMAN SLATER: Thank you very
8 much.

9 I think my question is geared towards
10 LeadingAge, but anyone can answer. You know,
11 a lot's changed since 1992, but it still uses
12 the base year for your Medicaid-funded
13 assisted living programs, I believe.
14 Correct?

15 MS. BARRETT: Yes.

16 ASSEMBLYMAN SLATER: And so can you
17 talk to me a little bit about how many of the
18 assisted living programs have closed in the
19 last five years, and the impact that 1992
20 number has had?

21 MS. BARRETT: I don't have those
22 numbers right in front of me, but I can get
23 those for you. But there have been closures.

24 ASSEMBLYMAN SLATER: There have been

1 closures.

2 MS. BARRETT: Yes.

3 ASSEMBLYMAN SLATER: And so when
4 you're looking at that 1992 number as your
5 base, can you speak more about what you think
6 would be needed from the Legislature?

7 Because that is statutorily -- that's in
8 statute, right, the 1992 number?

9 MS. BARRETT: I know it's 1992. I
10 don't know if it's in statute. But I can get
11 back to you on that as well.

12 But I'm sort of trying to do the math
13 in my head, and 25 plus, so that's 33 years.
14 I'm not sure we can do anything today, but we
15 were paying for it in 1992.

16 ASSEMBLYMAN SLATER: I was six, so I
17 totally get it.

18 MS. BARRETT: That makes me feel
19 really old.

20 (Laughter.)

21 MS. BARRETT: So yeah, just like with
22 nursing homes that are 2007 with the assisted
23 living, we need increases to the base rate
24 from 1992.

1 ASSEMBLYMAN SLATER: Understood.

2 And when providers need rebasing and
3 additional rate increases to remain
4 sustainable, so what overall are the ALP
5 finances like?

6 MS. BARRETT: I will get back to you
7 on ALP financing.

8 ASSEMBLYMAN SLATER: Okay, great. I
9 concede the rest of my time.

10 CHAIRMAN PRETLOW: Assemblywoman
11 Lunsford.

12 ASSEMBLYWOMAN LUNSFORD: Thank you.

13 My question's also for LeadingAge.

14 So earlier today Commissioner McDonald
15 answered a question of mine regarding the
16 1115 waiver money and whether any of that
17 could be allocated to senior services,
18 particularly as it pertains to prevention and
19 social determinants of care that could help
20 keep people out of nursing homes.

21 Right now there's absolutely nothing
22 written down suggesting that any of this
23 funding's going to be going to our older
24 New York residents. Could you speak a little

1 bit about the way those -- that funding could
2 be used to help support our nursing home
3 issues and our long-term-care problems
4 overall?

5 MS. BARRETT: So I do think it would
6 be important for funding from the
7 1115 waiver, if possible, to be allocated for
8 long-term-care services, including nursing
9 homes.

10 I don't have the specifics on how that
11 could take place. But, you know, we need
12 funding in all areas of the continuum of
13 long-term care. So again, I point you to our
14 written materials, and we can also get back
15 to you on that.

16 ASSEMBLYWOMAN LUNSFORD: Thank you.

17 And could you speak a little bit about
18 rebasing and the ways in which our
19 not-for-profit nursing homes are
20 disadvantaged by the way we currently rebase
21 our rates?

22 MS. BARRETT: So, you know, they
23 haven't been rebased since 2007. And so if
24 you look at the rates that nursing homes are

1 currently receiving, they are losing, you
2 know, anywhere from -- I've heard an average
3 of 90-some dollars per day per resident.
4 Some more than that, some 150, right?

5 And so, you know, we need higher
6 rates, permanent dollars in order to close
7 the gap so that -- you know, these are the
8 actual costs that our members are -- that
9 LeadingAge members, nonprofit nursing homes,
10 are spending. And the reimbursements that
11 they are receiving is not sustainable in
12 order for them to continue to provide those
13 services.

14 ASSEMBLYWOMAN LUNSFORD: And rebasing
15 does occur when nursing homes change hands,
16 correct?

17 MS. BARRETT: I'm not sure about that.
18 I started my job on January 21st --

19 ASSEMBLYWOMAN LUNSFORD: Cool, three
20 weeks.

21 (Laughter.)

22 MS. BARRETT: So I have been drinking
23 from a fire hose. So I appreciate all these
24 very nuanced questions, and we will

1 absolutely get back to you on that.

2 ASSEMBLYWOMAN LUNSFORD: So let's say
3 it was true that nursing homes that change
4 hands get to rebase so that our for-profit
5 nursing homes that frequently change are
6 benefiting from a rebasing. Right?

7 But our not-for-profit nursing homes,
8 many of which are sometimes a hundred years
9 old -- I have one that just celebrated
10 150 years in my district -- are not
11 benefiting from that because of their
12 stability. That is a thing that I hope that
13 we can change.

14 I will cede the rest of my time, thank
15 you.

16 CHAIRMAN PRETLOW: Assemblymember
17 Burroughs.

18 ASSEMBLYMAN BURROUGHS: Thank you.

19 Good afternoon. You quoted -- very
20 fascinating, I might add -- the successes of
21 the hospital. But I just want to go over
22 some things that -- well, first, I have some
23 questions, a series of questions.

24 So the budget you guys are asking for,

1 what operational costs to operate efficiently
2 at the most opportune level that you could,
3 what's the ask?

4 MS. RYAN: Well, I think the ask is --
5 we're asking for whatever we can get. And if
6 we can put money aside to allocate for our
7 CSEA contract. So besides the contractual
8 funds, we're asking for 25 to \$30 million.

9 ASSEMBLYMAN BURROUGHS: Now, some of
10 the things that I've heard, this is in
11 response to the state -- you know, you guys
12 are saying "the state." And I don't think
13 this is a board comprised of the state, it's
14 comprised of elected officials who represent
15 our constituents.

16 And so we aren't just the state, we
17 are people who actually know, who actually
18 have gotten phone calls, emails. And, you
19 know, there are issues that we've been
20 hearing for years.

21 And so I like to base my life in
22 reality. And so I'm going to ask a question,
23 and anyone can answer. Why is it that you
24 think -- we can hear these numbers, you

1 lost -- you were in a \$100 million deficit,
2 but you were able to successfully fund that
3 hospital. You come, you're asking us for
4 more.

5 But why is it that you were in that
6 deficit? And to say that it's just you
7 weren't funded, I don't think that's the
8 answer.

9 MS. RYAN: Well, there were years of
10 mismanagement prior to this administration.
11 We were defunded, there were programs that
12 went away. That's -- we went through that a
13 year ago. I have a chart of that.

14 So there -- I'm numbers-based too, and
15 data-driven. So when you reduce -- you're
16 reducing our funding but we're still seeing
17 the same amount of patients, that's not more.
18 And we're providing better services and
19 high-quality services. We just raised our
20 grade, our national grade from a D to a C.
21 So we still need our subsidies.

22 Then uncovering this DSH payment, you
23 know, unfortunate plan that we haven't been
24 getting our state share of money for decades,

1 year after year.

2 But the hospital, I want to be clear,
3 has been putting that money up. So we put
4 the money up to the state, and the state
5 tells the federal government that they -- the
6 non-federal share, the state share, the
7 federal government sends the money to
8 New York State and then New York State sends
9 our money back with the federal money.

10 So year after year we just got, you
11 know, 50 -- halved, last year, by
12 \$50 million. And it's going to happen again
13 this year probably to the tune of
14 \$38 million -- unless, you know, we come to a
15 resolution.

16 So, you know, I think to put it on
17 this administration that, you know, we're
18 asking for funding, it's inappropriate --
19 we're advocating for our services and for our
20 employees. And for our community.

21 CHAIRMAN PRETLOW: Thank you very
22 much.

23 We've been joined by Assemblywoman
24 Linda Rosenthal, and she has three minutes.

1 ASSEMBLYWOMAN ROSENTHAL: I asked for
2 five.

3 (Laughter.)

4 ASSEMBLYWOMAN ROSENTHAL: Just
5 kidding. I know I only have three.

6 My question is for Linda Beers.

7 And good to see you. I've done a lot
8 of work around e-cigarettes, and in 2020
9 New York State banned the sale of flavored
10 e-cigarettes. However, they are still sold
11 in illegal cannabis stores and tobacco shops.

12 But what I've learned through my talks
13 with county health officials is that when the
14 products are hidden in a backroom or the
15 store person says, "Oh, this is for our
16 online business," there is no way for county
17 health officials to actually get any kind of
18 charges against them.

19 And I wonder if you'd talk about that
20 a little bit.

21 MS. BEERS: Well, I will equally
22 say -- I'm from Essex County, New York. I'm
23 a partial service county, so I don't have
24 that full picture.

1 However, as the president of NYSACHO I
2 certainly have heard my colleagues around the
3 state talk about that. Team NYSACHO was
4 equal here, and they can give you some really
5 great detailed data on that.

6 But that has been certainly something
7 within my own county -- I'm a partial-service
8 county, but we did have -- I'd like to call
9 them bad actors, somebody who looked like it
10 was selling drug paraphernalia, which was
11 legal. But however, they did a sting and
12 asked if they could buy flavored vape, and
13 sure enough, a curtain opened and it was
14 purchased.

15 It was -- partial-service counties
16 have the state. They felt very uncomfortable
17 and unsafe in that situation, which often
18 happens for our local full-service counties.
19 In my instance, they had an actual sting and
20 they shut down this business, so I really was
21 very, very appreciative in Essex County that
22 that happened.

23 But that is happening across the
24 state, and the regulation doesn't have enough

1 teeth in it to protect our folks for going in
2 and doing it.

3 ASSEMBLYWOMAN ROSENTHAL: I have a
4 bill to fix that.

5 MS. BEERS: Thank you.

6 ASSEMBLYWOMAN ROSENTHAL: A2128. And
7 so, you know, I will try, but I'd love to
8 work with you on that.

9 MS. BEERS: Thank you so much. I'll
10 get Team NYSACHO and we'll be in touch.
11 Thank you very much for sponsoring that.
12 It's certainly at the heart of our matter.

13 ASSEMBLYWOMAN ROSENTHAL: Right.
14 Thanks very much.

15 MS. BEERS: You're welcome. Thank
16 you.

17 ASSEMBLYWOMAN ROSENTHAL: Okay, I'm
18 done.

19 CHAIRMAN PRETLOW: Well, this
20 concludes this section of our hearing. I
21 thank you very much for your testimony.

22 And we'd like to call up now Panel C:
23 The Empire Center for --

24 (Discussion off the record.)

1 CHAIRMAN PRETLOW: Panel D: The
2 Medical Society of New York State;
3 United States Department of Defense State
4 Liaison Office; the Associated Medical
5 Schools of New York; and the New York
6 American College of Emergency Physicians.

7 Good afternoon, everyone.

8 Just for the help of our people in the
9 booth, just state your name before you begin
10 your testimony, and then after all four of
11 you state your name so they know which name
12 to put up when you start to speak, you'll
13 start your testimony.

14 You can start from the left or the
15 right, your choice. You got it.

16 MR. TEYAN: Thank you. Jonathan
17 Teyan. I'm the CEO of the Associated Medical
18 Schools of New York.

19 MS. ETHIER: Katelynn Ethier, the
20 executive director for New York American
21 College of Emergency Physicians.

22 MR. ARNOLD: Christopher Arnold,
23 United States Department of Defense State
24 Liaison Office.

1 DR. PIPIA: Dr. Paul Pipia, past
2 president of the New York State Medical
3 Society.

4 CHAIRMAN PRETLOW: Thank you. Thank
5 you all.

6 Whenever you want.

7 MR. TEYAN: So thank you all for the
8 opportunity to testify this afternoon. I
9 really wanted to spend a minute or so
10 drilling down on an issue that was raised
11 earlier today, which is funding for research,
12 particularly NIH funding.

13 CHAIRMAN PRETLOW: I can't hear you.
14 Can you hold the microphone closer or speak
15 louder?

16 MR. TEYAN: Sure. Is that better?

17 CHAIRMAN PRETLOW: That's better.

18 MR. TEYAN: Great.

19 So I wanted to drill down on the issue
20 of research funding, particularly NIH
21 funding. So as a reminder, New York State
22 has more medical schools than any other state
23 in the nation. We have 17 medical schools
24 here. We are now the second-leading

1 recipient of NIH funding, recently surpassing
2 Massachusetts.

3 We have \$3.6 billion in NIH funding
4 awarded last year, 70 percent of which was
5 awarded to scientists at our medical schools.

6 We are, needless to say, deeply
7 concerned that last Friday evening there was
8 a notice from NIH that would severely cap NIH
9 expenses and reduce grants. And we -- we're
10 at least somewhat comforted that yesterday
11 there was a temporary restraining order on
12 this cut. But we are very concerned that
13 research in New York State would suffer from
14 any cuts to NIH.

15 And, you know, just to put this in
16 scale, I mentioned \$3.6 billion in funding.
17 What this really supports is an awful lot of
18 work done around the state that supports
19 directly 17,000 jobs in research at our
20 medical schools.

21 In addition to that, this research
22 really underpins our life sciences economy.
23 And so what my request is at the moment is to
24 firstly just ask the Legislature to support

1 academic medicine as we navigate some of
2 these challenges coming from Washington,
3 particularly as related to research.

4 And then, secondly, to really ensure
5 that we fully fund state research initiatives
6 that we currently have. Which are few, but
7 nonetheless very important. And I'll just
8 note a few of those: The NYFIRST program,
9 which enables us to recruit and retain
10 scientists at our medical schools; the Spinal
11 Cord Injury Research Program; the ECRIP
12 program, which was mentioned earlier, which
13 was not included in the Executive Budget.

14 And then quickly I would also just
15 really like to emphasize the importance of
16 our ability to recruit and develop a
17 representative and diverse physician
18 workforce. AMSNY has been supporting pathway
19 programs in partnership with the state for
20 decades now that really help us diversify our
21 physician workforce, and we really want to
22 make sure we continue those efforts.

23 Thank you.

24 CHAIRMAN PRETLOW: Thank you.

1 MS. ETHIER: Good afternoon. Thank
2 you for the opportunity to speak today.

3 Again, I'm Katelynn Ethier, with the
4 New York American College of Emergency
5 Physicians. We represent emergency medicine
6 physicians from across the whole state.

7 As many of you are aware, our
8 healthcare system, and especially our
9 emergency departments, which serve as the
10 safety net of care, have been under enormous
11 strain, which has only been exacerbated since
12 the COVID pandemic. Our hospitals are facing
13 unprecedented challenges, including record
14 numbers of patients boarding in the emergency
15 department, short staffing, lack of
16 resources, and ever-increasing mandates.

17 With that said, New York ACEP strongly
18 supports Article VII Part F, to codify the
19 structure of the proposed MCO tax and
20 establish a plan for spending tax receipts
21 over the next three years. Among the first
22 installment is an allocation of 50 million to
23 support an increase in the Medicaid physician
24 fee schedule to bring Medicaid reimbursement

1 closer to the Medicare level.

2 We ask that a significant portion of
3 that appropriation be specifically earmarked
4 to Medicaid reimbursement for emergency
5 services delivered under Medicaid by
6 physicians. Currently New York ranks 49th
7 out of 50 in Medicaid reimbursement in this
8 category.

9 Emergency medicine physicians are
10 required by the Emergency Medical Treatment
11 and Labor Act, or EMTALA, to provide and
12 evaluate care for any patient who enters
13 their door regardless of insurance status or
14 ability to pay. We ask that these financial
15 resources be considered and allocated to the
16 emergency physicians, as they're necessary
17 for these emergency departments to continue
18 to meet the goals of EMTALA in a timely
19 manner.

20 Doing so would follow the lead of
21 other states such as California. California
22 was able to successfully allocate their MCO
23 program to support increases to emergency
24 physician fee-for-service and Medi-Cal

1 managed care plans.

2 Continuing, NY ACEP asks that the
3 committees consider our position as strongly
4 opposed to expanding the physician assistant
5 scope of practice, which would allow PAs to
6 practice without the supervision of a
7 physician in a primary care setting or
8 Article 28 health system once they have
9 reached 8,000 hours of practice.

10 While non-physician practitioners such
11 as PAs and NPs are an important part of the
12 health team and well-respected by physicians,
13 their current training is within a
14 physician-led team. While they spend many
15 hours working within the team, it does not
16 qualify them to practice independently,
17 similarly to how we would not allow
18 paralegals to try a case in lieu of
19 attorneys.

20 For emergency physicians, in
21 medical school they complete approximately
22 5,700 clinical hours, and then through either
23 three or four years of residency training
24 they complete an additional 6,000 to 10,000

1 hours. By comparison, PAs have less than a
2 quarter of these training hours.

3 Thank you for your consideration.

4 CHAIRMAN PRETLOW: Thank you.

5 MR. ARNOLD: Thank you, Chairman,
6 Madam Chair.

7 I'm Christopher Arnold. I'm the
8 mid-Atlantic region liaison at the
9 United States Department of Defense State
10 Liaison Office. And on behalf of the Defense
11 Department today, I want to highlight an
12 opportunity for New York to enact a policy to
13 protect its own residents while maintaining
14 robust healthcare standards.

15 The policy reflected in the
16 Nurse Licensure Compact is fundamentally
17 about licensure mobility, particularly for
18 New York nurses serving our nation beyond
19 state lines. These dedicated professionals
20 face an impossible choice between their
21 careers and their families' military service.
22 Consider this. When New York nurses follow
23 their servicemember spouses to duty
24 situations across the country, no law that

1 this body can pass can help them practice
2 their profession in other states, short of an
3 interstate compact.

4 Only this policy can provide this
5 crucial bridge, allowing New York nurses to
6 maintain their connection to their home state
7 while serving elsewhere.

8 The policy reflected in the compact is
9 strictly about licensure verification, not
10 practice standards. It's a straightforward
11 solution that maintains New York's complete
12 authority over all healthcare delivered
13 within its borders. Every nurse practicing
14 in New York, whether using a state license or
15 a compact license, must follow New York's
16 practice laws and standards, with no
17 exceptions.

18 The evidence supporting the policies
19 articulated in the compact's effectiveness is
20 clear. A 2023 study demonstrates significant
21 improvements in workforce participation and
22 employment continuity for nurses in military
23 families.

24 Moreover, all five of New York's

1 neighboring states have successful
2 implemented the policies in the compact while
3 maintaining their high standards and state
4 authority.

5 New York law governs all nursing care
6 provided to New York patients, period. The
7 policies in the compact mirror New York's
8 existing standards, so you're not lowering
9 the bar, you're extending New York's high
10 standards across state lines for our own
11 residents.

12 This is an opportunity for New York to
13 lead, protecting its nurses serving
14 nationwide while preserving its sovereignty
15 and healthcare standards. The policy
16 contained in the compact represents a
17 practical solution to support New York's
18 healthcare professionals who serve our
19 nation.

20 Thank you, and I welcome your
21 questions.

22 DR. PIPIA: (Mic issue.) Okay, thank
23 you. I'm sorry.

24 Good afternoon. I'm Dr. Paul Pipia.

1 I'm chair of the Department of Physical
2 Medicine at Nassau University Medical Center,
3 and I'm also the immediate past president of
4 the Medical Society of the State of New York.
5 And I testified here two years ago.

6 The Medical Society of the State of
7 New York advocates for more than
8 20,000 physicians providing care to millions
9 of patients across the State of New York.
10 And I thank you again for the opportunity to
11 testify.

12 The Governor's health budget makes a
13 number of modestly positive steps to enhance
14 patient access to care provided by
15 community-based physicians, including fully
16 funding MSSNY's Committee for Physicians'
17 Health program, providing a modest increase
18 to our woefully inadequate Medicaid payments
19 that rank near the lowest in the country, and
20 seeking to fix the unworkable requirement
21 from last year's budget that requires a
22 physician to obtain written consent for
23 payment from a patient after -- yes, after --
24 healthcare services are delivered.

1 But the good these proposals could
2 achieve is more than offset by several
3 returning problematic proposals that, if
4 enacted, would drive even more physicians out
5 of the State of New York.

6 Once again there is a proposal to
7 impose a \$40 million cost imposition on the
8 16,000 physicians receiving Excess Medical
9 Malpractice Insurance coverage, requiring
10 them to pay 50 percent of the coverage cost.
11 This cost would come on top of the already
12 outrageously high medical liability insurance
13 premiums that they already pay.

14 Once again the Executive Budget seeks
15 to eliminate the right of physicians to
16 appeal underpayments by the Medicaid plans to
17 the state dispute resolution process. This
18 provision would further impair the ability of
19 hospitals to maintain the already strained
20 on-call specialty care service availability
21 and give Medicaid managed care plans a huge
22 incentive to narrow their networks.

23 Once again the Executive Budget seeks
24 to eliminate the requirement for physician

1 supervision of many physician assistants,
2 despite the fact that MSSNY worked
3 proactively last year with various
4 legislators to help enact legislation to
5 significantly increase the responsibility for
6 PAs, including increasing the number of PAs a
7 physician can supervise, permitting PAs to
8 order durable medical equipment, and
9 permitting PAs to initiate standing orders
10 with nurses and a number of important
11 diagnostic tests that will help expedite
12 treatment for these patients.

13 We are also very concerned at the
14 General Government budget proposal to
15 eliminate the historic role of county medical
16 societies in vetting physicians to
17 participate in the Workers' Comp program.

18 The application process is not a
19 reason for limited participation but instead
20 the often challenging process for obtaining
21 approvals for patient care, excessive
22 documentation, and significant challenges in
23 navigating the burdensome process.

24 CHAIRWOMAN KRUEGER: Thank you.

1 DR. PIPIA: Thank you.

2 CHAIRWOMAN KRUEGER: Thank you.

3 Senator Rhoads first.

4 SENATOR RHOADS: Thank you,

5 Madam Chairwoman.

6 Thank you, Dr. Pipia. I know you were
7 here two years ago, and not many people want
8 to come back. So I want to thank you for
9 actually appearing a second time.

10 Just a question. With respect to
11 physician assistants expanding their scope of
12 practice, I know you mentioned a little bit
13 in your opening statement. What are your
14 concerns in that area with respect to some of
15 the proposals that have been advanced?

16 DR. PIPIA: Okay. So the physician
17 assistants are an integral part of the team.
18 However, they were educated to be assistants
19 to physicians, not to be independent
20 practitioners. Okay?

21 There's a lot of stuff that they do.
22 But giving them 8,000 hours -- what is the
23 quality of those 8,000 hours? Are they just
24 parked in somebody's office? The 16,000

1 hours that I did, I had to display that I
2 could perform in my field adequately and pass
3 a board certification exam. Just
4 accumulating 8,000 hours does not make
5 them -- there's nothing that stops them from
6 quitting PAs and going to medical school.

7 And the other speaker said what I said
8 two years ago. For those of you who are
9 lawyers, you're not going to let paralegals
10 try cases. The lawyer tries the case. The
11 paralegal's important to them, and we see
12 that as the same position for physician
13 assistants.

14 SENATOR RHOADS: Thank you. I
15 appreciate it.

16 Just wanted to dovetail -- I'm getting
17 into a few labor issues today, which I didn't
18 expect. But one of the Governor's proposals
19 obviously is to expand access to physicians
20 beyond those that are coded by the Workers'
21 Compensation Board, to enable them to access
22 more care.

23 One of the concerns that's been
24 expressed obviously is, one, with respect to

1 the coding process, but two, with respect to
2 doctors that are not familiar with Workers'
3 Compensation now trying to practice in that
4 field and have to navigate the complex world
5 of getting medical records in through the
6 Workers' Compensation Board.

7 Do you have any -- does your
8 organization have any specific position with
9 respect to that?

10 DR. PIPIA: Yes, we have two
11 positions.

12 One, very briefly, is that the -- as I
13 said earlier, the county medical societies
14 are the groups that are entitled right now,
15 and have been for many, many years, to vet
16 the physicians that are going into the
17 Workers' Compensation coding program or
18 getting a Workers' Compensation number.

19 Additionally, a physician who's
20 unfamiliar completely with the Workers'
21 Compensation program can do as much damage as
22 the injury itself. We would like to make
23 sure that if you don't put the right
24 information down on the Workers' Compensation

1 application that the workers will get
2 terribly disenfranchised and it won't --
3 they'll lose their case. And we want to make
4 sure that those injured workers get treated
5 fairly.

6 SENATOR RHOADS: I appreciate it.

7 With 15 seconds left, I don't have
8 time for another question, but thank you,
9 Dr. Pipia.

10 DR. PIPIA: Thank you.

11 CHAIRWOMAN KRUEGER: Thank you.

12 Assemblymember Jensen.

13 ASSEMBLYMAN JENSEN: Thank you,
14 Senator.

15 Yeah, just a quick question. First
16 I'm going to start with the Medical Society.

17 One of my colleagues asked the
18 commissioner about the Governor's proposal to
19 include a 50 percent cut to the Physician
20 Excess Medical Malpractice pool. It's been
21 in place for 40 years. What would be the
22 impact on getting physicians to enroll and
23 participate in that coverage if that money is
24 disappeared?

1 DR. PIPIA: Okay. So we've submitted
2 14 pages. I gave a very brief, you know,
3 one-page summary. I know for neurosurgeons
4 practicing in certain areas will increase
5 their amount into malpractice by over
6 \$33,000, depending upon which borough they're
7 at.

8 You know, for years we've been asking
9 to decrease the amount of liability, and we
10 have not been successful in doing that. So
11 this second million-dollar layer really helps
12 out. And if you do not get rid of that 50
13 percent or you increase it by 50 percent,
14 you'll just lose more and more physicians
15 from New York State.

16 So we're opposed to it.

17 ASSEMBLYMAN JENSEN: Okay, thank you
18 very much.

19 The next question is for Mr. Arnold
20 from the DOD -- which it's fun to have you
21 testifying at the state hearings. Welcome.

22 Could you explain how the military's
23 basing scorecard system specifically
24 considers licensure compacts and how this

1 might affect future mission or resource
2 allocation decisions in the state?

3 MR. ARNOLD: Thank you for the
4 excellent question.

5 So the fiscal year 2020 National
6 Defense Authorization Act required the
7 secretaries of the military departments to
8 consider various quality-of-life factors when
9 making strategic basing, stationing or home
10 porting decisions.

11 The first factor is interstate license
12 portability and the number of compacts which
13 a state has joined. So in 2019 the Congress
14 required the department to enter into a
15 cooperative agreement with the Council of
16 State Governments to develop interstate
17 compacts. They made that authority permanent
18 in 2024. And we thank Senator Rivera for his
19 work with CSG.

20 So we've developed 10 compacts so far,
21 with another two under development, and
22 there's a total of 18 that the department
23 supports.

24 States that receive higher ratings on

1 the scorecard influence the basing decision.
2 And it's not theoretical. The Air Force
3 recently cited licensure reciprocity during
4 the F35 Joint Strike Fighter basing decision
5 at Barnes Air National Guard Base in
6 Massachusetts, who recently joined the NLC.

7 ASSEMBLYMAN JENSEN: And you're not
8 going to have time to answer this question,
9 but would you be able to share with the
10 members here any of the data that you have
11 specific to New York-based servicemembers
12 about the economic impact that licensing
13 delays have on military families?

14 MR. ARNOLD: Sure. So our data shows
15 that military spouses lose an average of four
16 to six months of income with every PCS move
17 due to licensing delays, and the families
18 move every two to three years. So with the
19 average salary being \$89,000, that's about 39
20 grand in lost wages. Plus the thousand
21 dollars for the license fee.

22 ASSEMBLYMAN JENSEN: Thank you.

23 CHAIRMAN PRETLOW: Assemblyman Weprin.

24 ASSEMBLYMAN WEPRIN: Thank you,

1 Mr. Chairman.

2 I also have a question for Dr. Pipia.

3 I chair the Insurance Committee, you may
4 know, and I regularly meet with physician
5 groups and hospitals and other providers.

6 One of the biggest issues I've heard
7 from your membership and the medical
8 community at large is the exorbitant amount
9 of time spent away from delivering patient
10 care to obtain prior authorization. A 2006
11 study by the Annals of Internal Medicine
12 concluded that for every hour a physician
13 spends on delivering care to a patient, two
14 more are spent on administrative tasks.

15 Under current law, health insurers are
16 required to provide a determination regarding
17 prior authorization requests within certain
18 business days of the receipt of necessary
19 information. This causes patients seeking
20 prior authorization, particularly on days
21 just prior to weekends and holidays, to stay
22 in hospitals longer than needed.

23 This often results in hospitals
24 providing unnecessary and unreimbursed care

1 to patients while waiting through the weekend
2 or even longer for health plans to make these
3 decisions.

4 The Executive Budget did not include
5 language requiring insurers to provide timely
6 prior authorization determinations.

7 I have a bill to deal with that, you
8 may know, and I'd just like to know your
9 opinion and the feelings of your membership
10 or MSSNY's membership on that issue.

11 DR. PIPIA: Everything you said is
12 true. There is a lot of waste in time and
13 patient care, and sometimes immediacy, that
14 you may just decide to do the test, not get
15 paid, but make sure that the patient is well
16 taken care of.

17 The insurance companies, when they
18 look at this, they look at it as a medical
19 loss every time you provide treatment,
20 because it's money away from their bottom
21 line.

22 So the answer is we support your bill
23 and we would like to see that process be
24 simultaneously streamlined. And if not --

1 you know, if not done, we should just get the
2 ability to do it without having to wait for
3 them.

4 ASSEMBLYMAN WEPRIN: Yeah. With my
5 42 seconds, my legislation also provides
6 safeguards for patients with chronic
7 conditions, such as ensuring the prior
8 authorizations are valid for the duration of
9 a given prescription, including refills, and
10 for the duration of treatment.

11 How would this benefit your
12 membership, and is that also something you'd
13 support?

14 DR. PIPIA: Every time somebody
15 changes an insurance company, their -- the
16 panel of medications that they use get
17 interrupted, then you have to go through a
18 whole process to get it approved again. Each
19 company has their own guidelines for what
20 they do. There's no universal thing.

21 We would like to make sure that
22 physician provider prevails in prescription
23 medication.

24 ASSEMBLYMAN WEPRIN: Thank you. I

1 look forward to working with you on it.

2 CHAIRMAN PRETLOW: Assemblywoman
3 Rosenthal.

4 ASSEMBLYWOMAN ROSENTHAL: Hi. My
5 question is for Jonathan Teyan.

6 In 2016 I passed a bill into law
7 called the Beagle Freedom Act, which required
8 research facilities in New York State to
9 offer healthy dogs and cats for adoption
10 after completion of any testing or research
11 that was performed on them. And that's if
12 they're still in shape to be adopted. And
13 the law provided a chance to be placed in a
14 loving home when their time in the lab is
15 over.

16 But the law does not provide a
17 mechanism for announcing, if you will, that
18 there are available dogs and cats. So I have
19 a bill which would do that. However, I've
20 heard that it's too difficult for schools to
21 do, and basic reluctance to do that.

22 So can you answer why shouldn't these
23 animals have an opportunity to have a good
24 life after they've been used as testing

1 subjects?

2 MR. TEYAN: Thank you for the
3 question.

4 And, you know, harkening back to your
5 2016 bill, thank you for working with us to
6 really make sure that that legislation really
7 works with the medical schools and research
8 facilities.

9 So I would say something I've said to
10 you previously, which is really that our
11 institutions that do use dogs or cats for
12 research have for many decades been committed
13 to adopting those animals --

14 ASSEMBLYWOMAN ROSENTHAL: Can you talk
15 closer?

16 MR. TEYAN: Oh, sure. Sorry about
17 that.

18 Our institutions have been for many
19 decades committed to adopting suitable
20 animals after research is completed. And so
21 really our view is that we have existing
22 channels for adopting those animals. We have
23 communities around our medical schools that
24 are aware of these opportunities.

1 And frankly, it takes a special sort
2 of person and family to adopt animals from a
3 research environment. And so what we haven't
4 seen is that animals that are suitable for
5 adoption, we haven't seen them not placed
6 successfully.

7 And so our view is that we have
8 existing mechanisms that work and find the
9 right people for those adoptions. And so our
10 view, again, is that what we have now works
11 effectively.

12 ASSEMBLYWOMAN ROSENTHAL: Well, part
13 of my bill is -- and you know, the
14 information is available on the USDA, unless
15 it's been scrubbed.

16 But the bill says that each school has
17 to have an adoption policy and report how
18 many are being adopted each year. And, you
19 know, I've been told there's no way of
20 tracking. Also people don't know where to go
21 to obtain these animals.

22 MR. TEYAN: So -- looks like we're out
23 of time. But I'm happy to follow up about
24 existing pathways. Thank you.

1 CHAIRMAN PRETLOW: Thank you.

2 Assemblyman Slater.

3 ASSEMBLYMAN SLATER: Thank you very
4 much.

5 My question is in regard to that --
6 Mr. Arnold. Thank you for being here, and
7 thank you for your service and the great work
8 that you're doing on behalf of military
9 families.

10 Could you explain the distinction
11 between temporary licensing accommodations
12 and the compact, particularly regarding
13 New York residents stationed in other states?

14 MR. ARNOLD: So --

15 ASSEMBLYMAN SLATER: You have to turn
16 your microphone on. There it is.

17 MR. ARNOLD: You know, while temporary
18 licenses provide short-term relief, they
19 don't help nurses obtain licenses in other
20 states.

21 So the department pursues a variety of
22 approaches to reciprocity simultaneously.
23 Our ask is that a state issue that state
24 license within 30 days, immediately. In the

1 near term we want to make those licensing
2 practices accessible so that military
3 families transitioning to states with
4 different regulatory models know where they
5 need to go to obtain their license, exactly
6 what documentation is required, and how to
7 fulfill that process.

8 But our optimum end-state are those
9 interstate compacts. Because if you're going
10 from a compact to a compact state, there's
11 nothing you need to do. Your license is good
12 to go.

13 ASSEMBLYMAN SLATER: Just making that
14 transition that much easier.

15 How does the compact specifically
16 benefit Guard and Reserve components,
17 especially during interstate emergency
18 response situations?

19 MR. ARNOLD: Well, Assemblyman, first,
20 thank you for your military service with the
21 United States Navy, of course. But go Army,
22 beat Navy!

23 (Laughter.)

24 ASSEMBLYMAN SLATER: Don't forget who

1 won this year.

2 (Laughter.)

3 MR. ARNOLD: So compacts, in addition
4 to benefiting military spouses, benefit all
5 practitioners of the occupation. So whether
6 that's civilians, Reserve and Guard component
7 members, Reserve and Guard component spouses.
8 And, you know, in a disaster-relief scenario,
9 certainly having the ability for individuals
10 to work across state lines is valuable.

11 So New Jersey's a member of the
12 compact, Pennsylvania's a member of the
13 compact, Massachusetts is a member of the
14 compact, Connecticut's a member of the
15 compact, Vermont is a member of the compact.
16 You know, those states could have
17 emergencies. You know, New Yorkers could be
18 looking to work there.

19 The licensing requirements are the
20 same in all 50 states, and they're the same
21 as the compact licensing requirements. So
22 functionally all you're doing is making
23 New Yorkers pay for an extra license to go
24 work in that other state.

1 And that explains the differential
2 between the number of licenses issued and the
3 number of people employed, as a lot of those
4 licenses go to people who are traveling to
5 work in other states.

6 ASSEMBLYMAN SLATER: Understood.

7 And in my remaining time could you
8 just quickly discuss the department's
9 research on retention rates among
10 servicemembers whose spouses face licensing
11 barriers versus those states in the compact,
12 in 10 seconds or less?

13 (Laughter.)

14 MR. ARNOLD: Sure. I submitted fairly
15 detailed written testimony on that, and I'll
16 certainly follow up with you or your staff.

17 ASSEMBLYMAN SLATER: Thank you very
18 much. Appreciate it.

19 CHAIRMAN PRETLOW: Assemblyman Maher.

20 ASSEMBLYMAN MAHER: Thank you so much,
21 all of you, for being here and for your
22 testimony.

23 I know that there is a lot of issues
24 being given in a variety of medical fields.

1 We had a very in-depth conversation with a
2 bunch of our local dentist offices, and there
3 was a lot of talk about being able to have
4 some temporary license issued so that folks
5 can start to work.

6 What has been your experience with
7 that, and I know some of it probably is some
8 legislation that needs to get created. And
9 how much of an impact would that make?

10 MR. ARNOLD: Assemblyman, if that
11 question is addressed to DOD -- and again,
12 thank you for your service with the United
13 States Navy as well. But I'm going to have
14 to say, you know, Go Army, beat Navy.

15 The Dentistry and Dental Hygienist
16 Compact is one of the 10 compacts that DOD
17 has developed with the Council of State
18 Governments. In 2023 the federal government
19 took action to require states to recognize
20 licenses issued by other states.

21 However, license recognition doesn't
22 automatically represent a license in that
23 state. And while the states are required to
24 recognize it, employers are not. Right? So

1 employers want you to have the New York State
2 license.

3 So what the Secretary of State's
4 office has taken to doing, as well as the
5 Office of the Professions, is issuing you,
6 you know, a courtesy permit while you're here
7 in New York State. If you present a copy of
8 your military orders, it's good for the
9 duration of your military orders. And we
10 like that a lot.

11 But what that does not do is help, you
12 know, New Yorkers who are dentists serving in
13 other states obtain the license. So the
14 compact is the only way you're going to be
15 able to get after that.

16 And what it also doesn't do is provide
17 you with oversight. So for example, the
18 compact uses the Nursys database system. So
19 if you were to join the compact, you know,
20 the New York State Office of Professions
21 would maintain full access and control and
22 complete authority over your own data, but
23 also get information from all the other
24 states. So if another state suspends a

1 license, that information is immediately
2 available to all states.

3 So that would enhance New York's
4 oversight and provide additional tools for
5 tracking nursing, dentistry, social work,
6 psychology, all the compact occupations
7 across state lines, and that's particularly
8 important for military families who practice
9 in multiple jurisdictions.

10 ASSEMBLYMAN MAHER: Thank you.
11 Appreciate that.

12 CHAIRMAN PRETLOW: Assemblyman Ra.

13 ASSEMBLYMAN RA: Thank you.

14 Dr. Pipia, we talked a little bit with
15 the commissioner earlier about the Medical
16 Indemnity Fund. Obviously, you know, the
17 society has had concerns about malpractice
18 costs in New York State both in terms of just
19 driving up costs and losing providers.

20 So I know that additional monies were
21 put in last year because, you know, it
22 basically hit a circuit breaker and we're
23 back to that lower amount.

24 Are you aware of any other measures

1 that have been put in place to help deal with
2 that issue that doctors in New York are
3 struggling with?

4 DR. PIPIA: Through physicians, we
5 would always -- we've advocated and certainly
6 the 40 years that I've been in organized
7 medicine, we've always tried to get that the
8 malpractice would have a cap. That's not
9 happening in New York, and it's not going to
10 change.

11 So the extra million-dollar layer of
12 coverage -- and you have to have 1.3 million
13 to even qualify for the second million-dollar
14 layer of coverage -- it's not conscionable
15 for us, in our opinion, for us to pay
16 50 percent of that without any kind of
17 effective -- you know, New York State has the
18 highest per-capita payments in malpractice
19 claims than any other state.

20 The next nearest state to us is
21 Pennsylvania, and all the way down the line
22 is California. Which is a much bigger state
23 than us, but we pay much higher rates.

24 ASSEMBLYMAN RA: Okay. And -- I mean,

1 what are you seeing in terms of the trends of
2 doctors either studying here in the state
3 because of those costs or just closing up
4 shop here because of those costs?

5 DR. PIPIA: So we trained -- New York
6 State trains 15 percent of all the physicians
7 in the country when it comes to the
8 residencies.

9 And they don't stay here, they leave
10 and go to other states because it's better
11 for them in other states -- less hassle, more
12 ability to get paid, and less malpractice
13 cost. So that's why they leave. At least
14 that's our opinion.

15 ASSEMBLYMAN RA: Thank you.

16 CHAIRMAN PRETLOW: Assemblyman
17 Jacobson.

18 ASSEMBLYMAN JACOBSON: Thank you.

19 To the gentleman from the Medical
20 Society. What's the percentage of successful
21 malpractice cases, medical malpractice cases?

22 DR. PIPIA: Okay, I know that
23 malpractice cases don't -- are not always
24 successful. On the side, if that's your

1 case, I don't know the exact number. We can
2 get back to you with that number.

3 But the thing is this. There are
4 many, many malpractice cases. You only have
5 to watch TV to see: "Sue the doctor and if
6 you don't get paid, we won't charge you."

7 ASSEMBLYMAN JACOBSON: But in reality
8 there might be a lot of cases. But
9 successful ones are far and few between,
10 isn't that true?

11 DR. PIPIA: I think you need to also
12 add into it the amount of time of the
13 physician, the demoralization of the
14 physician from being sued, and all the other
15 stuff that goes into defending those cases is
16 a big waste of time for all the physicians,
17 and a lot of anxiety and a lot of reasons why
18 they leave New York State because of the
19 malpractice issues.

20 ASSEMBLYMAN JACOBSON: It might be a
21 waste of time, but wouldn't you agree that
22 successful malpractice cases have changed the
23 practice of medicine so that there's less
24 problems in the future?

1 DR. PIPIA: I would tell you that more
2 people will leave New York State when they
3 hear about the doctors that are getting sued
4 for -- when they try to help patients out,
5 rather than medical mistakes.

6 We've asked for many, many years to
7 have medical courts where, if there is an
8 adverse reaction, that the person gets
9 compensated. What really happens now, it
10 goes into a legal system where the attorney
11 who successfully does the case gets one-third
12 of the compensation to the victim or to the
13 patient who was wronged.

14 ASSEMBLYMAN JACOBSON: I just know
15 that it's very difficult, there's so many
16 exceptions. You go to a hospital and you get
17 infected because it's one big petri dish, and
18 that causes many complications of your
19 surgery, and you can't sue because it's
20 supposed to be an assumption of risk for that
21 kind of problem.

22 DR. PIPIA: I will tell you that the
23 Joint Commission, which regulates all the
24 hospitals, has -- one of their safety goals

1 for the past couple of years is infection
2 control, hand washing and all the stuff that
3 goes along with that.

4 They are trying to do that. There are
5 a lot of patients that get infected in a
6 hospital, but we have done everything that we
7 can to try and eliminate that from happening.

8 ASSEMBLYMAN JACOBSON: I hope so.

9 That's all my questions. Thank you.

10 CHAIRWOMAN KRUEGER: Okay. Now I
11 think we have covered everyone's questions,
12 so thank you very much for being with us
13 today. Appreciate it.

14 And I'm going to excuse you --

15 PANEL MEMBER: Thank you.

16 CHAIRWOMAN KRUEGER: -- and ask the
17 next panel to come up.

18 So it's Panel E. We need five chairs
19 again, for whoever's handling chairs. Agency
20 for Children's Therapy Services;
21 The Children's Agenda; New York State
22 Association of Behavior Analysis; Alliance of
23 New York State YMCAs; and New York Water
24 Safety Coalition.

1 Okay, children, behavior, and water.

2 It seems like a good combination.

3 Again, what I'm going to ask is we're
4 going to start from my right, your left;
5 you're each going to introduce yourself so
6 that the folks in the audio booth know which
7 name to put under which face. So if you'd
8 please.

9 DR. GROSSFELD: Thank you. My name is
10 Dr. Michael L. Grossfeld. I'm the president
11 of Agencies for Children's Therapy Services,
12 ACTS.

13 MS. O'GRADY: I'm Maureen O'Grady.
14 I'm a licensed behavior analyst, and I'm
15 speaking on behalf of the New York State
16 Association for Behavior Analysis.

17 MR. SPIERS: I'm Jim Spiers, and I'm
18 here with New York Water Safety Coalition.

19 MS. HURLEY: I'm Brigit Hurley, with
20 The Children's Agenda and the Kids Can't Wait
21 Campaign.

22 MS. COLLINS: I'm Maggie Collins. I'm
23 with the Alliance of New York State YMCAs.

24 CHAIRWOMAN KRUEGER: Great, thank you.

1 And we can start, again to my right.

2 Yes, please.

3 DR. GROSSFELD: ACTS, the Agencies for
4 Children's Therapy Services, provides the
5 majority of Early Intervention services in
6 New York State, to approximately 30,000
7 children.

8 My message today is that the EI system
9 is past its breaking point. The Comptroller,
10 in 2023, issued a report indicating that 51
11 percent of the children in the EI system did
12 not receive their full complement of eligible
13 services. Three thousand children did not
14 get any services at all. And 15 percent
15 received no evaluations.

16 Currently there are 10,000 children on
17 a waiting list, which is a 500 percent
18 increase since 2020.

19 The New York State Association --
20 NYSACHO indicated that provider shortages
21 have worsened significantly since the
22 Comptroller issued his report. The question
23 is why is this happening.

24 Primarily, it's inadequate

1 reimbursement. For the last 29 years,
2 there's been a 15 percent reduction in rates
3 in the EI system. Inflation has increased on
4 a linear basis 70 percent over the 29 years,
5 and on a compounded basis, 160 percent. Yet
6 there's been a reduction in the rates of EI
7 services. It's very difficult to keep people
8 in an industry under those circumstances.

9 Our competing programs -- preschool
10 services, for example, has provided a
11 17.5 percent to their providers, and many of
12 our providers who are pediatric specialists
13 work in that program.

14 They also work in hospitals, nursing
15 homes, and school districts because they can
16 obtain a living wage in those industries.

17 There's also been a proposal to cut
18 the telehealth rates by 22 percent. That
19 will reduce the number of children in rural
20 areas and hard-to-serve areas getting EI
21 services.

22 Also I'd like to thank Chairman Paulin
23 for sponsoring the Covered Lives Bill.
24 However, in the last three years, \$30 million

1 has not been distributed to the counties.
2 The counties use some of those monies to hire
3 staff to put referrals into the system so
4 that EI children can be seen by providers for
5 diagnosis and treatment.

6 On October 15, 2024, a date everybody
7 in EI will never forget, the EI Hub system
8 went live. Unfortunately, as probably
9 everybody knows, there's significant software
10 errors and inefficiencies in the system.
11 That has caused a number of referrals not to
12 get entered into the system and a number of
13 children not to be treated because of the
14 software issues that are being worked out,
15 that are -- we're trying to work with the
16 Department of Health and PCG to work those
17 out.

18 This has all resulted in the fact that
19 New York State is fiftieth of 50 states in
20 providing timely services to EI children for
21 both evaluations and treatment.

22 CHAIRWOMAN KRUEGER: Thank you.

23 Next?

24 MS. O'GRADY: Hello. I would like to

1 thank you all for your unwavering support of
2 behavior analysis and for insisting that the
3 Medicaid program provide coverage for ABA to
4 all children and adults with mental health
5 diagnoses.

6 Families have been waiting close to
7 10 years for Medicaid-funded ABA. I don't
8 need to guess what those 10 years looked like
9 for these children and their families,
10 because I work with them every day in foster
11 care and prevention services. I'm honored to
12 share their experiences with you as you
13 decide whether to accept or reject
14 Governor Hochul's cut to Medicaid-funded ABA.

15 Children who live in poverty and are
16 on Medicaid are far less likely to be
17 diagnosed early in life and therefore miss
18 the crucial Early Intervention window, which
19 prior to this coverage was their only
20 opportunity to access ABA.

21 These families are less likely to be
22 zoned for schools with the resources to
23 support children with complex behavioral
24 needs. Without the support in school or at

1 home, these children continue to grow into
2 teenagers and adults with serious and
3 sometimes dangerous behavioral challenges,
4 which demand much more intensive support.

5 Caregivers left with no other options
6 bring their children to the emergency room
7 during behavioral crises. This process can
8 be traumatizing and sometimes dangerous.
9 Families spend hours in the ER with no
10 answers and no long-term solutions, just for
11 the cycle to repeat itself the next time
12 there is a behavior that the caregiver feels
13 powerless against.

14 Unfortunately this pattern often leads
15 to involvement in child welfare and juvenile
16 justice systems for these already vulnerable
17 individuals.

18 Earlier today Commissioner McDonald
19 justified the cut to ABA by stating it aligns
20 New York with other Medicaid programs who
21 reimburse unlicensed personnel at a lower
22 rate than licensed behavioral analysts.
23 While this sounds like a simple reduction for
24 the unlicensed personnel, it also has an

1 effect on the licensed behavior analyst's
2 rate, because New York uses a blended rate.

3 The initial Medicaid rate for this
4 coverage was too low and did not attract
5 providers, so in 2023 DOH increased the
6 Medicaid rate for ABA and did so by using a
7 blended rate of \$76 across all service codes.
8 The enhanced rate is necessary because it
9 offsets the cost of the licensed behavior
10 analyst. If you approve this reduction, you
11 will be approving the lowest ABA rate in the
12 country.

13 A change in the unlicensed personnel
14 rate but not in the LBA rate demonstrates a
15 misunderstanding of the delivery of ABA
16 services and will likely result in a loss of
17 participation of behavior analysts in the
18 Medicaid program, which is what we saw when
19 the rate was substantially low upon its
20 implementation.

21 ABA is a cost-saving, preventative
22 intervention to keep children, adolescents
23 and adults in less-restrictive settings,
24 which significantly reduces the financial

1 burden on the state. In 2021, this
2 Legislature guaranteed that coverage. Now
3 children with autism are receiving services
4 but many are still waiting, including adults
5 with autism and children and adults with
6 other mental health diagnoses.

7 The assumption that the Medicaid
8 program is spending too much on ABA is not
9 the fault of children and adults with
10 neurodevelopmental differences, and they
11 shouldn't have to bear the brunt of poor
12 budgeting.

13 Thank you.

14 CHAIRWOMAN KRUEGER: Thank you.

15 Next?

16 MR. SPIERS: Hi. I'm Jim Spiers, an
17 executive founding member of the New York
18 Water Safety Coalition. Our coalition is
19 made up of aquatics organizations, private
20 swim schools, and advocates. It is committed
21 to reducing drowning rates in New York State.

22 There is a drowning crisis. Drowning
23 is the leading cause of death for children
24 ages 1 through 4. It's the second-leading

1 cause of unintentional death for children 5
2 through 14, after car crashes.

3 Four thousand deaths and 8,000
4 non-fatal drownings occur annually in the
5 U.S. Racial disparities are severe. Black
6 children 5 to 9 drown at 2.6 times the rate
7 of white children. Black children 10 to 14
8 drown at 3.6 times the rate of white
9 children, and in pools, 7.6 percent higher
10 than other children. People with
11 disabilities and special needs and medical
12 conditions face even a higher risk.

13 I am here because drowning is
14 everywhere, a crisis not widely acknowledged
15 or known about. We've supported key
16 legislation to raise awareness and access:
17 The 2023 hospital video law, by Senator Webb
18 and Assemblymember Pheffer Amato; the 2024
19 Department of Health public awareness
20 campaign with now-Representative Mannion and
21 Assemblymember Reyes.

22 And there's pending legislation to
23 require schools to share local swim
24 instruction options, which is based on

1 Every Child a Swimmer, out of Florida.

2 We support the Governor's budget. We
3 applaud the Governor for prioritizing water
4 safety with key investments: 5 million for a
5 new voucher program to provide free swimming
6 lessons for children under 4 -- which the
7 New York Water Safety Coalition is very proud
8 of bringing the idea of the voucher program
9 to the Governor; \$50 million for NY Swims
10 grants to build and renovate pools in
11 unserved areas; 3.5 million for Connect Kids
12 transportation to help kids access lessons.

13 What more can be done? We can expand
14 the voucher program to cover all providers,
15 public, private and nonprofit, to create more
16 access to swimming lessons. This can be done
17 by expanding the number of facilities and
18 educators for lessons by including all swim
19 providers and leveraging all available
20 resources: Public pools, nonprofits, and
21 private companies and philanthropy.

22 Formal swim lessons reduce the risk of
23 drowning by 88 percent, the most effective
24 prevention measure. This is a preventable

1 crisis. We must act and work together, each
2 and every one of us, as part of a solution to
3 save lives.

4 I look forward to any questions.

5 CHAIRWOMAN KRUEGER: Thank you.

6 Next.

7 MS. HURLEY: Thank you for this
8 opportunity to speak with you today.

9 I'd like to start with two questions.
10 One, as was raised earlier, is why is
11 New York State 50th in the nation for timely
12 delivery of Early Intervention services? In
13 fact, it's 56th if you include the U.S.
14 Territories.

15 Second, what can you do about it?

16 So the answer to the first question is
17 that infants and toddlers with developmental
18 delays and disabilities in need of therapy
19 and services to gain the skills that we all
20 look for in our own children, our
21 grandchildren, our nieces and nephews. But
22 when they're deemed in need of those
23 services, there's no one available.

24 They undergo an evaluation, a therapy

1 plan is developed, and yet there is no
2 provider. And the reason -- again, as stated
3 earlier -- is that physical therapists,
4 occupational therapists, nutritional
5 specialists, teachers of the deaf and blind,
6 are leaving because they can't afford their
7 mortgage payments and their student loan
8 payments and their groceries and all that
9 their own families need.

10 We did an analysis of the 30 years of
11 EI rates, including all the different regions
12 and different disciplines within EI, and
13 varying rates, and that shows that not only
14 have EI reimbursement rates not kept up with
15 inflation but they would need to be raised
16 about 140 percent just to get to the point
17 where they are keeping up with inflation.

18 So this is not news. Those of you who
19 have been on this committee for a while have
20 heard us talk about this before. And as the
21 budget cycles come and go, families and
22 providers are really losing hope of any
23 change. This past year was particularly
24 disheartening.

1 So we were all grateful when the last
2 year's budget had a 5 percent rate increase.
3 Ten months later, there is no increase. We
4 were all grateful for the 4 percent rate
5 modifier that was in the budget; in this
6 year's Executive Budget there's no mention of
7 the 4 percent rate modifier.

8 We believe the best solution is a
9 long-term comprehensive look at the
10 Early Intervention system to answer the
11 question of why is New York's system failing
12 so badly.

13 We're very supportive of the reform
14 bill introduced again this year by
15 Assemblymember Paulin and Senator Rivera, and
16 it's important that those bills are in the
17 budget. They need to have funding attached.
18 We estimate about a million dollars would be
19 sufficient. So I ask you to support that
20 bill. I ask you to support the kids and
21 families who have been waiting a long time.

22 CHAIRWOMAN KRUEGER: Thank you.

23 And next?

24 MS. COLLINS: Good afternoon. Thank

1 you for the opportunity to testify today. My
2 name is Maggie Collins. I'm the director of
3 public policy at the Alliance of New York
4 State YMCAs. The alliance represents the 35
5 YMCA associations and 140 branches across the
6 state.

7 YMCAs work tirelessly in communities
8 every day to provide critical programs and
9 services that support holistic health and
10 well-being. Embedded in New York State
11 communities, YMCAs serve youth, families and
12 older adults with a range of programs and
13 services, from early childhood education and
14 after-school programs to chronic disease
15 prevention and mental health initiatives.

16 In the Executive Budget proposal we
17 were grateful for the NY BRICKS, NY PLAYS,
18 and NY SWIMS proposals, which will help to
19 strengthen nonprofit infrastructure and drive
20 youth towards positive activities like youth
21 sports, arts programs, civic engagement, and
22 community building. Investments like these
23 are in alignment with the YMCAs' mission of
24 creating healthier, more connected

1 communities.

2 I would like to highlight two key
3 funding priorities for your consideration.

4 The first is a \$5 million line item in
5 funding for the New York State YMCA
6 Foundation. This funding will ensure YMCAs
7 across the state can continue delivering
8 high-quality programs that improve health
9 outcomes, support youth development, and
10 provide safe spaces for families to thrive.

11 The second is maintenance of the NY
12 SWIMS provisions in the Governor's proposed
13 budget. We appreciate the continued
14 commitment to expanding access to safe
15 swimming opportunities, water safety
16 opportunities, and shoring up the lifeguard
17 workforce.

18 We are grateful that this year's
19 proposal includes nonprofits as eligible
20 entities as well as an additional \$15 million
21 investment. YMCAs have long been at the
22 forefront of drowning prevention and water
23 safety education. This investment will allow
24 us to expand this lifesaving work alongside

1 our partners, which have been highlighted by
2 my fellow panelists.

3 As we discuss health funding, we must
4 recognize that health is holistic. True
5 well-being isn't just about treating illness,
6 it's about prevention, access and support at
7 every state of life. YMCAs provide
8 evidence-based chronic disease prevention
9 programs, combat social isolation among older
10 adults, and offer mental health resources
11 that are more essential now than ever.

12 We urge the Legislature to continue
13 investing in whole-person health by
14 supporting funding that empowers YMCAs and
15 CBOs and nonprofits to deliver lasting
16 community impact.

17 Thank you for your time and for your
18 consideration. We look forward to continuing
19 to work together to build a healthier and
20 stronger New York.

21 (Pause.)

22 CHAIRWOMAN KRUEGER: Senator
23 Gustavo -- oh, I'm sorry. Senator Webb,
24 you're ready.

1 SENATOR WEBB: Thank you all for being
2 here.

3 I wanted to go to Michael, your
4 testimony with regard to Early Intervention.
5 So I've tried to get this in earlier when the
6 commissioner was here, but I've
7 experienced -- in my districts I represent
8 the standard Southern Tier, so I cover
9 Broome, Cortland and Tompkins counties.

10 And one of the things that keeps
11 coming up from my constituents is they
12 haven't received any payment with regards to
13 Early Intervention. And even with the new
14 system transition, there's still a lot of
15 folks that haven't been able to make that
16 transition.

17 And so I was hoping you could kind of
18 elaborate on what are some communities in the
19 state that you've seen that have been
20 successful in getting access to EI. Like
21 what are some of the things that we should
22 look at as a Legislature to try to expedite
23 this important resource?

24 DR. GROSSFELD: Unfortunately the

1 answer is not a good answer. There isn't a
2 model county because it's a reimbursement
3 program that's statewide in all the regions.
4 Not receiving the 5 percent increase that we
5 were promised that -- I want to thank the
6 Legislature for passing an 11 percent
7 request, and it was -- you know, it finally
8 became a 5 percent request after
9 negotiations.

10 That has, you know, hurt a number of
11 agencies that were looking for that
12 5 percent. Also, when EI Hub went live
13 October 15, 2024, the payments were reduced,
14 were delayed to most if not all EI providers
15 in the State of New York.

16 We're recovering from that, and the
17 Department of Health did set up a shortage
18 system so they were paying shortage payments
19 about a month after that happened. But
20 between the shortage of payments and the lack
21 of getting the 5 percent, unfortunately some
22 providers were not getting paid because some
23 agencies couldn't make payroll.

24 SENATOR WEBB: Thank you.

1 And then my last question is for you,
2 James, with regards to the statistics that
3 you shared. I know we passed a bill a couple
4 of years ago -- it was actually legislation I
5 helped to champion -- with regards to
6 implementing safety measures for new parents.

7 Have you received any updates with
8 regards to that video being shared with
9 parents in the state?

10 MR. SPIERS: We have been working with
11 DOH on the video bill. It has been two
12 years. It has not yet been produced. It has
13 not yet been put out. It was -- it's a year
14 late. We have been talking with them, but we
15 have no answer as to when that will actually
16 happen.

17 SENATOR WEBB: Have you been given a
18 reason why there's a delay?

19 MR. SPIERS: The main reasons I guess
20 was originally we gave them the video and
21 they decided they wanted --

22 CHAIRWOMAN KRUEGER: You'll have to
23 hold the rest of that answer.

24 SENATOR WEBB: Thank you.

1 CHAIRMAN PRETLOW: Assemblyman Jensen.

2 ASSEMBLYMAN JENSEN: Thank you,
3 Mr. Chairman.

4 This is my fifth year in the state
5 Assembly, and I can say that the most
6 frustrating thing about my time in state
7 government -- which, as a minority party
8 member, there's quite a few --

9 (Laughter.)

10 ASSEMBLYMAN JENSEN: But the single
11 most frustrating thing has been the state's
12 journey with Early Intervention. I think
13 that predates my service.

14 Some of my colleagues know, some of
15 the panelists know I didn't talk until I was
16 five years old. My son needed speech
17 interventions. And every year at this time,
18 and for the next couple of months, we get
19 into a conversation that is like Groundhog
20 Day. The Legislature fights to add more
21 money from the Governor's proposal. It's not
22 quite enough, but we're still doing good. We
23 understand that there's an issue with a lack
24 of providers.

1 And I was supposed to be using this
2 time to not pontificate but to ask a
3 question. And my question, not just for the
4 panelists, is at what point as a state
5 government do we have to say, Listen, in the
6 current system, in the infrastructure that we
7 have Early Intervention set up, are we ever
8 going to be able to nickel-and-dime and
9 piecemeal our way out of this?

10 And at what point do we have to really
11 do a hard thing, which politicians don't like
12 to do, and fundamentally change the nature of
13 Early Intervention delivery in New York
14 State? Is it expanding the public education
15 system so that it can be delivered in the
16 same way that special education is? Is it
17 going to be trying to not make it divided
18 from other delivery systems?

19 At what point do we have to say we're
20 tired of being stuck in the muck and failing
21 to give children a solid foundation for
22 lifelong learning and lifelong success
23 because it's too hard of a thing to figure
24 out -- when we fail generations of children?

1 I guess I had a question there
2 somewhere. But ...

3 MS. HURLEY: The time is now, and I
4 think the avenue to that is the bill, the
5 EI reform, slash, study bill. Because at
6 least then it would give us the opportunity
7 and the mandate to take a look at what is
8 working in other states.

9 Perhaps it is a transfer to the
10 Department of Education. Perhaps it's
11 changing some regulations. Perhaps it's --
12 there's different models. There's -- there
13 are things that are working, and we need to
14 take a look at that.

15 ASSEMBLYMAN JENSEN: Thank you.

16 CHAIRWOMAN KRUEGER: {Mic off;
17 inaudible.}

18 CHAIRMAN PRETLOW: Assemblywoman
19 Giglio.

20 ASSEMBLYWOMAN GIGLIO: Yes, thank you
21 all for being here today.

22 And YMCA and water, I love the two
23 that you're at the same dais, because it is
24 very important that every child in the State

1 of New York learn how to swim. Especially on
2 Long Island, we're surrounded by water, so
3 thank you for that.

4 Now, to the Early Intervention and the
5 telehealth, with 22 percent cuts downstate,
6 10 percent cuts upstate, I mean, I don't
7 think anybody realizes how important
8 telehealth is when it comes to these
9 services, especially in rural areas, areas
10 that are hard to reach, areas of high crime.
11 You know, they're hard to access. So the
12 telehealth is a perfect way to be able to
13 have parents work with children themselves so
14 that they can teach their parents the skills
15 that they need so that they can fully
16 develop.

17 So the plan to cut these services
18 January 1, 2025 -- a lot of people are
19 stepping away from the telehealth because of
20 the fact that they would have to pay back
21 that 22 percent or that 10 percent if
22 providing those services.

23 I just -- I want to hear from you a
24 little bit more about the importance of the

1 telehealth and the Early Intervention and the
2 rollout of the EI Hub. And why providers are
3 pulling away. Is it because they don't love
4 what they do? Or is it because they're not
5 getting paid and they're not getting their
6 5 percent increase?

7 DR. GROSSFELD: Yup. There's a
8 segment of children in Early Intervention
9 that are appropriate for telehealth for both
10 in rural areas and in hard-to-serve areas,
11 and they just won't get services because with
12 a 22 percent cut and a 10 percent cut
13 upstate, below the current rates without the
14 5 percent increase, therapists are going to
15 walk away.

16 Some agencies reduced their rates
17 already, and therapists left. So it's a
18 proven entity, they won't work for that rate.

19 And in terms of EI Hub, when it was
20 rolled out on the live day it was -- there
21 were just so many software inefficiencies and
22 errors that it really disrupted the EI
23 system. Since then, ACTS has been meeting
24 weekly, sometimes twice a week, once a week

1 with the Department of Health and PCG, and
2 there has been some progress, to be fair.
3 But it's going to take a lot more work and a
4 lot more software development to fix what
5 needs to be fixed in order to make it an
6 efficient system again.

7 ASSEMBLYWOMAN GIGLIO: Yeah. I mean,
8 there are many providers that have said that
9 they haven't gotten a check since October.
10 And they've gotten a third of what they're
11 due. And a lot of the errors that are coming
12 up. And the new authorization numbers that
13 are created every time an IFSB has to be
14 changed because the service is given or taken
15 away. It's just -- it's become very
16 complicated.

17 So anybody else want to talk about the
18 complications of EI Hub?

19 MS. HURLEY: I'm sorry, I was going to
20 address your earlier point, but the EI Hub
21 absolutely has been a huge issue. And it's
22 the last thing we need when we're already
23 experiencing the shortage of providers.

24 But in terms of the telehealth, you

1 know, EI is a federally mandated service.
2 Every child who's deemed eligible has a right
3 to the service. And we believe that every
4 family should work with the professionals
5 involved to determine the best delivery
6 method, so both need to be available.

7 ASSEMBLYWOMAN GIGLIO: Thank you.

8 CHAIRMAN PRETLOW: Assemblyman Maher.

9 ASSEMBLYMAN MAHER: Thank you all for
10 being here. Thank you for the work you're
11 doing on the ground.

12 This is my first year on the
13 Health Committee, and I really appreciate you
14 being here. I hope to be able to sidebar
15 with all of you so you can educate me in a
16 proper way so that I can advocate.

17 Hearing some of the statistics,
18 fiftieth out of 50 states in New York for
19 Early Intervention, 10,000 kids on a waiting
20 list, horrifying to hear, really, honestly.

21 And in our districts -- in my
22 district, the 101st, we had a young girl who
23 was having an issue dealing with a variety of
24 issues that she needed services for, was

1 becoming violent with her parent. The parent
2 didn't understand how to do equip herself,
3 called the police. The police came, went to
4 the hospital, the hospital kept her seven
5 days, left again because there was no
6 long-term facility beds available.

7 We were introduced to the family and I
8 was introduced to the system in a very real
9 way. And the worst part of this was after
10 talking to other police departments in other
11 communities, it's a regular occurring thing.

12 So as much as I've heard some
13 statistics on, you know, general early
14 intervention, I would love your assistance --
15 and if you can't now, maybe later --
16 quantifying how much of an issue those
17 long-term facilities and those services that
18 are necessary for those specific illnesses
19 that exist. In this space, what is that
20 like? And how do we overcome that? And how
21 do we quantify that?

22 MS. O'GRADY: So particularly from my
23 clients -- so I work with children in foster
24 care and prevention. I work at

1 New Alternatives for Children, which is a
2 child welfare agency in New York City. And
3 there are countless experiences of families
4 who do not understand how to manage
5 behaviors.

6 And for a very long time in our state,
7 licensed behavior analysts could only work
8 with individuals who have autism. But
9 luckily, with a lot of work, we changed our
10 scope and we're able to work with children
11 who do and do not have autism, which is
12 wonderful.

13 But now the funding that provides that
14 coverage for these sets of individuals,
15 Medicaid funding, is proposed to be reduced.
16 And, you know, I heard the rationale earlier
17 for reducing that rate, because the
18 unlicensed personnel -- who we call behavior
19 technicians -- get reimbursed at a lower rate
20 across other states. Which is true, but they
21 get reimbursed at a lower rate because the
22 licensed behavior analyst is being reimbursed
23 at a higher rate.

24 So it only makes sense, if we decrease

1 the behavior technician rate or the
2 unlicensed personnel rate, if we increase the
3 LBA rate.

4 If we don't do that, then this access
5 to services, which is only being given to a
6 third of the population it was intended for
7 only children with autism. We are seriously
8 putting those people at a disadvantage when
9 they're already at a disadvantage. They
10 already don't have the services that they
11 need.

12 And being in a hospital who does not
13 have the staff who understand how to manage
14 those behaviors is not helpful.

15 ASSEMBLYMAN MAHER: Right. So I think
16 to end, I would say I would love to work with
17 you on quantifying that issue and seeing how
18 we can address some of the needs.

19 MS. O'GRADY: Great. Thank you.

20 CHAIRWOMAN KRUEGER: Thank you.

21 Assembly?

22 CHAIRMAN PRETLOW: No, that's it.

23 CHAIRWOMAN KRUEGER: Okay. Then I
24 want to thank you, we all want to thank you

1 very much for being with us here today and
2 testifying.

3 And we're going to ask Panel F to come
4 up: New York State Health Facilities
5 Association; the Center for Elder Law &
6 Justice; the Empire State Association of
7 Assisted Living; and VNS Health.

8 So, again, starting from my right,
9 first you're just going to introduce
10 yourselves so video knows what name to put
11 under what picture when you do testify.
12 Please.

13 MS. DeVRIES: Kristin DeVries,
14 director of government relations for the
15 New York State Health Facilities Association.

16 CHAIRWOMAN KRUEGER: Thank you.

17 Next.

18 MS. HECKLER: Lindsay Heckler, Center
19 for Elder Law & Justice.

20 CHAIRWOMAN KRUEGER: Thank you.

21 Next.

22 MR. VITALE: My name is Chris Vitale,
23 from the Empire State Association of Assisted
24 Living.

1 CHAIRWOMAN KRUEGER: Thank you.

2 And finally?

3 MR. LOWENSTEIN: Dan Lowenstein,
4 senior vice president of government affairs
5 for VNS Health.

6 CHAIRWOMAN KRUEGER: Thank you.

7 So now let's start with Kristin over
8 here to my right.

9 MS. DeVRIES: Thank you and good
10 afternoon.

11 I'd like to outline four proposals to
12 you that expand upon the Executive Budget and
13 support the long-term sustainability of
14 nursing homes and assisted living programs:
15 Increasing Medicaid reimbursement, restoring
16 prior capital rate cuts, amending the
17 reimbursement process for capital assets, and
18 authorizing medication aides in nursing
19 homes.

20 Regarding Medicaid reimbursement
21 rates, the state's average Medicaid rate only
22 covers 75 percent of the cost of care. That
23 is for both operating and capital costs.
24 Last year's increases were one-time only.

1 They do not get included in the ongoing
2 Medicaid base rate. Last year's budget also
3 cut capital reimbursement rates for nursing
4 homes by 10 percent, on top of a 5 percent
5 cut in 2020.

6 Many providers are also in the middle
7 of a three-year contract with 1199 that calls
8 for 6 percent pay increases for staff.

9 This year the Governor has proposed
10 \$385 million for nursing homes and
11 \$15 million for ALPs, which is unchanged from
12 last year. I urge you to invest in the
13 actual cost of Medicaid by supporting a full
14 20 percent Medicaid rate increase. This
15 would include an additional \$460 million
16 state share investment from what is proposed
17 in the Executive Budget for nursing homes and
18 an additional \$25 million state share for
19 ALPs.

20 Regarding aging infrastructure. The
21 capital component of the Medicaid rates
22 ensures that ongoing maintenance and upgrades
23 occur. It's also used to pay release and
24 sales taxes. Last year's enacted budget

1 reduced the ability of providers to make
2 needed capital investments, totaling a 15
3 percent capital cut over the past five years.

4 NYSHFA urges the Legislature to
5 restore this 15 percent, a \$41.1 million
6 state share investment.

7 Now for depreciation for proprietary
8 nursing homes, which is an allowable expense
9 under Medicaid. Currently the state doesn't
10 have a policy for ensuring critical
11 investments for proprietary nursing homes
12 when they're past their useful life of 40
13 years. However, voluntary nursing homes
14 receive depreciation reimbursement for their
15 capital cost investments past this time.

16 NYSHFA requests that the Legislature
17 amend current statute to authorize a uniform
18 policy for proprietary nursing homes that
19 mirrors those voluntary facilities.

20 Finally, I ask that you preserve the
21 Governor's proposal for certified medication
22 aides in nursing homes. With proper
23 certification and training, certified
24 medication aides in nursing homes would

1 improve efficiency and get nurses back to the
2 bedside, while offering a new career pathway.

3 In summary, these four proposals would
4 allow for a more thoughtful approach to
5 funding nursing homes and assisted living
6 programs that will strengthen the long-term
7 care sector for years to come.

8 Thank you.

9 MS. HECKLER: All right, hi. Lindsay
10 Heckler with the Center for Elder Law &
11 Justice. We are a legal services
12 organization out of Western New York. We
13 serve older adults and persons with
14 disabilities.

15 Our written testimony has our
16 positions on multiple areas and other items.
17 I'm here today to talk about something that
18 has never had a major focus in at least all
19 the budget discussions I've been a part of
20 since 2016: Increasing the personal needs
21 allowance for people who are actually living
22 in nursing homes.

23 The personal needs allowance is meant
24 to cover items and expenses that a resident

1 experiences in their day-to-day lives. That
2 amount is \$50 and was set back in the 1980s.
3 Fifty dollars.

4 So nursing homes are paid through the
5 Medicaid benefit to provide nursing services,
6 room, board, dietary services, basic personal
7 hygiene items. What nursing homes are not
8 paid to provide and what many residents do
9 not have is access to a private phone -- they
10 have to pay for their phone; a TV; streaming
11 services; internet; quality toiletries and
12 other items.

13 So picture this. All your life you've
14 worked hard, something happens to you in the
15 community, you go to the hospital, you go to
16 a nursing home for that short-term rehab
17 because it's not safe for you to go home yet
18 for a variety of reasons. All of a sudden
19 you exhaust your insurance coverage,
20 typically Medicare. You get moved to the
21 long-term-care wing of the nursing home.

22 Nursing homes are expensive. Your
23 money quickly runs out. Medicaid is paying
24 for your stay. All of a sudden, your income

1 goes from, say, \$2500 a month to 50. What
2 can you buy for \$50?

3 I ask each of you here, just think, if
4 your housing expenses were covered, you had
5 three meals a day covered, you had your
6 medical care covered. You're left with \$50.
7 Going to your favorite pizza restaurant?
8 Okay, you can spend it. But what if you need
9 new shoes, underwear, a winter coat when
10 you're going outside for your medical
11 appointments? You love to go to the theater
12 to watch your favorite musical? You have to
13 pay for that out of your \$50.

14 So in a state where we are focusing on
15 affordability and we have millions of dollars
16 that we are increasing funding to various
17 providers, including nursing homes, don't you
18 think it's time to allow the people who live
19 in nursing homes to have more of their
20 income?

21 So we're calling on the Legislature to
22 fight for people in nursing homes. Let them
23 keep \$200 a month of their income so that
24 they can have a direct say in their lives and

1 live with dignity while they are inside a
2 nursing home.

3 Thank you.

4 MR. VITALE: Good afternoon, committee
5 chairs, rankers and members here today. I'm
6 Chris Vitale, legislative coordinator for the
7 Empire State Association of Assisted Living,
8 or ESAAL. Thanks for having me here today.

9 ESAAL is a not-for-profit organization
10 representing 360 licensed adult care and
11 assisted living communities serving more than
12 35,000 frail seniors across New York State.
13 Our members care for people who pay privately
14 as well as those on SSI and/or Medicaid.

15 I know firsthand the challenges these
16 communities face, especially those serving
17 low-income seniors. After 25 years as an
18 assisted living owner and operator, I can
19 assure you our industry is the most
20 affordable, cost-effective and desirable
21 long-term-care solution for those needing
22 24/7 support.

23 Assisted living is the answer to
24 New York's rapidly aging population, yet --

1 again -- our industry is in crisis. Decades
2 of stagnant funding is driving closures at an
3 alarming rate. Displaced seniors end up in
4 costly nursing homes, burdening the state.

5 You have my full testimony, but I'll
6 highlight four urgent actions needed now.

7 Again, the budget proposes eliminating
8 the Enhancing the Quality of Adult Living, or
9 EQUAL, and Enriched Housing Subsidy programs.
10 EQUAL and Enriched Housing are both small
11 programs but vital state support needed for
12 frail, low-income residents.

13 Thank you also for restoring these
14 programs in the past, and we urge you to
15 restore them once again.

16 Moving on, the Medicaid-funded
17 Assisted Living Program. Reimbursement rates
18 remain way too low, unsustainable, stuck at
19 1992 levels despite decades of rising costs.
20 The 33-year-old ALP rate must be updated in
21 law from 1992 to 2025 to prevent future
22 closures.

23 Last year's temporary increase of
24 4 percent should be made permanent, with an

1 additional 16 percent now until rebasing can
2 take place. Please include ALP rebasing in
3 your one-house budget proposals.

4 Also implement the ALP needs
5 methodology now. ALP accessibility is a real
6 crisis in this state right now. The DOH has
7 had seven years to develop a needs
8 methodology, yet they're proposing another
9 one-year delay. This cost-saving program
10 should be quadrupled to meet current demand,
11 and we urge you to reject another delay and
12 compel the DOH to implement the methodology
13 and expand the ALP program now.

14 Lastly, expand the Special Needs
15 Assisted Living Residence voucher program.
16 This is a no-brainer. This program saves
17 Medicaid dollars by allowing seniors who have
18 Alzheimer's or dementia to stay in the
19 assisted living setting rather than moving
20 into expensive nursing homes. Demand is
21 rising, and we urge funding to be increased
22 from 7.75 million to 15 million to meet that
23 need.

24 In closing, thousands of seniors rely

1 on these services. This crisis is urgent.
2 Thank you, and I'm happy to answer any
3 questions you may have.

4 CHAIRWOMAN KRUEGER: {Mic off;
5 inaudible.}

6 MR. LOWENSTEIN: Okay. Hi, Dan
7 Lowenstein. I'm with VNS Health. We are the
8 largest not-for-profit home and
9 community-based healthcare organization in
10 the state, the largest hospice, the largest
11 CHHA -- and I'm going to talk about what a
12 CHHA is -- the largest not-for-profit MLTC.

13 My testimony has several requests,
14 including restoring and making permanent the
15 MLTC Quality Incentive Program. We hope the
16 Legislature will do that.

17 But I'm going to focus my remarks on
18 CHHA. CHHA, CHHA, CHHA. All right. What is
19 a CHHA, and what isn't a CHHA?

20 A CHHA is not CDPAP, it is not a
21 LHCSA, it is not just the aide services that
22 you get or the personal assistance services.
23 A CHHA is the skilled care -- the skilled
24 nursing and therapy care -- that comes

1 usually after a hospitalization. You can
2 think of it as like skilled rehab in the
3 home. In the home.

4 And that makes a big difference,
5 because the confusion often gets into policy,
6 which creates all sorts of problems there.
7 So CHHAs are an absolutely critical part of
8 the healthcare ecosystem.

9 Imagine this. You're in a hospital
10 bed, you're waiting to get discharged. Okay?
11 You just had bypass surgery. The doctor
12 orders CHHA services, the hospital starts
13 calling around. One CHHA says, We can't take
14 it. Another CHHA says they can't take it. A
15 day goes by. Another day. You're in the
16 hospital three, four days.

17 Finally you get tired of it. You
18 discharge yourself. You go home.
19 Everything's fine for a little while, then
20 you get an infection. Then you get a fever.
21 Then you call 911. Then you're back in the
22 hospital, right, when you've got sepsis.

23 This happens over and over and over
24 again. In fact, patients who are referred to

1 CHHAs who do not get the services are
2 one-third more likely to go back into the
3 hospital, 43 percent more likely to die -- to
4 die -- than patients that do get those
5 services, and it costs more, about \$2100 more
6 per patient overall.

7 These services are critical. And they
8 are declining rapidly. So across the state
9 there's been about a 25 percent decline in
10 the Medicare CHHA admissions. Medicaid, much
11 worse.

12 And I want to just clarify something.
13 I know Assemblymember Reyes asked the DOH
14 panel earlier, you know, what is going to be
15 done about this. And, you know, some of the
16 answer was that Medicare pays for it.
17 Medicare does pay for seniors, but it doesn't
18 pay for folks under 65. Medicaid pays for
19 those if they qualify for Medicaid. And
20 Medicaid does not -- Medicaid managed care is
21 not following this, and basically we're
22 getting about a third of what the Medicaid
23 fee-for-service system has through managed
24 care.

1 So what we're asking is not a
2 benchmark rate. We're asking for visibility
3 and transparency. Managed care needs to be
4 able to see what the Medicaid fee-for-service
5 system, EPS, the episodic payment system,
6 already pays, and which actually the Governor
7 put in her budget for permanency. So there's
8 no reason why managed care can't kind of see
9 and follow that in negotiations.

10 Thank you for your time.

11 CHAIRWOMAN KRUEGER: Senator Gustavo
12 Rivera, Health chair.

13 SENATOR RIVERA: There you go.

14 I want to actually -- Ms. Heckler,
15 tell me what we need to do to change that. I
16 believe that you might have spoken about this
17 during hearings before. But I do not recall
18 that the question was asked: What do we need
19 to do to as an administrative change, as a
20 statutory change? What needs to be done?
21 And what would be -- in your estimation, how
22 much would be necessary?

23 MS. HECKLER: And I did briefly
24 testify to this last year. Last year I also

1 put a lot of my time on supporting the EQUAL
2 program, so I'm glad that was raised to
3 support that.

4 There is a bill in the Assembly,
5 A2048, that would amend the Social Services
6 Law to increase the amount to \$200 a month
7 and include annual increases for -- based on
8 the Consumer Price Index. It would also --

9 SENATOR RIVERA: Does it have a Senate
10 version?

11 MS. HECKLER: It does not.

12 SENATOR RIVERA: Okay.

13 MS. HECKLER: It would also increase
14 the amount of money going to persons whose
15 income is only SSI. So their income drops to
16 \$30 from the federal SSI. Then the state
17 gives them \$25 to bring them up to 55. We
18 are also calling on the state to increase
19 that payment so they also hit that \$200
20 threshold.

21 So if you're looking at just with
22 Medicaid, that NAMI, if you're allowing
23 people to keep an additional \$1800 a year --
24 a year -- that's an additional \$1800 a year

1 that the Medicaid program is paying to the
2 nursing home. The NAMI offsets that. It's
3 not a lot of money.

4 SENATOR RIVERA: And how much -- do
5 you have a -- maybe it's in your testimony, I
6 didn't -- I'm going to bring it up now. But
7 do you have an amount that would be -- what
8 would that be for -- as a statewide cost?

9 MS. HECKLER: I unfortunately don't
10 have that because I don't have concrete data
11 from the Department of Health to show that.

12 SENATOR RIVERA: Oh, what a surprise
13 on that one.

14 MS. HECKLER: Yes.

15 SENATOR RIVERA: Shocking that you
16 just said that.

17 MS. HECKLER: Let's allow people to
18 keep another \$1800 so they have a whopping
19 \$2400 a year.

20 SENATOR RIVERA: Okay. Would you be
21 willing to work with our office to see if we
22 can come up at least with a -- you know, I'd
23 like to learn more about this. It's not
24 necessarily something that is top of my head,

1 but it seems to be a little bit egregious,
2 so.

3 MS. HECKLER: Yes, of course. Thank
4 you.

5 SENATOR RIVERA: All right, thank you.
6 That's it, Madam Chair.

7 CHAIRWOMAN KRUEGER: Assembly.

8 CHAIRMAN PRETLOW: Assemblyman Weprin.

9 ASSEMBLYMAN WEPRIN: Thank you,
10 Mr. Chair.

11 My question is going to be to
12 Kristin DeVries from the New York State
13 Health Facilities Association.

14 In your testimony you reference the
15 Governor's proposal to authorize specially
16 trained certified nurse aides, or CNAs, to
17 work in nursing homes as certified medication
18 aides administering routine medications to
19 residents under the supervision of a
20 registered nurse. This would help what you
21 refer to as a historic labor crisis and
22 caregiver shortage that is anticipated to
23 worsen in the coming years.

24 I've also heard this concern expressed

1 by other organizations and representatives of
2 nursing homes, many of which are located in
3 my Assembly district. Can you speak to the
4 severity of the staffing crisis in nursing
5 homes in particular, and how this provision
6 would benefit nursing homes and, more
7 importantly, your ability to provide care and
8 services to patients?

9 MS. DeVRIES: Thank you for that
10 question.

11 Nursing homes in New York State
12 operate roughly 10 percent below pre-pandemic
13 levels. We have not seen an increase in the
14 workforce since before the pandemic. You
15 might know that under the previous
16 administration there was a 3.5 hour staffing
17 mandate implemented upon nursing homes, and
18 many of the facilities across the state can't
19 even meet that 3.5 hour mandate.

20 We'd welcome the opportunity to hire
21 more RNs, LPNs, CNAs. They're just not out
22 there. You know, working in a nursing home
23 requires passionate, compassionate care. It
24 is tough work. And when you can go work in

1 retail or someplace else making more money
2 with less burnout, you're going to choose to
3 do that.

4 So certainly we would love to, you
5 know, work alongside 38 other states that
6 already require this. Our assisted living
7 facilities in New York State already
8 authorize certified medication aides in their
9 facilities. So for us as an organization and
10 our facilities, it really is a no-brainer to
11 get nurses back to the bedside and take some
12 of that responsibility off of them to provide
13 critical clinical care and leave that to
14 certified medication aides under proper
15 supervision, of course.

16 ASSEMBLYMAN WEPRIN: I agree with
17 that, and I think that could be a temporary
18 solution.

19 CHAIRWOMAN KRUEGER: Any Senators?
20 Then it's me.

21 Dan, as you were ending your request
22 for transparency I didn't quite understand
23 what we were asking for. So can you repeat
24 that?

1 MR. LOWENSTEIN: Yeah. So I kind of
2 ran out of time.

3 But the Medicaid fee-for-service pays
4 CHHAs through the episodic payment system.
5 They're basically paying for a 60-day episode
6 of care. More dollars if the person requires
7 more services, less if they require less.
8 And that allows the CHHA to manage that
9 episode, right? All of the nursing services,
10 the therapy, the aide services -- and there
11 is aide service as part of this. And it's a
12 predictable way to function.

13 Managed care, Medicaid managed care
14 and other managed care does not recognize
15 that. They don't see that in their systems.
16 Like they see other parts of the payment
17 system. So they're paying for every visit --
18 every nurse, every authorized nurse visit,
19 therapy visit. And that basically adds up to
20 about one-third to one-half of what it would
21 be if it was an episode of care.

22 Episodic care has been around for a
23 dozen years in Medicaid, longer in Medicare.
24 It's basically the system of payment for how

1 CHHAs are paid. It's just not recognized by
2 managed care.

3 So what we're asking for is for the
4 state to make this available -- if you make
5 this system available to the plans, that they
6 know it's there, and you say this is the
7 system that we use, plans can negotiate their
8 rates. But they need a basis to do that.

9 CHAIRWOMAN KRUEGER: And managed care
10 doesn't see it because they choose not to see
11 it or there's a computer glitch somewhere?

12 MR. LOWENSTEIN: It's like it's not a
13 recognized payment system. Unlike -- like
14 you have like ambulatory payment groups, like
15 that is a recognized payment system. It's
16 not seen as a recognized payment system with
17 Medicaid managed care plans, the EPS system.

18 CHAIRWOMAN KRUEGER: You know how
19 everything's done by codes when you're
20 billing on healthcare?

21 MR. LOWENSTEIN: Right.

22 CHAIRWOMAN KRUEGER: Is it that
23 there's just not the right code to be used?

24 MR. LOWENSTEIN: What they default to

1 generally in Medicaid is the per-visit rate
2 for children's CHHA which is there. So that
3 tends to be how it goes. So it's -- yeah,
4 it's a glitch, honestly. It's a -- that
5 needs to be addressed.

6 And the state seems to be committed to
7 EPS because it may -- you know, it times out
8 this year and they're making it permanent.
9 They're not even extending it. They're
10 making it the permanent payment system for
11 Medicaid fee-for-service. But like 95
12 percent of the CHHA utilization is in managed
13 care. It's mostly children -- it's
14 especially children.

15 CHAIRWOMAN KRUEGER: I only have
16 20 seconds. We had talked about in the past
17 that because of a shortage of the CHHA
18 professionals people end up trapped in
19 hospitals much longer or even sent to nursing
20 homes when, if we had that option, they
21 wouldn't have to.

22 Has that been solved?

23 MR. LOWENSTEIN: No. No, it's not
24 solved at all.

1 I mean, there's been a -- I don't know
2 if I can -- 256 percent increase in the
3 number of referrals in Medicaid, 256 percent
4 increase in referrals to CHHAs over the last
5 five years. But the admissions under CHHA
6 has barely budged. So only about 15 percent
7 --

8 CHAIRWOMAN KRUEGER: I have to shut
9 you off because I am now over my own time.

10 MR. LOWENSTEIN: I'm sorry. Sorry,
11 Chair.

12 CHAIRWOMAN KRUEGER: Sorry.

13 MR. LOWENSTEIN: I'm sorry, Chair.

14 CHAIRWOMAN KRUEGER: Thank you.

15 CHAIRMAN PRETLOW: Assemblyman Jensen.

16 ASSEMBLYMAN JENSEN: Thank you,
17 Mr. Chairman.

18 On the topic of CHHAs, the biggest
19 decline in the state over the past five years
20 of the access has been in the Finger Lakes.
21 And certainly you've spoken -- both in
22 answering Senator Krueger's questions and in
23 your testimony, you've talked about some of
24 the issues we have with CHHAs. I just like

1 saying "CHHAs."

2 (Laughter.)

3 ASSEMBLYMAN JENSEN: How do we get
4 more capacity, not just in the Finger Lakes
5 but upstate?

6 MR. LOWENSTEIN: Sure. And thank you,
7 Assemblyman.

8 So the other -- getting the payment
9 system right is part of it. We also think
10 targeted resources are part of it too.

11 So the other part of our request is
12 \$70 million, whether it's part of the MCO tax
13 or not, but targeted resources to these home
14 health deserts around the state. Because
15 there are -- you know, it's suffering
16 everywhere, but it's suffering worse in
17 certainly the Finger Lakes, the region which
18 saw the steepest decline, Capital Region,
19 Bronx, and there's other areas. And then
20 there's kind of, you know, pockets within
21 those regions too.

22 ASSEMBLYMAN JENSEN: Okay. For
23 everyone on the panel, certainly with the
24 focus on CHHAs, as great as CHHAs are, we

1 look at the entire continuum of care,
2 especially when it comes to long-term care
3 for people who need it, from nursing homes to
4 assisted living. So home care in whatever
5 way, shape or form.

6 What does the state need to do to
7 ensure that the policies we have in place,
8 the funding mechanisms, the scope of
9 practice, is best prepared to ensure that
10 New Yorkers can be at the appropriate place
11 of care based on their acuity levels? For
12 anyone.

13 MS. HECKLER: Well, I think everything
14 that we can do to help people age in place --
15 so this is across all levels, right? We have
16 individuals who are languishing in nursing
17 homes because they can't get back to their
18 home in the community because they can't get
19 a ramp installed or they can't get a bathroom
20 in place. Those funding streams that
21 technically exist run out of money.

22 And I think if we put measures in
23 place to help everybody age with health and
24 dignity, we should see more of a right-sizing

1 where people can actually go home after a
2 hospital stay, and not the default of a
3 nursing home for that short-term rehab.

4 MS. DeVRIES: I would say that also
5 the state needs to come up with long-term
6 strategies, not just one-off funding
7 mechanisms in order to fund all of these
8 different various levels of care within the
9 long-term-care continuum.

10 ASSEMBLYMAN JENSEN: Would it make
11 sense, when we look at assisted living
12 providers -- you know, certainly a lot of
13 people end up in long-term care because they
14 may have memory issues, they may need
15 dementia care.

16 Would it make sense to look at the
17 flexibility to allow people to maybe stay in
18 assisted living location if they need
19 enhanced memory care, and maybe build on some
20 of that instead of making them go --
21 transition from ALP to long-term care?

22 (Time clock sounds.)

23 CHAIRWOMAN KRUEGER: Thank you.

24 Assembly.

1 CHAIRMAN PRETLOW: Assemblywoman
2 Paulin.

3 ASSEMBLYWOMAN PAULIN: So, Dan, you
4 were real clear about what is CHHA. Maybe
5 you could be clear again, slowly, for those
6 of us who got stuck on exactly what needs to
7 happen to the rate.

8 Why is it a problem? You know, I'm
9 not exactly sure who fixes it. Do we do it
10 legislatively? It doesn't sound that way,
11 but maybe. So maybe do the CHHA thing on the
12 rate.

13 MR. LOWENSTEIN: Okay. Thank you,
14 Chair.

15 So we have in statute the episodic
16 payment system. It is in statute. It is the
17 payment system -- like if managed care wasn't
18 there, that's how it would be paid. And it
19 is this episode of care, 60 days at a time,
20 that you receive this payment. Again, it's
21 case-mix adjusted.

22 I think by direct -- and we're not
23 asking you for a benchmark, right. You could
24 go the route of like the managed care plans

1 must pay this. Right? That gets
2 complicated: CMS approval, all sorts of
3 things.

4 We think that at the very least, that
5 making managed care plans -- directing the
6 Health Department to make the EPS available
7 in whatever technical mechanism that might
8 mean, and telling the plans that this is the
9 way that the state pays. Right? This is the
10 payment mechanism.

11 And that you are responsible for
12 ensuring access to these services as part of
13 the post -- particularly in post-acute coming
14 out of the hospital. Because, you know, and
15 this is -- you know, some of this is just the
16 fragmentation that we're seeing, and I think
17 this could help a lot.

18 ASSEMBLYWOMAN PAULIN: So will that
19 increase the monies that flow? Or is that
20 neutral and just makes it clearer as to how
21 the money flows?

22 MR. LOWENSTEIN: It would increase the
23 monies. It would.

24 ASSEMBLYWOMAN PAULIN: And what kind

1 of budget impact are we talking about?

2 MR. LOWENSTEIN: Well, I mean, we --
3 we looked at the managed care data for
4 mainstream -- this is like mainstream
5 Medicaid. Right now the spend is about
6 400 million across the state for CHHAs.

7 You know, we're -- if it -- if
8 everybody actually did this, it would be --
9 you know, we're getting about a third to a
10 half of what we would under an episodic
11 system. So I can do the math there.

12 Now, what -- you know, the state may
13 also want to think about what this means in
14 terms of readmissions, cost there, and other
15 costs, you know, that CHHAs are preventing.
16 But right now what is happening, because of
17 this underpayment, CHHAs are rejecting these
18 cases. They're not taking them.

19 Because Medicare fee-for-service pays,
20 you know -- it's not the best, it's got its
21 problems too, but it is the best payor. So
22 you're taking patients there.

23 But CHHAs can -- you're not going to
24 take a lot of these cases that are going to

1 pay you a third -- you know, where you're
2 losing money. And if you're losing money,
3 that means that individuals are staying in a
4 hospital longer in that situation.

5 ASSEMBLYWOMAN PAULIN: Thank you.

6 CHAIRMAN PRETLOW: Assemblywoman
7 González-Rojas.

8 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
9 you all for your work. Caring for older
10 adults should be a priority for our state,
11 and our neighbors with disabilities.

12 My question is for Chris. If you can
13 expand more about the needs related to the
14 assisted living voucher, if you could paint a
15 picture of what that looks like. I
16 personally experienced, you know, my mother
17 fell, hospital, rehab, assisted living, we
18 couldn't afford it. Now she has 24-hour
19 care.

20 All this is a huge burden for an
21 elected official, forget about your everyday
22 New Yorker who's struggling to make ends
23 meet. And many of these facilities are
24 unaffordable.

1 MR. VITALE: Sure.

2 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: So if
3 you could share more about the ways in which
4 the voucher's helpful, what Medicaid and
5 Medicare cover in terms of the assisted
6 living system.

7 MR. VITALE: Sure. Thanks for asking
8 the question.

9 So the special needs assisted living
10 voucher is for people who reside inside an
11 assisted living residence that is licensed
12 additionally as a special needs assisted
13 living residence. Typically the ratio of
14 caregiver to resident is a little bit higher.
15 They're trained for special unscheduled needs
16 that those residents have.

17 So the program is set up through
18 New York State Department of Health and is
19 funded at \$7.5 million now that allows for up
20 to 70 percent of the cost of that care to be
21 reimbursed by the special needs voucher
22 program.

23 So the facility would have to
24 participate in the program, and then the

1 resident family member or consumer would have
2 to apply for it to be eligible for it. And
3 it's based on their resources and how much
4 money they have.

5 But essentially it allows that person
6 to stay in a private-pay assisted living
7 community versus having to go on to a higher
8 level of care, like a skilled nursing home,
9 because they've run out of money and they go
10 onto Medicaid. So it prevents people from
11 going onto the Medicaid rolls.

12 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: And is
13 the challenge regarding the reimbursement
14 rate, or is it regarding the barriers for
15 families to apply? Where is the kind of --

16 MR. VITALE: There's no challenge in
17 terms of -- the program works pretty well
18 right now.

19 But there's only so much money in the
20 pot of the program. There's 7.5. So we'd
21 like to see that doubled to 15 million so
22 that more people can benefit from it.

23 Because there's always a waiting list.
24 There's always people who need it. And for

1 every person you're keeping in assisted
2 living, you're preventing them from going
3 onto the Medicaid rolls and in a higher level
4 of care.

5 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: So the
6 ask of us is a \$15 million investment in the
7 program.

8 MR. VITALE: That's correct.

9 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Okay.
10 Great. Thank you so much.

11 MR. VITALE: Thank you.

12 CHAIRMAN PRETLOW: Assemblywoman
13 Kelles.

14 ASSEMBLYWOMAN KELLES: So just as a
15 follow-up to that, how many people are
16 currently getting those vouchers? And how
17 many people are on the waiting list across
18 the state?

19 MR. VITALE: That's a great question.
20 I inquired with the Department of Health on
21 that, but I have yet to hear that. We've
22 requested the information.

23 But last year it was -- it went from
24 200 people, about 200 vouchers, and they made

1 it an unlimited amount of vouchers. But it's
2 all about how much money's in the pot. So at
3 this point I think we're towards the end of
4 that seven-point -- I'm sure it's -- there's
5 a waiting list now for it, so that means they
6 used the money that's already there now.

7 ASSEMBLYWOMAN KELLES: And is this
8 available so -- I've tried to understand the
9 structure for assisted living and it is one
10 of the most complicated things I've ever
11 tried to study.

12 MR. VITALE: It's an alphabet soup.

13 ASSEMBLYWOMAN KELLES: The assisted
14 living residences, the adult care facilities
15 for the elderly, special or integrated models
16 would be -- I'm still trying to figure it
17 out. Are there vouchers eligible -- are all
18 of them -- are people in any of these
19 eligible to --

20 MR. VITALE: No, they'd have to be
21 within the special needs units, special
22 needs -- I often refer to them as memory care
23 units. I was an operator, I had four
24 buildings, all of which had special needs

1 units within them. So a portion of the
2 facility was certified as a special needs
3 residence.

4 ASSEMBLYWOMAN KELLES: Got it. Thank
5 you.

6 And for nursing homes, how many beds
7 do we have across the state, do you know?
8 And I ask specifically because I'm trying to
9 get a sense of -- I'm hearing of a lot of
10 closures, and it seems that there's not even
11 enough beds at this point for existing needs.
12 So I was trying to get a sense of that.

13 MS. DeVRIES: Yes, I don't have the
14 specific number of beds across the state for
15 you. But many facilities have had to take
16 beds offline because of the staffing crisis
17 and, you know, workforce issues.

18 ASSEMBLYWOMAN KELLES: That was
19 another one of my questions.

20 Of the facilities you've heard from,
21 do you have a sense of, like percentage-wise,
22 how many beds they've had to take off? Are
23 we talking like 25 percent of all existing
24 beds in some of these places, more or less?

1 MS. DeVRIES: I think that depends
2 across the state. But I can certainly get
3 back to you on that.

4 ASSEMBLYWOMAN KELLES: That would be
5 wonderful. Because, you know, we are
6 spending a lot of money to maintain them, and
7 if we're leaving beds empty and we know
8 there's a demand and people on waiting lists
9 and we know that we're cutting funding for --
10 you know, potentially people are going to
11 drop out of the CDPAP program and going to
12 end up in nursing homes, I'm seeing a crisis
13 that I'm pretty worried about.

14 And I just wanted to thank you. I
15 think I understand the CHHA funding, trying
16 to follow that. But the transparency piece
17 I'd love to hear more to get a sense of how
18 we can fix this.

19 But I would not be worried about
20 asking for -- if it's a billion dollars, but
21 if we don't do it, people are staying in
22 hospitals longer and that is costing us three
23 times more, then in fact it's an efficiency
24 savings. So I'd love to talk to you more to

1 get a sense of whether or not it actually is
2 ultimately a cost savings if we increase it
3 here.

4 MR. LOWENSTEIN: Yes. Thank you.

5 CHAIRWOMAN KRUEGER: Thank you.

6 I think the Senate's gone. Assembly?
7 Not gone -- excuse me. We're all here. We
8 don't seem to have any more questions right
9 now.

10 CHAIRMAN PRETLOW: Neither do we.

11 Neither do we.

12 CHAIRWOMAN KRUEGER: Okay. We are all
13 here and listening, but maybe running out of
14 a little steam for questions.

15 I want to thank you all very much for
16 your participation tonight, and I'm going to
17 ask you to move on with your lives, or stay
18 in the audience as you wish.

19 And I'm next calling up Panel G:

20 Consumer Directed Action of New York;
21 New York Association of Independent Living;
22 PHI; Caring Majority Rising; and Home Care
23 Association of New York State.

24 And we're just going to do a little

1 cleanup on the table, because it's been hours
2 of people coming and going.

3 Okay, great. Why don't we start to my
4 right, with you, and you'll each introduce
5 yourself for the tech people to know what
6 name to put under your picture when you
7 testify.

8 MR. O'MALLEY: Hi. Bryan O'Malley,
9 with Consumer Directed Action of New York.

10 MS. MILLER: Lindsay Miller, with the
11 New York Association on Independent Living.

12 MS. BERGER: Ilana Berger, with Caring
13 Majority Rising.

14 MR. CARDILLO: Al Cardillo, Home Care
15 Association of New York State.

16 MS. ROBINS: Amy Robins, PHI.

17 CHAIRWOMAN KRUEGER: Great. And why
18 don't we start again with you, Bryan, and
19 just go down.

20 And, everyone, you've figured out to
21 press that "Push" until it turns green for
22 you to be heard. Thank you.

23 MR. O'MALLEY: Good evening.
24 Appreciate the opportunity to testify before

1 you tonight.

2 My name is Bryan O'Malley, I'm the
3 executive director of Consumer Directed
4 Action of New York, and we advocate for CDPAP
5 by representing consumers who use the program
6 and the FIs who administer it.

7 And I also support the comments of my
8 colleagues NYAIL and Caring Majority here
9 today as well.

10 Sixty-five thousand one hundred and
11 twenty. That is how many minutes PPL and DOH
12 have from right now till midnight on
13 March 29th when consumers and their workers
14 must be enrolled with PPL or lose their
15 services. That means PPL must completely
16 enroll four consumers every single minute
17 between now and March 29th. It means PPL
18 must completely enroll and on-board
19 10 consumers and workers every single minute
20 between now and March 29th.

21 And based on the department's reported
22 trends to this point, giving them the benefit
23 of the doubt and counting started and
24 confirmed consumers, they will fall about

1 80,000 people short.

2 We don't really have a good idea of
3 how many workers will not be on-boarded yet
4 because that process of information is so
5 murky from the department. But that might
6 explain why DOH has confirmed to you today
7 that they have lowered PPL's bar for success.
8 They will call this a success if PPL enrolls
9 the 280,000 consumers, even if those
10 consumers have no workers on-boarded -- and
11 despite the fact that without workers, the
12 program offers no actual benefit.

13 Because despite the Medicaid
14 director's claims that FIs were never
15 supposed to on-board PAs, it's just not true.
16 FIs have on-boarded PAs since the beginning
17 of the program. They on-boarded workers in
18 the demonstration program that led to CDPAP.

19 This is a fundamental programmatic
20 change in CDPAP. And it's also amazing that
21 DOH not only doesn't know how many workers
22 there are, but expressed that it is
23 likely that, quote, between 200,000 and
24 300,000 workers are in the program. And,

1 Senator Rivera, thank you for correcting the
2 record there.

3 But I really need to note that DOH
4 stated that their best guess for workers in
5 CDPAP was 0.7 workers for every consumer in
6 the program. I can tell you, based on
7 information from our members, there are about
8 425,000 workers in CDPAP, or 1.5 per
9 consumer.

10 I want to address one other transition
11 issue before deferring to my colleagues to
12 share more. The notices being sent to
13 consumers are generic text messages or emails
14 in English only from a generic PPL address
15 that asks consumers to click a link and
16 immediately provide their name, Medicaid ID
17 number and more.

18 Apart from so many of these falling
19 into spam mailboxes, this is an enormous
20 problem. Government, good government groups,
21 community groups and others have spent the
22 last 25 years trying to people, particularly
23 older people, immigrants and others at risk
24 of exploitation not to click on unsolicited

1 links from people you don't know.

2 CHAIRWOMAN KRUEGER: Thank you.

3 Next?

4 MS. MILLER: Thank you for the
5 opportunity to provide testimony on behalf of
6 the New York Association on Independent
7 Living.

8 New York's Independent Living Centers,
9 in partnership with the Department of Health,
10 developed and implemented the CDPAP program.
11 And for the last three decades, 11 ILCs have
12 administered CDPAP services with integrity as
13 fiscal intermediaries. CDPAP is central to
14 our mission of empowering people with
15 disabilities to have control over their own
16 lives in the community.

17 While reforms to the program were
18 needed, we oppose the state's decision in
19 last year's budget to transition to a single
20 FI. Nonetheless, we appreciate the Governor
21 and the Legislature's acknowledgment of the
22 ILCs' rich history and role in the program by
23 including us as mandatory subcontractors.

24 The 11 ILCs have signed on as

1 facilitators and have been working diligently
2 to assist with the transition. However, by
3 all accounts, the systems in place are not
4 equipped to handle a transition of this
5 magnitude in such a condensed time frame.

6 Our greatest concern at this time is for the
7 health and well-being of tens of thousands of
8 consumers whose services will no doubt be
9 disrupted, leaving them without the care and
10 assistance they need to live.

11 The single FI system relies heavily on
12 technology and underestimates the level of
13 support consumers and their personal
14 assistants need to complete the transition
15 steps successfully. The statewide FI is not
16 maximizing the capacity of its facilitators
17 as full-scale partners, despite having deep
18 knowledge of the state system and the state's
19 longstanding CDPAP framework.

20 Instead, they have hired more than
21 1,000 call center representatives who have
22 limited knowledge of the program, are not
23 fully trained, and are often unable to assist
24 consumers or facilitators.

1 The single FI data system lacks the
2 necessary functionality to effectively and
3 efficiently integrate subcontractors, and the
4 technology and its processes are
5 administratively burdensome, making even
6 simple tasks unnecessarily time-consuming.
7 With just 49 days until the transition
8 deadline, over 200,000 consumers have yet to
9 be transitioned.

10 And it's important to note that even
11 if the consumers are fully enrolled in the
12 system, without a PA attached to them and
13 fully enrolled, services will not be
14 provided.

15 At a minimum, the Legislature must
16 delay the transition timeline to prevent
17 putting thousands of participants'
18 independence and health at risk.

19 As Bryan noted, the single FI model
20 also reports a significant, fundamental shift
21 in CDPAP. New York's program has always
22 incorporated consumer services and supports
23 that are essential for the program. And
24 despite the misleading characterization of

1 the fiscal intermediaries as middlemen, ILCs
2 have provided critical consumer support.
3 Based on our experience, many consumers will
4 not succeed in the program without a level of
5 support and will likely end up in a higher
6 level of care.

7 This is why the \$20 million state
8 appropriation for the 11 ILC fiscal
9 intermediaries in the Department of Health
10 budget is critical if the single FI is to
11 move forward. That funding ensures that ILCs
12 can remain involved and that they will be
13 available to provide the necessary support.

14 I want to take my last 10 seconds to
15 mention the NHTD waiver program, another
16 program the Independent Living Centers
17 created, and which the budget is proposing an
18 enrollment cap, which we strongly oppose and
19 are deeply concerned about. It's another
20 example of budget making decisions without
21 considering the consumers who depend on that
22 program.

23 CHAIRWOMAN KRUEGER: Thank you.

24 Ilana, thank you.

1 MS. BERGER: All right. Hi. My
2 name's Ilana Berger, with Caring Majority
3 Rising. Thank you for the opportunity to
4 testify.

5 I'm going full Gen Z and using my
6 phone here.

7 Caring Majority Rising is a grassroots
8 organization of older adults, family
9 caregivers, disabled New Yorkers, and home
10 care workers. And our only concern here is
11 that consumers keep their home care and that
12 the people who do this work get paid a living
13 wage so that we can continue to recruit the
14 workforce we need for the growing demand.

15 I'm mostly going to talk about CDPAP.
16 I want to very quickly point out that in our
17 written testimony we ask that in your
18 one-house you allocate funds from the MCO tax
19 to offset eligibility cuts to home care and
20 invest in Fair Pay for Home Care, and that
21 you also repeal and replace the MLTC model
22 with a managed fee-for-service. That's the
23 Home Care Service and Reinvestment Act.

24 I also want to quickly say it is very,

1 very frustrating that we should all be here
2 together fighting cuts to Medicaid at the
3 federal level and we had hoped that our
4 Governor at this moment would be doing that
5 and shoring up the services we so desperately
6 need instead of decimating home care at this
7 very, very scary time.

8 So here we are, though. So back to
9 PPL.

10 We've talked about the numbers. Even
11 if PPL were a well-oiled machine with
12 everything in place, there's no way we could
13 make this transition possible. But despite
14 what you've heard today from DOH, PPL is far
15 from a well-oiled machine. It's actually
16 been a train wreck.

17 I know this because we talk to
18 consumers and workers every single day who
19 are going through this process. And based on
20 the conversations with them and all of the
21 work we do together, I just want to share
22 some of the highlights -- actually, lowlights
23 of what people are experiencing.

24 So the first thing that unifies

1 everybody is that CDPAP has literally been a
2 lifesaver for people. It allows consumers to
3 direct their own care and to live full lives
4 in the community. They're also unified in
5 having horrible experiences with PPL.

6 So in the first month of the
7 transition, PPL would not provide any
8 information about wages or benefits to
9 consumers or PAs despite the fact that people
10 need to make schedules and many FIs pay above
11 the minimum wage and people wanted to make
12 sure that they were still going to get that.

13 Finally, this month, PPL did post that
14 information on their website, and then
15 consumers are getting offer letters from PPL
16 with lower rates than what was posted on the
17 website.

18 I cannot believe I heard the DOH
19 commissioner say there's no issues with
20 translation. There is huge issues with
21 translation from the whole phone system being
22 in English. People call, they need a Spanish
23 translator, they get an Italian one. They
24 try to get Polish, they ask for Polish,

1 they're told no one speaks Polish. The MOUs
2 they sign are all in English with PPL.

3 Consumers who are trying to attend
4 in-person sessions can only get the location
5 of those sessions the day of. Anyone who
6 works with folks with disabilities that need
7 paratransit knows they need advance notice.

8 We also have consumers who have
9 finally gotten through the process, get their
10 enrollment packet, and it's somebody else's
11 enrollment packet.

12 This is a \$9 billion contract
13 impacting millions of people. We've got to
14 do better. We've got to delay the timeline.

15 CHAIRWOMAN KRUEGER: Thank you.

16 MR. CARDILLO: Thank you very much.
17 For purpose of brevity, I'm going to be
18 working from page 5, this chart on page 5 of
19 my testimony.

20 I want to start by just echoing
21 comments from the Home Care Association
22 concerned about the implementation of CDPAP.
23 And I'm not going to repeat that all but will
24 let my colleagues' comments stand.

1 I want to focus on the CHHA area that
2 Dan Lowenstein raised and that we've been
3 raising for a substantial period of time.
4 Actually, two years ago the Senate proposed
5 \$30 million in the budget for a state aid
6 program to support CHHAs, and that would
7 gross up to -- between 60 and 70 million.
8 Last year the Assembly did the same.

9 We've provided language -- and thank
10 you, Chair Paulin, for introducing 1493,
11 which reactivates a state aid program in the
12 Public Health Law to provide support for
13 CHHAs to meet community need. Dan referred
14 to it as "home care deserts," but it relates
15 to providing for community need. Other
16 sectors -- hospitals, clinics, other
17 sectors -- have separate pools to assist in
18 this function.

19 This part of the Public Health Law was
20 created many years ago, but it has lost
21 funding over the last several decades, and it
22 is really urgent to restore that funding.
23 Agencies have been closing, and you heard
24 discussion over the course of the day on the

1 scale-back, and Dan talked about it
2 eloquently in the data that he shared.

3 As a related proposal, we also endorse
4 the proposal that Dan raised. The Home Care
5 Association has been working with the
6 Assembly, with Assemblywoman Paulin, and
7 Senator Rivera over the last several years on
8 legislation to accomplish the purpose that
9 Dan described.

10 It would be phrased a little bit
11 differently in this go-round, dealing more
12 with the episodic -- that episodic approach
13 than in the past. But last year the
14 legislation was A7460 and S4791.

15 I also want to turn attention to the
16 issue of the hospital at home. This is the
17 second year that the Governor has proposed
18 allowing hospitals to provide services in the
19 home. The home care agencies across the
20 state work closely with their hospitals to
21 deliver acute-level care in the home now. We
22 support the idea of trying to expand the
23 service.

24 However, we strongly believe that it

1 needs to happen in conjunction with the home
2 health agency. The Governor's proposal skips
3 completely over licensure and would allow
4 services in an unprecedented way that would
5 be provided by an entity that is not licensed
6 to provide services in the home.

7 So we ask your support for a language
8 change to make sure that the services are
9 connected and properly integrated.

10 Thank you.

11 MS. ROBINS: Thank you for the
12 opportunity to testify today. My name is
13 Amy Robins, and I am the senior director of
14 policy for PHI, a New York-based national
15 nonprofit that works to transform elder care
16 and disability services by promoting quality
17 direct-care jobs as the foundation for
18 quality care.

19 In New York State more than 650,000
20 direct workers, including home health aides,
21 personal care aides, and nursing assistants,
22 provide essential daily care and support to
23 older adults and people with disabilities in
24 a range of care settings.

1 Immediate action is needed to support
2 the state's existing direct care workforce
3 and to recruit new job candidates to this
4 sector, which according to our research will
5 have over 1 million job openings between 2022
6 and 2032 because of growing demand and worker
7 attrition. These employment projections far
8 outpace those of all other occupations in the
9 state.

10 Yet the Executive Budget failed to
11 recognize the importance of and the need for
12 investment in New York's largest and
13 fastest-growing workforce.

14 As the state manages an ongoing
15 demographic shift and the subsequent demand
16 for long-term services and supports,
17 stabilizing the direct care workforce must be
18 viewed as a necessary and strategic component
19 to an overall Medicaid cost-control strategy.

20 Our first and most urgent
21 recommendation is to fund a living wage for
22 all direct care workers. Although direct
23 care wages have increased in the last
24 10 years, the median hourly wage for direct

1 care workers in New York is \$3.23 less per
2 hour than wages for other occupations in the
3 state with similar or lower entry
4 requirements, and 36 percent of the workforce
5 lives in or near poverty.

6 Second, PHI urges the Legislature to
7 invest in quality statewide training programs
8 for all direct care workers. Such a program,
9 grounded in universal core competencies
10 across settings and populations, would
11 facilitate worker portability,
12 specialization, and advanced role preparation
13 and ensure that workers acquire the skills,
14 knowledge and confidence to succeed in their
15 complex roles.

16 Third, PHI urges the Legislature to
17 allocate additional funds to improve the
18 collection, monitoring and reporting of
19 direct care workforce-related information
20 across all long-term-care settings. Clear,
21 comprehensive qualitative and quantitative
22 data would support strong policy and
23 investment decisions going forward.

24 The threats to the state's Medicaid

1 budget posed by the potential of damaging
2 federal Medicaid cuts require an urgent
3 proactive response by the Governor and by the
4 Legislature. All of the programs that we
5 have talked about today are at risk,
6 depending on what happens at the
7 congressional level.

8 Thank you. I look forward to your
9 questions.

10 CHAIRWOMAN KRUEGER: Thank you very
11 much, all of you.

12 Any questions? Senator Webb.

13 SENATOR WEBB: Thank you all for still
14 sticking it out towards the end here.

15 I wanted to -- I heard from several
16 folks testimony with regards to wages, and
17 specifically for direct care providers. And
18 I know we've taken some steps here in
19 New York. I know we in the Senate continue
20 to push for more supports.

21 Can you all just kind of go into a
22 little more detail about what are some
23 additional resources that are needed, even
24 given the changes we've made in the last

1 couple of years?

2 MR. CARDILLO: I don't mind kicking
3 that off.

4 You know, one of the things that's
5 complicated in this situation is, for
6 example, minimum wage just increased. And
7 there's a lack of clarity about whether or
8 not the funds that are in the premiums for
9 the health plans to cover that are adequate
10 to do that. And then that translates to a
11 lack of clarity in the funds being provided
12 down to the provider.

13 So that there's a mandate in the law
14 that everybody wants to abide by, but the
15 manner in which the Department of Health sets
16 and communicates the rates doesn't really
17 make it clear -- this amount is in the rate,
18 this rate supports the increase in minimum
19 wage -- and then for the plan to be able to
20 then take that and provide that in a match to
21 the provider to be able to pay that
22 increment.

23 And at the same time to recognize that
24 as time goes on, the amount for the provider

1 to function is getting squeezed smaller and
2 smaller. We want the provider to be, you
3 know, proactive working with hospitals and
4 doctors and other partners, but as that
5 amount shrinks and shrinks, the provider can
6 also do less, not only in that sense, but for
7 other supports that the worker could use.

8 So that's just from that angle I think
9 an important improvement that could be made
10 in the process.

11 MS. BERGER: I mean, I can just
12 quickly add that Fair Pay for Home Care is
13 still a thing, so in -- you know, we still
14 have the worst home care worker shortage in
15 the country.

16 And it was wonderful that we did get a
17 small raise. We still have so many members
18 who sleep in their wheelchairs. We just had
19 someone here the other day who's getting
20 six hours a week of the 27 she's authorized
21 because they still cannot find aides.

22 So continuing to invest in Fair Pay
23 for Home Care, which was 150 percent of
24 minimum wage. It's nowhere near where we are

1 be, with the one fiscal intermediary for the
2 CDPAP, PPL. Is it possible that people are
3 not able to obtain their CDPAP services
4 through PPL for various reasons that have
5 been brought out -- you know, including
6 language issues and other things -- could
7 encourage consumers to end up going to
8 nursing homes and costing considerably more
9 money? Is that a possibility? And has that
10 been discussed?

11 MR. O'MALLEY: I think that's a very,
12 very real possibility.

13 One thing that's terrifying is the way
14 that this will overwhelm the healthcare
15 system. It's not just nursing homes, it's
16 hospitals. But there's a limited number of
17 beds in all of those places. When those are
18 full, what happens?

19 The other place where we're already
20 seeing increased costs are people moving from
21 CDPAP to the more traditional LHCSA-based
22 agency care. That costs -- as of January 1,
23 2024, that was \$1.55 per hour more expensive.

24 We've already seen about 27,000 people

1 move from CDPAP to LHCSA-based services,
2 based upon electronic visit verification
3 vendor reports. And that is only growing, at
4 a rate of about 7,000 a week right now.

5 ASSEMBLYMAN WEPRIN: Good, thank you.
6 It's certainly something I'm concerned about,
7 and I know other people are as well.

8 And I don't see how people -- how the
9 services are going to be all provided by
10 April 1st, certainly not on that time frame.
11 And I'm very concerned about PPL's ability to
12 handle the volume of individuals taking
13 advantage of the CDPAP program now.

14 I assume you all agree with that?

15 (Affirmative responses.)

16 ASSEMBLYMAN WEPRIN: I see you nodding
17 your head.

18 MR. O'MALLEY: Yes.

19 ASSEMBLYMAN WEPRIN: Yes, okay.

20 Thank you.

21 MS. BERGER: Just also super-quick, in
22 the written testimonies there's a lot of
23 consumers and PAs who submitted testimony,
24 which probably is not always the case.

1 There's a lot in there.

2 A lot of people specifically talk
3 about their fears of ending up in nursing
4 homes -- who have already been in nursing
5 homes, got themselves out finally because
6 they got home care, and they're worried about
7 going back in.

8 So I encourage you to read some of
9 those testimonies.

10 ASSEMBLYMAN WEPRIN: Okay, thank you.

11 CHAIRWOMAN KRUEGER: For the record,
12 many people who submitted testimony did not
13 even ask to testify, and we couldn't have
14 handled that volume anyway.

15 But people should know everyone who
16 submitted testimony, the testimony's up on
17 the websites of both the Senate and the
18 Assembly, and can be accessed there. So
19 thank you for pointing that out.

20 Senator Rivera.

21 SENATOR RIVERA: Hello, folks.

22 So you've obviously been here for most
23 of the day, or all day. And if you work
24 here, you certainly listened. So let's go

1 back to the testimony of the administration,
2 which I still don't understand why they're
3 being so hardheaded about this.

4 Even if we acknowledge -- and as I
5 said, I said it to them and I'll say it a
6 little bit calmer now -- that even if we just
7 say, okay, let's go with the single FI
8 situation, never thought that was a good
9 idea, but okay, here we are. Then why do you
10 think that they're insisting on the April 1st
11 deadline?

12 And if you could actually -- obviously
13 you have -- there's a lot of the testimony
14 that you've put in. But anything that -- the
15 concerns that you have been driven by the
16 experiences of actual patients and actual
17 consumers and actual workers.

18 If you have any numbers that you can
19 give us -- meaning we have, you know,
20 200 members that have told us that they had
21 issues or something, anything like that that
22 you could share now. And hopefully
23 somebody's listening over there on the second
24 floor. Please go ahead. And you only have a

1 minute and 40 seconds. Go.

2 MR. O'MALLEY: We actually had a
3 webinar yesterday just because they're -- we
4 hear so much concern and confusion from
5 consumers. We had about 900 people register
6 and about 750 show up for that webinar to
7 hear information.

8 And the comments coming in -- I
9 frankly have only gone through about
10 15 percent of them so far because the
11 comments coming in of problems, some of the
12 problems that Ilana was voicing, people
13 getting the wrong packets, people having PPL
14 hang up on them, people getting so frustrated
15 they hung up on PPL. People getting
16 translators for the wrong language.

17 I -- I -- in some of these it would
18 sound like I'm making them up, but I couldn't
19 make up these stories.

20 SENATOR RIVERA: I guess the one thing
21 I would just -- would you say that -- I mean,
22 I think we can all agree that April 1st is
23 just mathematically -- I don't know how it
24 happens. Right? Maybe there's some magical

1 genie thing, as I said, that might be
2 operating over there to the best of their
3 ability, and we're just not seeing it and
4 everything's going to be magically resolved
5 by then.

6 But if we push the date back, is that
7 something that you'd be supportive of, that
8 change? I figured that you would be, it's
9 kind of a silly question to ask you folks.

10 Go ahead, you've got 20 seconds.

11 MS. MILLER: Absolutely.

12 And the thing I just wanted to say
13 from the ILCs' perspective as facilitators
14 who are working diligently to make this work,
15 the ILCs as fiscal intermediary only serve
16 about 5600 people, and they have not
17 successfully enrolled all of their consumers.
18 Even the consumers that they've been able to
19 enroll, only a handful actually have a
20 personal assistant enrolled.

21 SENATOR RIVERA: (Whispering.) Please
22 change the tape for the second floor. Please
23 change the tape. Please change the tape.
24 Please change the tape!

1 CHAIRMAN PRETLOW: Assemblyman Jensen.

2 ASSEMBLYMAN JENSEN: Thank you very
3 much, Mr. Chairman.

4 The April 1 deadline to transition,
5 that was in the budget language last year,
6 correct? This was not a new phenomenon that
7 came out of nowhere. This was what was
8 negotiated and approved by the Legislature
9 and signed by the Governor, correct?

10 MALE PANELIST: Yes.

11 ASSEMBLYMAN JENSEN: Okay. I just
12 wanted to verify that.

13 Earlier today, in answer to Mr. Ra's
14 question, it was said that the -- that PPL
15 has to have a hundred million dollar line of
16 credit as part of their contract. And the
17 Medicaid director wasn't willing to say what
18 that would have to cover.

19 Do any of you have an understanding of
20 would that cover payroll for one pay cycle
21 for personal --

22 MULTIPLE PANELISTS: No.

23 ASSEMBLYMAN JENSEN: It would not even
24 hit one cycle.

1 MALE PANELIST: No.

2 ASSEMBLYMAN JENSEN: Okay. As I've
3 been hearing, I know -- I think it was Caring
4 Majority talked about the in-person
5 opportunities to discuss.

6 Has there been any feedback from any
7 of your organizations or anyone else about
8 PPL acknowledging -- let me -- I'll finish my
9 question. But acknowledging that the rollout
10 and the communication with consumers needs to
11 be better because right now consumers don't
12 feel comfortable or safe sharing data or
13 information?

14 MS. BERGER: Yeah. And just a couple
15 of quick things I'll share. I mean, one, we
16 were reached out to by PPL, Maria Perrin, who
17 does all the webinars. We laid out all our
18 concerns. We got the exact same answers that
19 are the canned answers on the webinars.
20 They've heard it all.

21 I had just like an example of a
22 consumer that I didn't get to read because I
23 didn't go fast enough, you know, who called
24 and the person who answered the phone had

1 babies screaming in the background and was
2 asking for a Social Security number, and she
3 was like, I pictured my Social Security
4 number sitting on somebody's legal pad on
5 their kitchen table. Like, you know, it's
6 not -- and it just -- also on the numbers, I
7 just want to say quickly there's the numbers
8 of who we're talking to.

9 I think the most concerning thing is
10 for all the people we're talking to, there's
11 tens or maybe a hundred thousand people who
12 don't even know this is happening still. We
13 talk to members who are the active people,
14 who are active in our organization, who are
15 like, PPL, yeah, I saw something about that,
16 I don't know if I need to do anything.

17 ASSEMBLYMAN JENSEN: So I just want to
18 get in one more question.

19 So it was my understanding, going
20 back, there was going to be, for the
21 subregional contractors before, that they
22 were going to be taking on a larger
23 administrative burden for helping consumers
24 find their caregivers, and that some of them

1 would have to have funding to help staff up
2 in preparation for April 1.

3 Do any of you know if there's been any
4 support from DOH or PPL to the subcontracts
5 to help with their administrative increases?

6 MS. MILLER: No. I mean, there's the
7 appropriation in the budget for the ILCs
8 moving forward, but the funding doesn't exist
9 in PPL's \$68 PMPM.

10 ASSEMBLYMAN JENSEN: Okay, thank you.

11 CHAIRWOMAN KRUEGER: Thank you.

12 Any other Senators? Other

13 Assemblymembers?

14 ASSEMBLYMAN WEPRIN: Of course.

15 Assemblyman Ra.

16 ASSEMBLYMAN RA: Thank you, Chair.

17 For the Association on Independent
18 Living, can you explain what the role is as
19 envisioned -- I think they were called --
20 that some of the Independent Living Centers
21 would be facilitators within the program?
22 Can you just explain (a) what is envisioned
23 there and (b) how that's going, as we all
24 express these concerns that April 1st is not

1 realistic?

2 MS. MILLER: Yeah. I mean, so
3 "facilitator" is PPL's term for
4 subcontractor.

5 And basically the contracts are
6 specific to being the consumer-facing
7 organization. So outreaching to the
8 consumers for the ILCs, it's the consumers
9 that they're already serving as the fiscal
10 intermediary -- at least to start -- to help
11 them through the process.

12 The facilitator's role has nothing
13 prescribed in terms of their role reaching
14 out to or enrolling personal assistants. And
15 as we mentioned earlier, that's historically
16 been our role of the fiscal intermediaries.

17 But it seems to be PPL's position that
18 that's now the consumer role, solely to
19 enroll their personal assistants, which is
20 just not realistic and has historically not
21 been the process.

22 I think generally, as I mentioned, the
23 ILCs are extremely frustrated with the
24 technology, the sums, the processes. Staff

1 are getting burned out. We're spinning our
2 wheels, and we can't even get our
3 5600 consumers enrolled. Not to mention
4 we're not getting referrals of other
5 individuals.

6 So if there's 280,000 consumers in the
7 program, and there's how many facilitators,
8 and the 11 ILCs are not getting referrals of
9 anyone outside of their own 5600 that they
10 serve, who's reaching out to all of these
11 consumers?

12 ASSEMBLYMAN RA: And Mr. O'Malley, if
13 you can just jump in with regard to -- as
14 well.

15 You know, you said I think the number
16 that 80,000 could be that gap there at the
17 end, that would be 80,000 individuals who
18 rely on this basically to live functional
19 lives that could end up without services.

20 And as I told DOH this morning,
21 they're not going to be calling the
22 commissioner, they're going to be calling all
23 of us from our districts.

24 MR. O'MALLEY: Yeah, our -- based upon

1 the numbers DOH is releasing in their press
2 releases every week, we see a gap of 80,000.
3 And that's counting those who just started,
4 not just the 22,000 that was sussed out this
5 morning that actually completed. We don't
6 know if those 22,000 have a worker.

7 So yeah, it's -- the trend line, if
8 you run it forward, adding about 130 percent
9 per week, leads to a gap of 80,000.

10 ASSEMBLYMAN RA: Thank you.

11 CHAIRMAN PRETLOW: Assemblywoman
12 Simon.

13 ASSEMBLYWOMAN SIMON: Thank you for
14 your testimony. It's very enlightening.

15 I have a question. I think that
16 there's a lot of concern about PPL's ability
17 to pull this off and to do it in a timely
18 fashion. If they were translating it to the
19 languages that are needed, and straightened
20 up a couple of other things, do you have any
21 sense how long it would take?

22 We've been asked, again and again, how
23 about delaying this, phasing it in. What are
24 we talking about, realistically, to do that?

1 If you have any sense of that. I don't want
2 to force you to make a guess.

3 MR. O'MALLEY: Without guessing, what
4 we know -- I'll actually give credit where
5 it's due. Lara Kassel from Medicaid Matters
6 put out an op-ed saying, you know, the state
7 has experience doing this.

8 DOH did this very well for the
9 Medicaid recertification. They spent two
10 years planning the Medicaid recertification
11 for the public health emergency. They spent
12 then 18 months implementing that. And, you
13 know, that -- so that was a very well thought
14 out, very thoroughly implemented process.

15 None of that has happened here.

16 There is also, you know, the other
17 option of the CDPAP Accountability Act that
18 exists in both houses.

19 ASSEMBLYWOMAN SIMON: Okay, that's
20 helpful. Scary, but helpful. Thank you.

21 CHAIRMAN PRETLOW: Assemblywoman
22 González-Rojas.

23 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
24 you so much.

1 I have so many questions and three
2 minutes.

3 But I represent one of the most
4 diverse communities in the world, in Queens.
5 And there's hundreds of languages spoken just
6 in the five neighborhoods I represent. And I
7 haven't heard much about the subcontractors
8 outside of the Independent Living Centers,
9 which was included in statute, thankfully.
10 But I know many of the subcontractors that
11 are in my community specialize in many of the
12 languages and cultures that represent the
13 neighborhoods and the consumers that are part
14 of the program.

15 What do you know about the
16 subcontractors that are not legislatively
17 allocated? I've gone through the list
18 before. I'm not sure who's like new or
19 included in the original transition.

20 What's that process been like for some
21 of the businesses that are at risk and have,
22 you know, dedicated their services towards
23 this program?

24 And I also think about people that --

1 maybe those 80,000 people that might not get
2 enrolled, what's going to happen? They're
3 going to fall on family caregivers that are
4 not compensated and do billions of dollars of
5 caregiving work that they're not earning a
6 living for.

7 So can we talk a little bit about the
8 subcontractors and what folks know about it?

9 MR. O'MALLEY: You know, from what
10 we've seen, I don't have a great snapshot.
11 From what we've heard from some of them who
12 continue to be members, it's not great.

13 There's -- I think we hear a lot of
14 the same problems that Lindsay reported.
15 We're hearing that some subcontractors are
16 also beginning cold text messages to
17 consumers, which is just leading to more
18 confusion.

19 But we don't know -- we do know that
20 the reimbursements that are coming to them
21 are not enough to sustain their staffs,
22 right? So they're just stripping down their
23 staffs as well, and they're not going to have
24 enough capacity to actually do much once this

1 goes into effect.

2 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Do we
3 have a sense of how many subcontractors have
4 been included in the system? Because when
5 I've asked PPL about, well, is there like a
6 public process, like if one of the FIs that
7 wants to stay in the program wants to
8 apply -- and it seems like not very clear or
9 not very transparent.

10 And I'm just curious. I wish PPL was
11 here.

12 MS. MILLER: On PPL's website it lists
13 the current subcontractors. I think there's
14 around 30 or 36, I don't have the exact
15 number.

16 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Outside
17 of the Independent Living Centers.

18 MS. MILLER: Yeah, all 11 are on
19 there, and then there's some other ones
20 listed as well.

21 I know that there was some internal
22 process where DOH vetted them, but I don't
23 know what that looked like.

24 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank

1 you. Thank you.

2 CHAIRMAN PRETLOW: Assemblywoman
3 Kelles.

4 ASSEMBLYWOMAN KELLES: I'm trying to
5 understand this all. So let me just get this
6 straight. We don't know how many people were
7 in the previous program. We don't know how
8 many providers there were. We don't know
9 what the payment plan is that they're moving
10 to. We don't know -- I'm trying to --
11 there's so much that I'm hearing that we
12 don't know. Am I right, do we know any of
13 those things? Do we know the payment system
14 yet?

15 MS. MILLER: I mean -- the payment for
16 home care workers, you mean?

17 ASSEMBLYWOMAN KELLES: How are they
18 getting paid? Do we even know that?

19 MR. O'MALLEY: Who? PPL?

20 ASSEMBLYWOMAN KELLES: Yeah. No, have
21 workers been -- do we know how many workers
22 have been entered into the system that are
23 already transitioned?

24 MR. O'MALLEY: No.

1 ASSEMBLYWOMAN KELLES: So we don't
2 know that either.

3 I'm just trying to get a sense of what
4 we do know, and we have six weeks. I'm sort
5 of flabbergasted. I'm trying to understand
6 what the obsession is with April 1st. Even
7 if we're definitely going to do this, we
8 don't know any of these things, we don't know
9 where we're coming from. How do we know that
10 we're going to get to where we're going?

11 So it's hard to even know what
12 question not to ask -- or to ask. One
13 question.

14 LHCSAs, compared to CDPAP. I heard
15 7,000 people are transitioning to LHCSAs per
16 week?

17 MR. O'MALLEY: Per week.

18 ASSEMBLYWOMAN KELLES: What's the cost
19 of LHCSAs compared to being in a CDPAP
20 program?

21 MR. O'MALLEY: The baked-in cost for
22 managed care or what the state pays managed
23 care, there was a \$1.55 greater cost per hour
24 in -- on January 1, 2024. Those were the

1 last numbers I had. So it was \$1.55 per hour
2 more expensive.

3 ASSEMBLYWOMAN KELLES: A dollar
4 fifty-five per hour for LHCSAs versus CDPAP,
5 per hour, and 7,000 people per week are
6 already transitioning to that.

7 And is anybody measuring this or
8 monitoring it or recording this? Can we --

9 MR. O'MALLEY: Not officially.

10 ASSEMBLYWOMAN KELLES: I will hope we
11 get this -- because it sounds like we're
12 going to ultimately end up spending more just
13 in different places --

14 MR. O'MALLEY: Yes.

15 ASSEMBLYWOMAN KELLES: -- than
16 actually saving money.

17 MR. O'MALLEY: Notably, PPL is asking
18 for higher reimbursement rates than the FIs
19 were receiving from the managed care plans
20 before.

21 ASSEMBLYWOMAN KELLES: So, other
22 question, I got confirmation today that the
23 expectation is that individuals will have to
24 do their own forms.

1 There's 15 forms. I was told they
2 would be truncated, but an I-9 is an I-9. A
3 W-2 is a W-2. I don't know how we're going
4 to truncate them.

5 What have you heard from people in the
6 program? Is this -- I'm worried that we are
7 finding ways to have people fall out of the
8 program because the barriers for entry are
9 higher, and then we will call it a success.
10 So I'm trying to get a sense -- are you
11 hearing from people that they are -- its
12 barriers are too high?

13 MS. MILLER: Yeah, I think this -- I
14 think the state and PPL underestimated the
15 level of support that consumers need to be
16 successful and that PAs need in order to
17 fully enroll and participate in the program.

18 ASSEMBLYWOMAN KELLES: Surreal.
19 Thank you.

20 CHAIRWOMAN KRUEGER: Thank you. I
21 think I'm closing.

22 CHAIRMAN PRETLOW: You're closing.

23 CHAIRWOMAN KRUEGER: Thank you.

24 So did somebody say that the

1 contractor has to be 24/7? Is that correct?

2 Did we hear that?

3 The Medicaid director said that
4 earlier. Is that your understanding?

5 MR. O'MALLEY: I think, in theory,
6 online they are 24/7. But I don't know that
7 their offices are not 24/7, but I don't know
8 that they are.

9 CHAIRWOMAN KRUEGER: Okay. And
10 Ms. Miller, you were explaining what the
11 facilitators are not. So I'm a little
12 unclear. What are they? What do you think
13 the role is now that your organizations are
14 facilitators?

15 MS. MILLER: Their role is to support
16 consumers in the program. To help answer --
17 help get them enrolled as part of this
18 transition process. Obviously new consumers,
19 helping on-board them, you know, as new
20 consumers into the program. And being the
21 consumer face in terms of helping answer
22 questions and support them in the program.

23 CHAIRWOMAN KRUEGER: So you are -- so
24 these agencies that have been signed up as

1 facilitators, you are assisting people to
2 apply through the new system.

3 MS. MILLER: Yes, assisting people.

4 But then there's technically no
5 contract requirement for assisting the
6 personal assistants. But obviously that's
7 integral to making sure that the consumer
8 services are provided, is that the personal
9 assistants are also fully enrolled as well.

10 CHAIRWOMAN KRUEGER: And I think this
11 is rhetorical, but if we get the patients
12 signed up but we don't get their assistants
13 signed up, what do we get?

14 MS. MILLER: Nothing.

15 CHAIRWOMAN KRUEGER: Okay. Just
16 double-checking.

17 MS. MILLER: That's our concern.

18 CHAIRWOMAN KRUEGER: Okay.

19 MS. MILLER: I think there's a lot of
20 focus on the numbers of consumers enrolled,
21 but I think the question is how many of those
22 consumers actually have a personal assistant
23 that is enrolled and payroll-ready for
24 April 1st.

1 CHAIRWOMAN KRUEGER: Okay. I want to
2 thank you all for staying all day and
3 participating this evening. I think we heard
4 a lot about these specific issues throughout
5 the day. So thank you very much for coming
6 and for your testimony tonight. I think it
7 is night. It's close to night.

8 I'm going to excuse you, and I'm going
9 to call the next panel, which is Panel H.
10 And it's food and genealogy. I love how we
11 sort of blended these things together.

12 So we have The Food Pantries for the
13 Capital District; The Alliance for a Hunger
14 Free New York; West Side Campaign Against
15 Hunger; Schenectady County -- well, we may
16 have to find more chairs -- Schenectady
17 County Food Council; Met Council;
18 Association of Professional Genealogists; and
19 the New York Genealogical and Biographical
20 Society.

21 (Pause; off the record.)

22 CHAIRWOMAN KRUEGER: (Mic off;
23 inaudible) -- your org and go down the row.

24 MS. PENDER-FOX: Hi, I'm Angie

1 Pender-Fox. I'm the associate executive
2 director with The Food Pantries for the
3 Capital District.

4 MS. PERNICKA: Hi, I'm Natasha
5 Pernicka, executive director at the
6 Alliance for a Hunger Free New York.

7 MS. ROSENTHAL: Hi, I'm
8 Alyson Rosenthal, chief program officer with
9 the West Side Campaign Against Hunger.

10 MR. JEBEJIAN: Hi, I'm Dickran
11 Jebejian, the director of policy for the
12 Met Council in New York City.

13 REVEREND LONGMIRE: I'm really
14 colorblind here. All right, Reverend Dustin
15 Longmire, the Schenectady County Food Council
16 Advocacy and Empowerment Working Group
17 cochair.

18 MR. FERRETTI: I'm Alec Ferretti, a
19 director of the Association of Professional
20 Genealogists.

21 MR. TAYLOR: I'm Joshua Taylor,
22 president and CEO of the New York
23 Genealogical and Biographical Society.

24 CHAIRWOMAN KRUEGER: So just to spice

1 it up, let's start with the genealogists,
2 because I'm not even sure why you're here
3 with us, but I know I'm interested.

4 (Laughter.)

5 CHAIRWOMAN KRUEGER: Please.

6 MR. FERRETTI: My name is
7 Alec Ferretti, and I represent the
8 Association of professional genealogists,
9 along with thousands of researchers, small
10 businesses, families, et cetera, who rely on
11 access to New York's historical birth,
12 marriage and death records.

13 We strongly oppose Part U of the
14 proposed health legislation, a proposal that
15 does not digitize vital records or streamline
16 access as claimed, but rather prohibits
17 research on most 20th century New Yorkers,
18 making it nearly impossible for individuals
19 to uncover their heritage and medical
20 history.

21 Vital records are the cornerstone of
22 identity, family history, medical research,
23 and even many legal proceedings. This
24 proposal would retroactively block access to

1 decades of records, while increasing fees by
2 over 300 percent. Already genealogy
3 requests, just 4 percent of the total, face a
4 five-year backlog at the DOH because they've
5 been deprioritized over other workflows.

6 New York would become an outlier in
7 vital records laws, imposing one of the most
8 restrictive embargo periods in the country:
9 125 years for births, 100 for marriages,
10 75 for deaths. Meaning that records about
11 people who lived in the 19th, let alone
12 20th century will be completely inaccessible
13 even to their descendants.

14 Nearly all vital records are entirely
15 public in our neighboring states of
16 Connecticut, Massachusetts, New Jersey and
17 Vermont.

18 No constituency, to our knowledge, has
19 asked to close off these records, and the
20 only stated reason in the proposal is to
21 reduce the DOH's workload.

22 The impact of these restrictions is
23 far-reaching. State settlements would be
24 obstructed, obtaining dual citizenship would

1 become more difficult, tracing inherited
2 conditions would possibly be impossible.

3 Historians and biographers would lose
4 access to person-level data. Research into
5 Holocaust survivors, the formerly enslaved,
6 and immigrant communities will be severely
7 limited. The families of adoptees will not
8 be able to fulfill the documentation
9 requirements in order to obtain their
10 family's original birth certificates.

11 The few records still publicly
12 available will be rendered unaffordable at
13 the \$95 fee.

14 This proposal also eliminates the
15 obligation to maintain birth and death
16 indexes, making it nearly impossible to
17 verify if someone even existed, while the
18 proposed FOIL exemptions are overly broad and
19 could have unintended consequences on access
20 to data.

21 At a time when states across the
22 country are modernizing access, moving
23 records to archives, putting them online and
24 reducing barriers generally, New York's

1 moving in the opposite direction. APG urges
2 the Legislature to reject Part U and replace
3 it with one that provides for publicly
4 available indexes, reasonable fees,
5 digitization, and publication of records, and
6 entitling descendants and close relatives to
7 receive certified copies, among just access
8 in general.

9 New Yorkers deserve transparency,
10 efficiency, and access -- not secrecy,
11 delays, and prohibitive costs.

12 Thank you.

13 MR. TAYLOR: Thank you for the
14 opportunity to testify today.

15 As president and CEO of the New York
16 Genealogical and Biographical Society, the
17 state's oldest and largest genealogical
18 organization, I represent thousands of
19 individuals who are committed to preserving,
20 documenting and sharing the family histories
21 that connect us to New York's past.

22 The millions of birth, marriage and
23 death records overseen by the New York State
24 Department of Health are essential not just

1 for genealogists but for historians,
2 biographers, researchers, and everyday New
3 Yorkers who are seeking to understand their
4 heritage.

5 While we welcome with open arms
6 efforts to modernize access to these records,
7 Part U of the proposed bill does not
8 accomplish this goal. Despite its title,
9 "Digitize Genealogical Records," the bill
10 does not mention the word "digitization" at
11 all. Instead, it increases barriers,
12 exacerbates existing inequalities, and fails
13 to address the core issue -- an unacceptable
14 multiyear backlog that already prevents
15 timely access to records.

16 Rather than solving the problem, the
17 proposed solution -- raising fees while
18 limiting access -- makes it worse. It sends
19 a troubling message that only those with deep
20 multigenerational ties to New York deserve
21 access to these records, while families with
22 more recent histories are left out.

23 Genealogical research is not a luxury.
24 It is a fundamental way for people to connect

1 their past and their communities. Some
2 researchers trace immigration patterns;
3 others seek answers about their family's
4 medical history; some order copies of every
5 John Smith to figure out which John Smith is
6 theirs. Many travel throughout the state,
7 supporting local business through heritage
8 tourism. All need fair and reasonable access
9 to New York's vital records.

10 At a time when New Yorkers are already
11 struggling with rising costs, a steep fee
12 increase further burdens working-class and
13 lower-income families. Everyone has the
14 right to discover their heritage regardless
15 of their financial situation.

16 Eliminating the index to vital records
17 would have a devastating impact on future
18 research, cutting off access to information
19 that should be preserved, accessible and
20 available for generations to come.

21 We've heard as recently as this
22 morning's article in the Times Union that DOH
23 utilizes taxpayer money to conduct vital
24 research searches. Is eliminating the index

1 to these records really the solution to
2 responding to these requests more
3 efficiently?

4 Further, the current system places an
5 undue burden on local registrars and clerks
6 across the state.

7 Our written testimony includes
8 recommendations to adjust time frames in
9 alignment with New York City's approach. I
10 want to emphasize that increasing
11 restrictions is not the solution. Far better
12 models exist. Take just one, the New York
13 City Municipal Archive, which has made
14 millions of New York City's historic vital
15 records freely accessible online.

16 We have previously communicated our
17 concerns to the Department of Health, and our
18 inquiries have gone unanswered. We stand
19 ready to work with you to ensure that all
20 New Yorkers, regardless of background, can
21 continue to explore their family history and
22 strengthen their ties to the Empire State.

23 Thank you for your time.

24 REVEREND LONGMIRE: Feed the line and

1 shorten the line.

2 My name is Reverend Dustin Longmire,
3 pastor of Messiah Lutheran Church in
4 Rotterdam, New York, and I come before you
5 today as cochair of the Schenectady County
6 Food Council Advocacy and Empowerment Working
7 Group.

8 Last May we partnered with the
9 Schuyler Center for Advocacy and Analysis,
10 the Alliance for a Hunger Free New York, the
11 Rotterdam Community Center and the
12 Labor-Religion Coalition of New York to
13 organize a food and poverty speakout. This
14 was an opportunity for poor and working
15 people across our county to develop
16 priorities for this year's New York State
17 budget.

18 We then further refined that feedback
19 with our Schenectady County Community
20 Advocates, 11 current and former emergency
21 food program guests who have dedicated
22 countless hours to bringing their lived
23 experience to the work of policy change.

24 In Schenectady County our philosophy

1 is simple, friends. As we work to address
2 the greatest food affordability crisis in
3 New York State since the Great Depression, we
4 must prioritize the views of poor and working
5 people. And the priorities of poor and
6 working people in Schenectady County are
7 incredibly clear: Feed the line and shorten
8 the line.

9 How can we feed the rapidly growing
10 lines of neighbors' emergency food programs
11 across New York State? We must fully fund
12 the HPNAP -- Hunger Prevention and Nutrition
13 Assistance Program and the Nourish NY program
14 at \$75 million each.

15 How can we shorten the line? We must
16 secure a \$100 minimum SNAP benefit. That's
17 the Supplemental Nutrition Assistance
18 Program, formerly known as Food Stamps.

19 The USDA's Economic Research Service
20 recently released a report saying one in
21 eight New York households are experiencing
22 food insecurity, up from one in 10 last year.
23 Since 2019 the number of people visiting
24 emergency food programs across our state has

1 grown by 70 percent.

2 Feed the line and shorten the line.

3 Last night poor and working people organized
4 the Schenectady City Council to urge the
5 passage of a municipal resolution supporting
6 the full funding of HPNAP and Nourish NY and
7 raising the SNAP minimum benefit in this
8 year's state budget.

9 As I speak, we are organizing at the
10 Schenectady County Legislature as well.
11 Tomorrow, in two suburban and rural counties,
12 our community advocates will continue this
13 dare I say holy work.

14 I am happy to report that a bipartisan
15 group of our county's State Assemblymembers
16 and Senators are supporting this effort as
17 well. I have no doubt, based on the
18 testimony of my other colleagues here, that
19 poor and working people across our state feel
20 much the same way: Feed the line, shorten
21 the line, fully fund HPNAP and Nourish NY,
22 and raise the SNAP minimum benefit in this
23 year's New York State budget.

24 Feed the line, shorten the line. One

1 in eight, one in eight of our neighbors in
2 this state are counting on you.

3 Thank you.

4 MR. JEBEJIAN: It's hard to follow a
5 Reverend.

6 (Laughter.)

7 MR. JEBEJIAN: Good evening,
8 Chairs Krueger, Pretlow and Paulin, and
9 fellow committee members. Thank you for
10 holding this hearing tonight.

11 My name is Dickran Jebejian, and I am
12 the director of policy at the
13 Metropolitan Council on Jewish Poverty.
14 Met Council provides a wide array of
15 supportive social services to over 320,000
16 New Yorkers annually.

17 Today we have heard about health
18 through the lens of insurance, nursing,
19 workforce development, and many other very
20 important issues that impact the health
21 outcomes of New Yorkers. Yet health, both
22 physical and mental, begins with what we eat.

23 I am here today on behalf of
24 Met Council's food programs. We provide

1 emergency food service to anyone who comes to
2 our doors, including kosher and
3 halal-observant communities.

4 We are here alongside leaders from
5 across the state, and on behalf of the
6 millions of New Yorkers experiencing food
7 insecurity, to urge this committee to provide
8 \$75 million of funding to the Hunger
9 Prevention and Nutrition Assistance Program,
10 HPNAP.

11 Additionally, I call on this body to
12 work with the Department of Health to
13 increase transparency and accountability in
14 their HPNAP award decision-making process.
15 New York State is home to the largest Jewish
16 and Muslim populations in the country, yet we
17 consistently fail to meet the needs of these
18 diverse communities.

19 Over the course of 18 months,
20 Met Council collected 230 surveys for
21 emergency food providers in 46 of New York's
22 62 counties. We published a full-length
23 report last September. In this report we
24 found that emergency food providers from

1 24 counties, representing 44 percent of all
2 of our respondents -- including the counties
3 of the Bronx, Broome, Chemung, Columbia,
4 Erie, Kings, Monroe, Nassau, New York,
5 Onondaga, Ontario, Queens, Rensselaer,
6 St. Lawrence, Suffolk, Westchester, and many
7 others that are represented by members of
8 this committee -- reported unmet kosher and
9 halal food need.

10 This need was present in the catchment
11 areas of all 10 New York State Food Banks.

12 We definitively know that there are
13 New Yorkers from all over the state who
14 follow religiously required diets and need
15 food assistance, and HPNAP is one of the best
16 tools to address this need. New Yorkers
17 observing these diets will go without food if
18 the system does not provide appropriate food
19 products.

20 HPNAP provides flexible funding that
21 allows Met Council to purchase these products
22 directly for their clients. Because of this
23 flexibility, we believe this body must
24 continue to invest in programs like HPNAP.

1 The funding and administration
2 decisions made by this committee will impact
3 the lives of millions of our neighbors. By
4 fully funding HPNAP at \$75 million and
5 working to increase transparency in the
6 funding decisions, this committee will
7 benefit all food-insecure New Yorkers,
8 including those with religiously informed
9 dietary restrictions.

10 We thank you for your time today, and
11 we hope to continue to work with this
12 committee and the State Legislature to feed
13 all New Yorkers experiencing food insecurity,
14 especially in this federal climate where
15 TEFAP is threatened.

16 Thank you.

17 MS. ROSENTHAL: Thank you, Senators
18 and Assemblymembers, for this opportunity to
19 testify.

20 I'm Alyson Rosenthal. I'm the chief
21 program officer with the West Side Campaign
22 Against Hunger. And we're asking for your
23 support to ensure the Hunger Prevention and
24 Nutrition Assistance Program, HPNAP, is

1 funded at \$75 million, and Nourish NY is also
2 funded at \$75 million.

3 We thank you for your work to secure
4 the 40-year-long precedent of supporting food
5 pantries and meal programs, in addition to
6 food banks, by ensuring funding goes directly
7 to food pantries and not just directly to
8 food banks.

9 The West Side Campaign Against Hunger
10 is one of New York City's largest emergency
11 food providers, and our mission is to
12 alleviate hunger by ensuring all New Yorkers
13 have access -- with dignity -- to a choice of
14 healthy food and supportive services.

15 As was just mentioned by my colleague
16 here, New York State is experiencing a hunger
17 crisis. The USDA recently released a report
18 that showed one in eight New York State
19 residents is experiencing food insecurity.
20 That is an increase from one in 10 in the
21 previous year.

22 There's also a dramatic increase of
23 food prices, a 25 percent increase from 2019.
24 And this not only causes increased grocery

1 prices for our customers or for food-insecure
2 New Yorkers, but also makes it increasingly
3 challenging for food pantries and other meal
4 providers to provide healthy options for the
5 people who are seeking food.

6 Our team of 30 staff and over
7 2,000 volunteers, we're working day in and
8 day out to serve families across Bronx,
9 Kings, New York and Queens counties. This
10 past year alone we served over
11 110,000 New Yorkers in need at over
12 30 different community distribution
13 locations. And we also provided over
14 2,000 home delivered groceries each month to
15 food-insecure New Yorkers.

16 The demand for food at our
17 organization is three times pre-pandemic
18 levels and is 50 percent more than even
19 during the peak of the pandemic. We've never
20 seen numbers like this in our 46 years of
21 service.

22 No matter the need, we stay focused on
23 our community, making sure that they have
24 access to healthy, culturally relevant foods.

1 This year we will give out over 3 million
2 pounds of fresh produce alone. Funding from
3 HPNAP and Nourish allows us to buy amazing
4 New York State products, culturally relevant,
5 healthy and fresh foods that our customers
6 want and need. But we need more funding to
7 meet the increased need that we're seeing on
8 our lines.

9 Food pantries need to receive funding
10 directly from the state and not through food
11 banks.

12 (Time clock sounds.)

13 MS. ROSENTHAL: Does that mean my
14 time's up? Okay. Thank you.

15 MS. PERNICKA: Hello. Thank you so
16 much for the opportunity.

17 I'm Natasha Pernicka, of The Alliance
18 for a Hunger Free New York. We are working,
19 together with more than 250 frontline food
20 assistance providers like food pantries in
21 33 counties, towards a hunger-free New York.

22 Who deserves to eat? Analysis of the
23 decline in philanthropy over the past several
24 years, the increase in food assistance

1 services that have been subscribed at
2 70 percent since 2019, along with the
3 increase of food inflation at 25 percent
4 since 2019, shows that it would take
5 approximately \$2.41 today -- to a dollar in
6 2019 -- just to remain flat.

7 What that looks like for HPNAP, the
8 Hunger Prevention and Nutrition Assistance
9 Program, that would mean \$82 million in this
10 year's budget just to remain flat. We are
11 asking for \$75 million.

12 Food pantries are the place where
13 people turn to when they have nowhere else to
14 go. Their wages are not keeping up, we are
15 seeing more and more working people, working
16 families turning to food pantries than we've
17 ever seen before. We're seeing a lot more
18 older adults living on extremely limited
19 incomes and retirement than we've ever seen
20 before.

21 SNAP and WIC are both supplemental
22 programs. Food pantries are where people
23 turn to when there's nowhere else to go.

24 We're also asking for 75 million for

1 Nourish NY, which is a real win-win for
2 New York State farmers, our food pantry
3 system, and for those in need of food
4 assistance who consistently rank meat, dairy
5 and fresh produce as the items that are most
6 desired in our food pantry consumer surveys.

7 Not only is it expensive for our
8 families to shop at the grocery store, it's
9 more expensive to keep food pantry shelves
10 stocked with healthy and nutritious food.

11 Let's face it: Food is medicine. We
12 are past the point of hunger being a
13 short-term emergency, not having enough
14 nutritious food to eat is crippling people
15 through chronic health conditions -- not
16 being able to focus at work, impact school
17 performance, and having to make difficult
18 decisions between paying for food,
19 medications, gas for the car, household bills
20 and more. As we've mentioned, one in eight
21 New York households are not keeping up.

22 Food pantries need direct support,
23 direct legislative funding to provide
24 culturally appropriate, nutritious food with

1 proper staffing and operations. Having
2 access to pantries, having longer hours of
3 operation and appropriate staffing is
4 incredibly important for food pantries.

5 Thank you.

6 MS. PENDER-FOX: Hi, everyone. I'm
7 Angie Pender-Fox, associate executive
8 director at The Food Pantries for the
9 Capital District.

10 I'm here today to ask for your support
11 in addressing food and nutrition insecurity
12 in New York State in the upcoming budget.

13 Specifically, we are asking for your
14 support in ensuring that the Hunger
15 Prevention and Nutrition Assistance Program,
16 or HPNAP, is funded at \$75 million,
17 Nourish NY at 75 million, and to continue to
18 direct contracts with emergency food relief
19 programs.

20 The Food Pantries for the Capital
21 District is a coalition of more than 70 food
22 pantries serving Albany, Rensselaer,
23 Schenectady and Saratoga counties. As a
24 coalition we continue to experience record

1 high service levels. In 2024 our coalition
2 of food pantries supported over 104,000
3 individuals seeking food assistance. This is
4 more than a 50 percent increase from 2023.

5 In 2024 our food access and referral
6 team provided nearly 12,000 referrals for
7 food assistance. This is the highest in our
8 45-year history as an organization.

9 The statistics we see are shocking
10 but, sadly, not uncommon, as our colleagues
11 across the state are also experiencing record
12 high service levels. The continued increase
13 in need, coupled with food inflation, puts a
14 tremendous amount of pressure on our direct
15 providers, a pressure that many struggle to
16 meet.

17 And while you'll hear many stats
18 today, please remember that each number
19 represents a human being struggling to
20 provide the most basic of needs for
21 themselves and their loved ones -- the basic
22 need of food.

23 Thank you for your leadership on this
24 critical issue. We, along with our

1 colleagues from The Alliance for a
2 Hunger Free New York and direct providers
3 across the state, are hopeful that you will
4 stand with us and ensure that all New Yorkers
5 have the food and nutrition they need to not
6 just survive but thrive.

7 CHAIRWOMAN KRUEGER: Thank you,
8 everyone.

9 Senator Webb or Rivera?

10 SENATOR WEBB: Thank you all again for
11 being here, for your testimony.

12 I wanted to ask more specifically with
13 regards to HPNAP and Nourish NY. So in light
14 of some of the federal changes that are
15 happening, what are some things that you all
16 are seeing on the ground as relates to the
17 growing challenges around food insecurity,
18 through your work?

19 MS. ROSENTHAL: I can start.

20 So with the West Side Campaign Against
21 Hunger, we're seeing a lot of fear within our
22 communities that we serve. A lot of people
23 are hesitant to come and even reach out for
24 food.

1 People who might be eligible for
2 benefits like SNAP benefits, if they have a
3 child who's a legal resident, they are not
4 wanting to apply due to fear of public
5 charge.

6 And so, you know -- and also with all
7 of the, you know, proposed tariffs, people
8 are very concerned about grocery prices that
9 are already high. And our lines are just
10 getting longer and longer. And so the
11 need -- I just only see the need increasing.

12 MS. PERNICKA: I can just add that
13 we've been monitoring the TEFAP program from
14 USDA. Approximately 30 percent of the food
15 that's distributed through food banks comes
16 from USDA's TEFAP program. This is an
17 incredibly important free --

18 SENATOR WEBB: Can you elaborate what
19 TE --

20 MS. PERNICKA: TEFAP is the emergency
21 food assistance program through USDA. It's
22 like the free government food. Which is
23 important because most food the pantries get
24 through food banking they pay for, so this is

1 one of the free foods that are available to
2 pantries. So that's something we're
3 monitoring.

4 MR. JEBEJIAN: And I just want to add
5 that TEFAP has an attestation requirement
6 that, to my colleague's point, really scares
7 off many clients.

8 It actually wouldn't impact them in
9 any super-negative way, as long as they just
10 basically sign off that they meet the income
11 requirements. But it stops people from using
12 our services, and it can be very frustrating
13 and difficult to engage with clients because
14 of that attestation requirement.

15 REVEREND LONGMIRE: I can just say
16 anecdotally this past Sunday, before we were
17 serving holy communion at my church, there
18 was a number of our members who were
19 panicking about their SNAP benefits being
20 cut. Panicking.

21 And they're talking about how -- how
22 can we just feed people I guess spiritually
23 and not do -- and how are we going to meet
24 the need to feed people physically as well,

1 with the proposed cuts on the federal level.
2 It's terrifying.

3 SENATOR WEBB: Thank you.

4 Are there any additional
5 recommendations that you all suggest that we
6 can do? I know some things are out of our
7 control, but most certainly be willing to
8 hear -- I know we only have a few seconds
9 left. Just a couple of points?

10 (Time clock sounds; reaction.)

11 CHAIRMAN PRETLOW: Assemblyman Weprin.

12 ASSEMBLYMAN WEPRIN: Thank you,
13 Mr. Chairman.

14 I'd like to address this question to
15 one of the genealogists, either Alec Ferretti
16 or Joshua Taylor.

17 One of my proudest legislative
18 accomplishments -- and some of my more senior
19 colleagues may remember this -- was the
20 Adoptee Bill of Rights, which was chaptered
21 in 2019 and allowed adult adoptees or if the
22 adopted person is deceased, the adopted
23 person's direct line of descendants, or the
24 lawful representative of such, to obtain a

1 certified copy of the adopted person's
2 original long-form birth certificate.

3 In your testimony you stated that --
4 maybe you didn't use these words, but if
5 Part U health legislation were to go into
6 effect, descendants of adoptees would not be
7 able to obtain their relative's adoption
8 records, contradicting my statute.

9 Can you elaborate on this? And I
10 assume this is an unintended consequence in
11 the proposal, because I can't imagine that
12 that was the intent of the Health Department
13 or the Governor when it comes to that.

14 MR. FERRETTI: Thank you for that
15 question.

16 So under the Department of Health's
17 implementing regulations, you have to
18 document the relationship to the adopted
19 ancestor. So you have to show your birth
20 certificate, your mother's birth certificate,
21 your grandmother's birth certificate if, say,
22 your great-grandmother was adopted.

23 Under this proposal, birth records
24 would be closed for 125 years, so it would

1 not be possible to get any person's birth
2 record from the 20th century besides your
3 own. So you will -- no deceased adoptee's
4 descendants will ever be able to get their
5 ancestor's original birth certificate because
6 the documentation needed would no longer be
7 public record, or accessible even to a
8 descendant.

9 ASSEMBLYMAN WEPRIN: Well, I find that
10 troubling.

11 MR. FERRETTI: Me too.

12 ASSEMBLYMAN WEPRIN: And it's
13 certainly something -- I wish I knew about --
14 I just found out about this. I wish I knew
15 about this when the health commissioner was
16 here. But it's certainly something that I'm
17 going to revisit.

18 Thank you, Mr. Chairman.

19 CHAIRWOMAN KRUEGER: Senator Rivera.

20 SENATOR RIVERA: I had -- I also --
21 most of the questions I have are for the
22 genealogy folks.

23 I'm very much aware of the issues that
24 exist around the hunger around the state.

1 Certainly many of you work in my community,
2 so thank you for that. And I'm certainly
3 committed to making sure that you have the
4 resources necessary to feed folks around the
5 state.

6 On the genealogy issue, I guess the
7 reasoning that -- I mean, I may be asking the
8 wrong folks, because you're like "What?" when
9 you saw the change happen. Are you aware of
10 any reasoning that's being stated by the
11 administration as far as what they would
12 need, why they would need to do this?

13 MR. FERRETTI: Exclusively, it's
14 reducing the backlog. Or administrative
15 burden. They have 10,000 pending requests
16 right now. They're going through the
17 requests for genealogy records that were
18 submitted in 2020. So they've --

19 SENATOR RIVERA: Okay. And the
20 department -- what is the department that
21 actually deals with this? It's within the
22 Department of Health, it's a unit?

23 MR. FERRETTI: Yes.

24 SENATOR RIVERA: Okay. So you folks,

1 I'm not sure if you were -- you were probably
2 not here the whole day. If you were, God
3 bless you. Unlike us, you didn't have to be.
4 But there was a conversation that we had
5 early on with the commissioner about staffing
6 shortages and about the fact that they're --
7 the only addition they have to the staff was
8 like seven lines, and they had already stated
9 specifically what that was going to be for,
10 as opposed to like broadening their staff.

11 Would you say that this is further
12 evidence that maybe if they staffed up
13 correctly they would be able to deal with it,
14 as opposed to putting the burden on the folks
15 who are seeking the records, which is what
16 they seem to be doing here?

17 MR. FERRETTI: Exactly.

18 MR. TAYLOR: Would absolutely agree.

19 And particularly telling folks to go
20 to the local registrar rather than the
21 Department of Health is just not -- it's not
22 solving the problem at all. Yeah, staffing
23 up would help tremendously.

24 SENATOR RIVERA: Gotcha. All right,

1 thank you.

2 CHAIRMAN PRETLOW: Assemblyman Jensen.

3 ASSEMBLYMAN JENSEN: Thank you,

4 Mr. Chairman.

5 Also questions for the genealogists.

6 So if this -- if we digitize vital
7 records and -- has there been any clarity
8 that you may have heard, either directly or
9 indirectly, about what would happen to the
10 requests that were submitted prior to if and
11 when this would be enacted?

12 So you said 2020 is when they're
13 processing requests from. Would they have
14 to -- is it your understanding would they
15 have to process all outstanding records?
16 Would the requests be cancelled? Have you
17 gotten any indication how that would work?

18 MR. TAYLOR: No, we do not know.

19 ASSEMBLYMAN JENSEN: Oh, okay. Good.

20 Okay, pivoting to the hunger team,
21 because there's five of them and there's only
22 two of you and there's only one of me and I
23 don't -- you know, they could gang up.

24 When we talk about access to food

1 coverage, food shelters, we -- you know, I'm
2 from Rochester, so Foodlink is our biggest
3 distributor, and they're phenomenal. I took
4 a tour very recently, and we have -- they
5 utilize a mobile food pantry.

6 How could the state work to enhance
7 the abilities of organizations like all of
8 yours and the other ones across the state to
9 ensure that they're meeting more New Yorkers
10 in need who may not be able to get to a
11 predetermined distribution site?

12 MS. ROSENTHAL: I think one solution
13 for that would be funding allowing HPNAP and
14 Nourish to go directly to food pantries.
15 Because right now the funding goes through
16 food banks, and the food banks are putting
17 unnecessary obstacles for food pantries to
18 get food to where it needs to go.

19 So as an example, the food bank for
20 New York City is requiring that our executive
21 director or a senior program director be
22 on-site for any mobile food distribution.
23 That is just not, you know, possible when
24 you're running an organization that has

1 30 different distribution locations.

2 So if we get the money directly, it
3 removes any of those unnecessary obstacles
4 for us opening up mobile food distribution
5 points.

6 ASSEMBLYMAN JENSEN: And then how does
7 the funding stream work to -- so right now I
8 think people think of food banks as raw
9 goods. So you're getting an orange, you're
10 getting a potato, you're getting a box of
11 pasta.

12 How would the funding work if a food
13 bank wanted to feed the hungry, shorten the
14 line, but do it through prepared meals, hot
15 meals?

16 MS. PERNICKA: That's a different
17 consumer base for folks that don't -- that
18 can't cook.

19 I just want to mention home-delivered
20 pantry groceries, which we do a lot of as an
21 important thing that we would love to see
22 funding for home-delivered groceries and
23 other mobile programs.

24 ASSEMBLYMAN JENSEN: Thank you all.

1 CHAIRWOMAN KRUEGER: All right, I
2 think it's me. Hi, everyone.

3 So I certainly understand the need for
4 more money for emergency food and the
5 different programs. I think realistically if
6 you were to ask the state to start to
7 subcontract with every individual emergency
8 food provider, it would never happen. Nobody
9 would ever see any money.

10 So I would actually suggest that if
11 some groups are having concerns about
12 requirements being placed on them by the
13 food banks, work it out with the food banks
14 to just change those rules, rather than
15 having the, with all due respect, the
16 illusion that the State of New York is going
17 to contract with the thousands of food
18 pantries and soup kitchens in the State of
19 New York.

20 It's not even asking for an answer,
21 I'm just saying that's my thoughts.

22 On the genealogy, all right, so
23 everybody understands there's more reasons to
24 need this information now than ever. It used

1 to just be it would be really interesting to
2 find out where my ancestors came from and
3 where they landed and what happened. And why
4 is there -- you know, why does Grandma seem
5 to be the second wife of Grandpa when we
6 never learned that until now.

7 But now we know for medical reasons
8 tracking this kind of information can be
9 crucial. I'm working on some legislation to
10 expand the state's responsibility for making
11 sure with in vitro fertilization, with
12 surrogacy, with egg donors, et cetera,
13 et cetera, that there's ways for us to get
14 this information when our doctors say we
15 really need to learn more about who's who for
16 health and genetic purposes.

17 So it was also -- when you talk about
18 the states going through digitalization,
19 shouldn't that make it all so much easier for
20 them? Why are we doing this, instead of just
21 speeding up the process that we figure out
22 computer systems?

23 MR. FERRETTI: As far as I know, the
24 Department of Health is. They've already

1 spent over a million dollars in contracts
2 with a vendor to scan everything. And last
3 March they actually signed another contract
4 for another million-and-change to do more
5 scanning and indexing.

6 So my understanding is that they've
7 scanned a lot. I can tell you as of
8 December 2022 they had scanned over
9 30 million certificates. And they have a
10 bunch of different overlapping databases and
11 indexes, and it's kind of convoluted. But
12 they have been doing a lot to get this
13 digitized already.

14 And I really do think that processing
15 a genealogical request is really no different
16 most of the time than processing a regular
17 request for your own birth certificate. And
18 yes, I highly support digitization. There's
19 a lot of for-profit genealogy vendors that
20 have tried to digitize in New York State, and
21 it's never gone anywhere. They've done it in
22 other states.

23 But New York has gone in a different
24 direction. And digitization is ongoing.

1 MR. TAYLOR: And I would just add that
2 there are multiple written testimonies
3 submitted of individuals who had the medical
4 history experience, and it was lifesaving for
5 those families.

6 CHAIRWOMAN KRUEGER: It just seems,
7 given the federal government destroying all
8 research and history, we probably ought to
9 not do the same thing here in New York at
10 this moment.

11 CHAIRMAN PRETLOW: Absolutely.
12 Assemblywoman Paulin.

13 ASSEMBLYWOMAN PAULIN: I think we're
14 all stuck on the genealogy.

15 So let me understand -- I mean, I'm
16 looking at your list. I guess this is on
17 the -- I don't know which guy I'm looking at,
18 you know, but -- Joshua Taylor, I'm looking
19 at your list of -- I'm assuming what New York
20 City adopted about who can get what.

21 Who else would want this, and why
22 would we limit it or exclude who else that
23 might be?

24 MR. TAYLOR: So it's a great question.

1 That list is an alternate if they
2 decide to restrict the years. If not, it
3 should be open for anyone. Because I don't
4 know what John Smith I'm going after, I need
5 all the John Smiths to figure out which one
6 is mine. So we would prefer no restriction.

7 If -- if there is a need for
8 restriction, we'd like a very expanded list.
9 But it's hard to know who you're related to
10 until you do the research, which is why we
11 need the records.

12 ASSEMBLYWOMAN PAULIN: And the current
13 proposal, would that wipe out all the
14 requests? Or would it just be new requests?
15 Or unclear?

16 MR. TAYLOR: I --

17 ASSEMBLYWOMAN PAULIN: We don't know.

18 MR. TAYLOR: We don't know.

19 MR. FERRETTI: It will be up to the
20 courts or the department or -- we don't know.

21 For what it's worth, most of our
22 neighboring states make vital records
23 essentially all public records. There's a
24 million caveats. But in Connecticut,

1 New Jersey, Vermont, Massachusetts, anyone
2 pretty much can get basically any birth,
3 marriage or death record.

4 So if someone was born or died in
5 New Jersey yesterday, you go to the
6 Department of Health and order the record,
7 they'll give you a copy of the information,
8 you pretty much get everything.

9 Whereas, under this proposal, it would
10 be closed in New York for 75 or 125 years.

11 ASSEMBLYWOMAN PAULIN: Thank you so
12 much.

13 CHAIRMAN PRETLOW: Assemblywoman
14 González-Rojas.

15 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
16 you.

17 The genealogy thing is fascinating,
18 because in this hundred-something-page
19 document this has been really skipped over.
20 So thank you for highlighting this.

21 I do want to speak to the food justice
22 folks. First off, thank you for all you do.
23 I am eternally grateful. I'm very proud to
24 have dedicated a lot of my advocacy here in

1 the Assembly for food justice and have worked
2 with many of you in this fight.

3 Reverend, you mentioned the SNAP
4 minimum benefit. It's a bill I carry, very
5 proud to carry. Could you talk about that
6 real impact for the people you serve?

7 And just for the record, the minimum
8 benefit in New York State -- for the whole
9 program, in the country -- is \$23 a month.
10 And we know in this day and age \$23 doesn't
11 get you far.

12 But if you could talk more about it
13 from your experience.

14 REVEREND LONGMIRE: Yeah, thank you
15 for that.

16 Yeah, exactly, the minimum benefit's
17 currently \$23 a month. I could buy maybe,
18 what, a meal and a half down in the food
19 court with that amount of money, right?

20 I mean, and this compounds on so many
21 other affordability issues. I know one other
22 thing that we've worked on a lot is the
23 Faith-Based Affordable Housing Act too,
24 right?

1 We are dealing with such a massive
2 affordability crisis in our state. We know
3 that the -- you know, there's this story that
4 all the millionaires and billionaires are
5 leaving. That's not true. It's everyone
6 else that's leaving. It's everyone else
7 that's leaving. I see that in my own
8 congregation. So many of our members who
9 would never identify -- you know, have worked
10 their whole lives, many of them are seniors,
11 a number of them are veterans -- they are
12 struggling with how low that SNAP minimum
13 benefit is.

14 And I just got a message from
15 Congressman Tonko earlier today saying that
16 he's going to have to be fighting to protect
17 the SNAP -- that level of SNAP benefits.
18 Right?

19 So yeah, we need to respond as a
20 state. This is a critical issue.

21 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
22 you so much.

23 And I went back to look at the
24 proposal for HPNAP and Nourish NY, and I see

1 the HPNAP is being proposed at 57.8 million
2 and Nourish NY is 55 million. So the
3 additional funding that we'll be fighting for
4 will be 20 million. What is that for each
5 program, about? What does that look like for
6 the services that you provide and the food
7 pantries and the work that you do?

8 MS. PERNICKA: So that is what was
9 funded last year, including the Governor and
10 legislative add last year.

11 I wanted to mention that most
12 pantries, the thousands of pantries don't
13 want direct contracts. Most pantries want to
14 go under food banks. But currently, of the
15 55 HPNAP contracts, more than 40 already go
16 to food pantries' organizations.

17 So when we're saying direct contracts
18 for direct providers, we're talking about the
19 larger food pantry organizations that are
20 doing a lot of their wholesale purchasing
21 independently. Even here in the Capital
22 Region, 32 percent of the food they buy
23 themselves, not food banks.

24 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank

1 you.

2 CHAIRMAN PRETLOW: Assemblywoman
3 Kelles.

4 ASSEMBLYWOMAN KELLES: That was one of
5 my questions. If you want to continue what
6 you were just saying, that would be great.

7 MS. PERNICKA: So basically there's an
8 idea that the Feeding America-branded
9 food banks are the source of food for the
10 food pantry system, and it is not fact.

11 A lot of larger food pantries actually
12 operate smaller-scale and large-scale food
13 banks, they just call them food pantries
14 because they're not a part of the
15 Feeding America network.

16 We've seen in New York City food
17 pantries actually saving money by doing their
18 own cooperative purchasing and bargaining.
19 Sometimes sales at grocery stores are cheaper
20 for pantries to purchase food than from their
21 food banks.

22 So it's really important for any
23 legislative adds this year to be available
24 for both food banks and food pantry

1 organizations. As I mentioned, there are a
2 lot of organizations that already have HPNAP
3 and Nourish NY contracts.

4 ASSEMBLYWOMAN KELLES: And there are
5 more restrictions of food banks than food
6 pantries, based on their federal contracts.
7 Am I right about that, or is that --

8 MS. PERNICKA: It mostly is with the
9 TEFAP program that we talked about earlier,
10 and the attestation.

11 I don't know if you have anything to
12 add.

13 MR. JEBEJIAN: No, we're all following
14 the same rules, I would say.

15 Can I add one thing about what she was
16 saying, though?

17 ASSEMBLYWOMAN KELLES: Sure.

18 MR. JEBEJIAN: In New York City our
19 local food bank has stopped allowing us to do
20 third-party distributions, and they're
21 putting the burden on small, volunteer-run
22 pantries to contract directly with the food
23 bank.

24 And what we're talking about is the

1 larger-scale pantries that have
2 professionalized staff that can manage these
3 contracts having direct access to HPNAP, not
4 putting the burden on small independent food
5 pantries.

6 ASSEMBLYWOMAN KELLES: That are
7 working with the food banks anyway.

8 I just wanted to clarify. You were
9 talking about emergency food assistance
10 programs, and that's free. But that's fresh
11 fruits and vegetables, typically, so --

12 MS. PERNICKA: That's not -- that's a
13 misconception. Over the past decade --

14 ASSEMBLYWOMAN KELLES: I know that's
15 been changing, so I wanted to --

16 MS. PERNICKA: It's a misconception.

17 And that's one of the things that is
18 at stake in not having resources, because we
19 don't want to go back to a
20 you-get-what-you-get. We've made so much
21 progress in adding fresh fruits and
22 vegetables and dairy and more healthy food.
23 We don't want to go back to what things used
24 to be like.

1 ASSEMBLYWOMAN KELLES: Nourish NY adds
2 significantly to that, of course --

3 MS. PERNICKA: Yes.

4 ASSEMBLYWOMAN KELLES: -- because that
5 is local and fresh fruits, and it's not
6 traveling. So the nutritional quality is
7 certainly higher for those.

8 MS. ROSENTHAL: My organization has a
9 direct HPNAP contract with the state, but we
10 get our Nourish funds through one of the
11 local food banks. And when we do that, we
12 have one -- they only allow us to purchase
13 the food from one vendor, so we're not able
14 to utilize the resources in the best way.

15 If we got it directly, we could buy
16 the best food from the lowest-cost vendor.
17 So it creates inefficiencies.

18 ASSEMBLYWOMAN KELLES: Thank you.

19 I mean, I'd just say thank you to all
20 of you. "Let food be thy medicine" -- this
21 is very near and dear to my heart. It is
22 what my doctoral work was in, and so I'm just
23 loving listening to this.

24 But I -- it's disturbing how much

1 hunger we have, because it affects our
2 economic development long-term
3 infrastructure, cognitive development,
4 education. So thank you.

5 CHAIRWOMAN KRUEGER: Okay, I think
6 we're done.

7 ASSEMBLYWOMAN KELLES: That was my
8 rap, like alter ego.

9 (Overtalk.)

10 CHAIRWOMAN KRUEGER: All right, that
11 was your wrap, yup.

12 All right, thank you all very much for
13 being with us tonight. And we're going to
14 excuse you, and we're going to invite our
15 last panel to come up.

16 American Cancer Society -- the Drug
17 Policy Alliance had to leave -- Hospice and
18 Palliative Care Association of New York --
19 the Academic Dental Centers had to leave --
20 Housing Works, and Compassion & Choices.

21 (Off the record.)

22 CHAIRWOMAN KRUEGER: All right, good
23 evening.

24 So we'll do the same thing we've been

1 doing. First we go down the row, starting on
2 my right, to introduce yourselves so the
3 video people know who you are.

4 And you press that button until it
5 turns green. There you go.

6 MS. CHIRICO: Hello, I'm
7 Jeanne Chirico, with the Hospice and
8 Palliative Care Association of New York
9 State.

10 MR. DAVOLI: Michael Davoli, with the
11 American Cancer Society Cancer Action
12 Network.

13 MS. CAREY: Corinne Carey, with
14 Compassion & Choices.

15 MR. KING: And Charles King,
16 Housing Works.

17 CHAIRWOMAN KRUEGER: Okay. All right.
18 Everyone is going to behave up here.

19 SENATOR RIVERA: Yes, sir.

20 CHAIRWOMAN KRUEGER: Yes, sir.

21 Okay, please.

22 MS. CHIRICO: Again, to remind you, my
23 name is Jeanne. I'm the president of the
24 Hospice and Palliative Care Association.

1 And I want to thank all the people
2 that are here in this hearing room. One, for
3 staying with this. But two, we have many
4 hospice champions here, and we're grateful
5 for all that this Legislature has done to
6 support hospice and palliative care over the
7 years.

8 It's been a long day and you've heard
9 priorities from the Department of Health, the
10 Medicaid department, the budget, the
11 consumers, the hospital systems, and all
12 their respective associations. It's not by
13 accident; however, it is ironic that hospice
14 is the last panel.

15 (Laughter.)

16 MS. CHIRICO: I'm going to take a
17 pointer from Dan Lowenstein with his CHHA
18 lesson, and I'm just going to say hospice,
19 hospice, hospice is Medicare, Medicare,
20 Medicare driven. It is not
21 Medicaid-reimbursed the majority of time.
22 And all the good work that you do to try and
23 help workforce in the healthcare industry all
24 amounts to zero dollars having gone to

1 support a hospice and palliative care worker
2 increase.

3 We are at such a critical moment in
4 the hospice industry. I'm also from the
5 Rochester area, and if you think there's a
6 shortage of workers there in hospital
7 systems, part of the problem with getting
8 patients out is hospice workers to help get
9 people back home.

10 And if we really want to encourage
11 people to have the full continuum of care at
12 home, we're at risk of losing the gift to be
13 able to die at home if we don't fund hospice
14 workforce initiatives.

15 And I don't think it's asking too much
16 for \$20 million to start some innovative
17 thinking to build this specialty care
18 workforce.

19 In addition, New Yorkers need to
20 understand that hospice is not last-breath
21 care. This is not something that when you're
22 dying in the hospital and you have days to
23 live, a referral is sent and immediately
24 you're supposed to jump on that and receive

1 hospice care.

2 We need to start talking about advance
3 care planning and put the \$3 million to work
4 that you signed and put forth a bill for the
5 Advanced Care Planning Campaign of New York
6 State in 2022. It needs to be funded.

7 Thank you very much.

8 MR. DAVOLI: Good evening, everyone.
9 My name is Michael Davoli, senior director of
10 government relations for the American Cancer
11 Society Cancer Action Network. Thank you all
12 so much for the opportunity to testify this
13 evening on behalf of the 120,000 New Yorkers
14 that will be diagnosed with cancer this year
15 here in New York State.

16 I just wanted to go over a couple of
17 quick things related to our budget
18 recommendations.

19 While we go into details within our
20 written testimony related to things like the
21 New York State Cancer Services Program, the
22 New York State Tobacco Control Program, the
23 need to establish tobacco tax parity, the
24 need to invest in programs like patient

1 navigation and other things, what I really
2 want to focus my sort of two minutes of glory
3 right now on is a real plea on behalf of all
4 cancer patients and survivors for the
5 Legislature to do what is right, and that is
6 to ensure that every single cancer patient
7 and every single person battling any form of
8 chronic disease can get access to paid family
9 and medical leave.

10 I cannot begin to explain to you how
11 hard it is to battle cancer. Just ask anyone
12 who has battled cancer. I know there are
13 people in this room, I guarantee that there
14 are, that have battled cancer. We all know
15 people that have.

16 Earlier today I had with me a young
17 woman, a mother of three who, when she was
18 pregnant with her first child, was laid off
19 of work because she had to take time off of
20 work. She had to choose between battling her
21 cancer and undergoing her treatment or
22 feeding her family. That is an unacceptable
23 choice, and it doesn't have to be that way.

24 You, as a legislature, have the

1 ability to fix New York State's paid medical
2 leave system. You had an opportunity last
3 year, and unfortunately the clock ran out
4 when you left at the end of the legislative
5 session.

6 I'm imploring you, please ensure that
7 New York State's paid medical leave system is
8 fixed now, in this budget, to ensure that
9 every single cancer patient, every single
10 person battling chronic disease can get
11 access to this program, and that it has the
12 protections that they need. We cannot fail
13 cancer patients once again.

14 So please ensure that the language
15 that is included in Senator Ramos' and
16 Assemblymember Solages' bill is included in
17 the final budget so that once again cancer
18 patients and others can know that they don't
19 need to make that choice.

20 So a last thing I just want to ask
21 you. What would you do if you had to make
22 that choice? Would you feed your family or
23 would you undergo your treatment?

24 Thank you.

1 MS. CAREY: Thank you for allowing me
2 to testify here today and for sticking around
3 to listen to me.

4 Compassion & Choices is the nation's
5 oldest, largest and most active
6 consumer-based nonprofit organization working
7 to improve and expand healthcare options at
8 life's end. We seek to ensure that patients
9 can access the end-of-life care that they
10 want -- nothing less and nothing more.

11 While elected officials in New York
12 have given much attention to the extremely
13 important issues of maternal health and
14 reproductive freedom, we believe that this
15 state has not paid sufficient attention to
16 nor invested enough in ensuring that
17 New Yorkers can live the last chapter of
18 their lives with autonomy and dignity.

19 Several newly released reports show
20 that New York's population is aging, far too
21 many are aging in poverty, and that poses new
22 challenges. Caring for aging New Yorkers is
23 exacting a toll on unpaid caregivers and on
24 the larger healthcare system. Many New

1 Yorkers want and deserve to remain in their
2 homes as they move forward in their journey
3 towards the end of their lives. In order to
4 do so safely, however, they need support.

5 As outlined in my written testimony,
6 Compassion & Choices supports several
7 initiatives that either or should be included
8 in the budget, or passes as standalone bills.
9 They include Fair Pay for Home Care Workers,
10 support for the Expanded In-home Services for
11 the Elderly Program, and creation of a
12 long-term-care trust program.

13 We also believe that the MCO tax has
14 the potential to support aging and terminally
15 ill New Yorkers in meaningful ways, including
16 improving New York State's dismal rate of
17 appropriate hospice usage by allocating \$20
18 million of the proposed MCO tax funds
19 specifically for the development and
20 sustainability of the hospice and palliative
21 care workforce.

22 I would be remiss if I did not mention
23 that there is one measure that is
24 budget-neutral that would immediately provide

1 a measure of autonomy and dignity that every
2 aging and terminally ill New Yorker deserves,
3 one that is afforded to those in 11 other
4 U.S. jurisdictions, including our neighbors
5 in Vermont and New Jersey. And that is the
6 option of medical aid in dying.

7 Not only is this measure
8 budget-neutral, it is supported by New York
9 voters by a margin of 72 to 23, with strong
10 majorities across every demographic in our
11 incredibly diverse state. The measure is
12 also supported by our state's Medical
13 Society, the Nurses' Union, the State Bar
14 Association, and dozens of other statewide
15 regional civic organizations.

16 We are counting on you this year to
17 pass the Medical Aid in Dying Act.

18 Thank you.

19 MR. KING: There we go. Charles King,
20 chief executive officer of Housing Works.

21 We have made significant progress over
22 the last number of years in reducing
23 transmission of HIV and coming closer and
24 closer to ending HIV as an epidemic in

1 New York State. However, that effort has
2 stalled. Meanwhile, overdose deaths from
3 drug use are soaring, particularly among
4 people of color, and our hepatitis C epidemic
5 is raging completely unabated.

6 I'd like to pull out just a couple of
7 items in my written testimony to underscore
8 what we need you all to take responsibility
9 for.

10 First of all, in 2016 Governor Cuomo
11 changed regulations that mandated New York
12 State to provide enhanced rental assistance
13 to every low-income person, resident of the
14 city, living with HIV. There are now over
15 30,000 households that take advantage of this
16 advanced rental assistance. We have nothing
17 like it in the rest of the state.

18 We have for years been pleading with
19 the Governor and the Legislature to pass
20 legislation that would make this available in
21 counties outside of New York City. For six
22 years the Governor has proposed convoluted
23 legislation that puts the cost burden on the
24 localities, takes the savings to the state.

1 And as a consequence, you all have
2 passed that legislation six consecutive
3 years, and not one single person has been
4 housed in New York State because of that
5 legislation. Once again that exact language
6 is in the Governor's budget bill.

7 If you pass that, you are doing a
8 grave disservice to people living in this
9 state who are homeless and living with HIV
10 outside of New York City. You cannot pass
11 this and pat yourselves on the back and say
12 you're doing something for people who are
13 living with AIDS and HIV.

14 Second, we know that overdose
15 prevention centers save lives. We know that
16 the Governor is not going to act. You need
17 to act and to appropriate \$10 million to fund
18 overdose prevention centers.

19 Third, the Governor announced with
20 grand hurrah a hepatitis C elimination plan
21 that she funded to the tune of \$5 million in
22 2021. Well, let me tell you what \$5 million
23 gets you: A continued, spreading hepatitis C
24 epidemic. We are urging the Legislature to

1 add \$15 million to fund hepatitis C.

2 Now is the time for New York to be
3 bold and provide healthcare to all of its
4 low-income residents.

5 Thank you.

6 CHAIRWOMAN KRUEGER: Thank you.

7 Senators? Oh, Senator Fernandez, I
8 forgot. You did ask.

9 SENATOR FERNANDEZ: Thank you so much.

10 I guess my questions are going to be
11 directed at Mr. King, as I do chair the
12 Committee on Substance Use Disorder and
13 overlooking OASAS's budget.

14 But could you just say again what is
15 the 2016 legislation that has been passed?
16 Could you explain that again? I didn't hear
17 you clearly.

18 MR. KING: Yes. So actually it was a
19 change in state regulation. There was state
20 regulation specifically for New York City
21 that required the city to provide enhanced
22 rental assistance to people who had a
23 clinical diagnosis of AIDS.

24 Governor Cuomo expanded that

1 regulation to make that requirement cover all
2 public-assistance-eligible persons in
3 New York City living with HIV.

4 That same benefit is not available in
5 any locality outside of New York City.

6 SENATOR FERNANDEZ: Okay. And I
7 agree, I am well aware of the fact that while
8 overdoses are going down, we still see a high
9 number in Black and brown communities.

10 What is missing in this budget to
11 address that crisis, that concern?

12 MR. KING: Well, so there's a couple
13 of things.

14 And first of all, I just want to point
15 out that some of the highest rates of
16 overdose death are actually occurring in
17 rural counties, particularly along the
18 Southern Tier.

19 SENATOR FERNANDEZ: That is true.

20 MR. KING: We absolutely need access
21 to overdose prevention centers. They save
22 lives, they educate people, they help people
23 who use to use safely even when they're not
24 in an overdose prevention center, and they

1 also move people towards recovery.

2 We're also calling for a \$10 million
3 appropriation to the New York State AIDS
4 Institute Office of Drug User Health.

5 And please, could you legalize crack
6 pipes? They're called crack pipes because
7 people used to use them to smoke crack, but
8 now people are using them to smoke
9 everything. And the reason for that is that
10 they know that by injecting they're
11 heightening the risk of an overdose death, so
12 they smoke instead.

13 And so those pipes have become a
14 leading vector for transmission of HIV. Yet
15 it is illegal for us. We can give out
16 syringes to people, but we can't give
17 somebody a pipe so that they won't transmit
18 the virus to their drug-using partner.

19 SENATOR FERNANDEZ: Thank you.

20 And then a general question. There is
21 a proposal to allow EMTs to administer
22 lifesaving medication and controlled
23 substances. How would this impact our
24 overdose rates?

1 MR. KING: Certainly we should be --
2 we should be ensuring that we have -- first
3 of all, we should be ensuring that every
4 emergency worker has access to naloxone. We
5 should be distributing naloxone as far and
6 wide as we possibly can to reverse overdose.

7 We should also be expanding the
8 utilization of tools such as buprenorphine
9 for people who want to reduce their drug use,
10 not just for people who want to eliminate
11 their drug use.

12 All of these things are possible.

13 SENATOR FERNANDEZ: Thank you.

14 CHAIRWOMAN KRUEGER: Thank you.

15 Assembly.

16 CHAIRMAN PRETLOW: Assemblywoman
17 Paulin.

18 ASSEMBLYWOMAN PAULIN: My strength is
19 not as much as it was in the beginning.

20 MR. KING: I had the same problem.

21 ASSEMBLYWOMAN PAULIN: Crack pipes,
22 they're really illegal. How are they
23 described in the law?

24 MR. KING: Drug paraphernalia. So a

1 pipe that is used to smoke drugs is
2 considered drug paraphernalia, and drug
3 paraphernalia is illegal. With the exception
4 of syringes, because of an emergency
5 declaration issued by Governor Cuomo in 1991.

6 ASSEMBLYWOMAN PAULIN: So people who
7 smoke marijuana with a bong or a -- I'm
8 dating myself -- or a pipe, you know, that's
9 all illegal stuff?

10 MR. KING: Well, technically.
11 Although now that cannabis is legal,
12 paraphernalia -- presumably paraphernalia
13 associated with the use of cannabis is now
14 also legal.

15 But any paraphernalia used to smoke --
16 or consume, ingest in any form a prohibited
17 drug is also illegal. With the exception of
18 syringes, which, as I say, were legalized
19 first by the Governor and by the Legislature.
20 But pipes are not.

21 ASSEMBLYWOMAN PAULIN: And one thing I
22 was a little confused by. You had said that
23 we passed in the budget something, you know,
24 related. And then when you were clarifying

1 with one of my colleagues you said it was in
2 the regs.

3 MR. KING: So -- no. So the enhanced
4 rental assistance that is available in
5 New York City, there was already a statute
6 and regs based on that statute that required
7 New York City alone to provide enhanced
8 rental assistance to people with an AIDS
9 diagnosis.

10 The Governor changed the Department of
11 Health regulations to expand it to all
12 New York City residents living with HIV.

13 There is no legislation that affords
14 the same enhanced rental assistance to people
15 who live outside of New York City.

16 ASSEMBLYWOMAN PAULIN: And that rental
17 assistance is paid for by the city or by the
18 state?

19 MR. KING: It's a split.

20 ASSEMBLYWOMAN PAULIN: It's a split.

21 MR. KING: It's split.

22 And so what has been put forward,
23 first under Governor Cuomo and subsequently
24 under Governor Hochul, is a version that

1 splits, puts the majority of the financial
2 burden on the locality, and then allows the
3 state to keep any Medicaid savings that
4 accrue because this person is provided with
5 housing. That is what is --

6 (Overtalk.)

7 ASSEMBLYWOMAN PAULIN: Do we know if
8 it was a home rule?

9 MR. KING: I'm sorry?

10 ASSEMBLYWOMAN PAULIN: Do we know if
11 the city wanted that? Because, you know, or
12 whether any -- do we know if that was a
13 home-rule request by the City of New York?

14 MR. KING: No. So this goes back to
15 Cuomo Sr. and the HIV legislation that was
16 passed in the late '80s, back when the
17 epidemic was seen as existing only in
18 New York.

19 ASSEMBLYWOMAN PAULIN: We'll follow
20 up.

21 MR. KING: Sure.

22 ASSEMBLYWOMAN PAULIN: I just want to
23 take my last five seconds to thank everyone,
24 particularly Corinne for coming in and

1 mentioning my bill. Thank you.

2 CHAIRWOMAN KRUEGER: Thank you.

3 Senator Rivera.

4 SENATOR RIVERA: I guess I would just
5 thank you for mentioning overdose prevention
6 centers.

7 I'm certain that, as far as the rest
8 of the folks, fully supportive of everything
9 across the board and have been supportive of
10 hospice in the past.

11 Certainly I'd like more information
12 about the bill that you referred to, Michael,
13 related to cancer patients and other folks --

14 MR. DAVOLI: Paid Family amendment.

15 SENATOR RIVERA: Thank you, yes. You
16 said it was Assemblymember --

17 MR. DAVOLI: Senator Ramos and
18 Assemblywoman Solages.

19 SENATOR RIVERA: Assemblymember
20 Solages, thank you.

21 And certainly I'm supportive of -- of
22 the -- of dying and the -- oh, my goodness.

23 MS. CAREY: It's a long day.

24 (Laughter.)

1 SENATOR RIVERA: Yes, can you tell?

2 MS. CAREY: The Medical Aid in Dying
3 Act.

4 SENATOR RIVERA: I am very supportive
5 of this bill and I hope that it goes to my
6 committee.

7 As far as overdose prevention centers,
8 there are -- as we all know, we have two,
9 they're operational in the City of New York,
10 and they have been incredibly successful in
11 saving folks.

12 Could you give me your perspective on
13 some of the national -- the national
14 component here? Since we were -- these two
15 are operational because the City of New York
16 allowed them to exist, with the outgoing
17 Mayor De Blasio.

18 And to his credit, for all the other
19 knuckle-headed things that Eric Adams has
20 done, I will always give him credit for
21 supporting these two centers that continue to
22 exist through executive order at the city
23 level.

24 But there -- and what happened at the

1 national level is that for the most part they
2 were allowed to exist and there was not
3 really a crackdown from the federal
4 government. Give me your perspective about
5 what might happen with that.

6 MR. KING: Sure. So ironically, our
7 health commissioner was health commissioner
8 in Rhode Island and actually drafted the
9 legislation and the regs that allowed the
10 first overdose prevention center to actually
11 open up. It opened up in mid-January in
12 Rhode Island.

13 Knowing who was going to be
14 inaugurated as our president, the state went
15 forward. It had authorized it and approved
16 it, it encouraged it to get itself open, up
17 and running.

18 I haven't seen anything like the
19 Justice Department going to shut down
20 Rhode Island. Vermont has not legalized this
21 as well.

22 So it's really quite ironic that our
23 health commissioner, in a letter to the AIDS
24 Advisory Council, cited the litigation that

1 is taking place in Philadelphia as the
2 justification for the Governor not
3 authorizing the same thing to happen here.

4 I don't see this administration --
5 this administration, this federal
6 administration, has got its hands in a
7 million pots. I think overdose prevention
8 centers are the least of their concerns.

9 SENATOR RIVERA: Hoping that that --
10 from your mouth to God's ears, good sir.

11 Thank you.

12 MR. KING: I didn't throw out my
13 clergy card, but I've got one.

14 (Laughter.)

15 CHAIRMAN PRETLOW: Assemblyman Jensen.

16 ASSEMBLYMAN JENSEN: Yes, thank you,
17 Mr. Chairman.

18 This series of questions is for the
19 Hospice and Palliative Care Association.

20 How much did the Governor propose to
21 financially support the hospice and
22 palliative care providers in our state in her
23 proposed budget? With just the dollar
24 amount.

1 MS. CHIRICO: I wish I could give you
2 an exact number.

3 There was one set of briefings that
4 said hospice was supposed to be allocated
5 with the nursing homes and assisted livings,
6 the 200 million lump sum from the MCO tax.

7 But then in the detailed documents,
8 hospice was left out. So we're -- right now
9 we have a goose egg.

10 ASSEMBLYMAN JENSEN: So zero, okay.

11 In last year's enacted budget, what
12 was the state's financial support for hospice
13 and palliative care?

14 MS. CHIRICO: Zero.

15 ASSEMBLYMAN JENSEN: The year before
16 that, what was it?

17 MS. CHIRICO: Zero.

18 ASSEMBLYMAN JENSEN: The year before
19 that?

20 MS. CHIRICO: Zero.

21 ASSEMBLYMAN JENSEN: And where does
22 the State of New York rank nationally in
23 access to hospice and palliative care?

24 MS. CHIRICO: Last.

1 ASSEMBLYMAN JENSEN: Thank you very
2 much.

3 MS. CHIRICO: Thank you.

4 CHAIRWOMAN KRUEGER: Thank you.

5 So Charles, you brought up
6 hepatitis C. And I must admit, I don't think
7 we've talked about that again for a little
8 while.

9 The national data is the rate's going
10 down. Is that not true in New York?

11 MR. KING: The rates are trending
12 down, but it continues to spread. And we're
13 not doing anything close towards bringing it
14 to an end.

15 And so remember, hepatitis C comes and
16 goes with the various forms of transmission,
17 drug use being the most obvious form. And by
18 the way, pipes can transmit hepatitis C as
19 well as transmitting HIV.

20 So we aren't making enough progress to
21 say that we don't still have a hepatitis C
22 epidemic. We absolutely do.

23 CHAIRWOMAN KRUEGER: And does Medicaid
24 cover the treatment in New York State?

1 MR. KING: Absolutely. Absolutely.

2 It's not so much the treatment, it's
3 getting out to people who are at risk,
4 getting them tested, and persuading them to
5 undergo treatment.

6 You may well remember, as many people
7 who have hepatitis C remember, treatment used
8 to be very arduous and was only successful in
9 roughly a third of the people who took it.

10 (Overtalk.)

11 MR. KING: -- for like 10 months it
12 was painful, miserable.

13 CHAIRWOMAN KRUEGER: Yeah.

14 MR. KING: It's now an 8-to-12-week
15 course of treatment that has not nearly the
16 same side effects as before. But people
17 don't know that.

18 And so getting people into
19 treatment -- when people go through this
20 8-to-12-week course of treatment, over
21 95 percent are completely cured. And that's
22 what we need to be educating people about,
23 getting people tested, getting people on
24 treatment -- all of the activities that

1 Medicaid doesn't pay for, other than the cost
2 of the drug.

3 CHAIRWOMAN KRUEGER: And because the
4 disproportionate, as you already said, number
5 of people are drug users that end up with
6 hep C, are our drug treatment programs and
7 providers sort of doing the outreach to
8 encourage the folks to --

9 MR. KING: Not nearly -- not nearly
10 enough. And they're not doing it basically
11 because they're not funded to do it.

12 And, you know, I hate to say that this
13 is the reality, that for way too many
14 nonprofit organizations, if you're not paid
15 to do something, it just sort of falls off
16 the radar.

17 CHAIRWOMAN KRUEGER: And they get
18 overwhelmed by everything. But I'm glad that
19 Senator Fernandez was here, because I think
20 it's pretty important for us as a state to
21 deal with this public health problem of hep C
22 when we're coordinating with our expanding
23 and improving substance abuse programs.

24 So thank you very much. Thank you all

1 for your participation tonight.

2 CHAIRMAN PRETLOW: Assemblyman Weprin.

3 ASSEMBLYMAN WEPRIN: No questions.

4 (Laughter.)

5 CHAIRMAN PRETLOW: Assemblywoman
6 González-Rojas.

7 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: I do
8 have questions.

9 First off, thank you for all you do.
10 I have a question for Charles and Corinne.

11 Charles, with funding freezes to
12 PEPFAR and more, can you please discuss the
13 potential benefits of actually funding people
14 living with HIV and AIDS in the enacted
15 budget?

16 Year after year -- I've been here --
17 this is now my fifth year -- we've been
18 fighting for rest-of-state housing. But I
19 think with the federal threats we're just --
20 it's just really compounding the need. And I
21 just want to give you an opportunity to
22 underscore that.

23 MR. KING: Sure. I'm actually doing a
24 little bit of civil disobedience in two days

1 in Washington --

2 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Not
3 surprising.

4 (Overtalk.)

5 MR. KING: So what we have done by
6 freezing PEPFAR was we threw 20 million
7 people off of treatment. Now this has been
8 restored in most countries. But we threw
9 some 2 million people off of pre-exposure
10 prophylaxis, and the only ones under the
11 waiver who were allowed back in are pregnant
12 women and breastfeeding women. No one else,
13 no matter what their risk, is allowed to
14 receive prophylaxis.

15 I have always, from the time we first
16 started promoting ending the epidemic here in
17 New York State in 2012-2013, believed that
18 New York State could serve as a model for not
19 only the rest of the country but for the rest
20 of the world. In fact, we're now lagging
21 behind jurisdictions like London, who's way
22 ahead of us. Even Zimbabwe nationally is
23 ahead of New York State.

24 So, you know, PEPFAR will obviously

1 hurt Zimbabwe's efforts. But we ought to be
2 showing the way.

3 ASSEMBLYWOMAN GONZÁLEZ-ROJAS:

4 Exactly.

5 MR. KING: And instead we're doing
6 something different.

7 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
8 you.

9 Corinne, I know -- I've long supported
10 medical aid in dying. I just want to give
11 you, in the last minute here, just an
12 opportunity to talk about the guardrails.
13 Because, you know, the opposition has some
14 fair concerns about people with disabilities
15 being targeted and vulnerable, but I know
16 there's really significant guardrails to the
17 bill. So if you could just lay that out for
18 us.

19 MS. CAREY: Yup. The Medical Aid in
20 Dying Act is modeled after Oregon's law,
21 which was passed in 1994. And the concerns
22 that opponents still voice today are the same
23 exact ones that they voiced in the early
24 1990s before any state had ever passed a

1 medical aid in dying law.

2 The bill that is before you all has
3 more than a dozen safeguards that are all
4 modeled after Oregon's original law. And
5 every state that has since passed a medical
6 aid in dying law has used the same exact
7 formulation.

8 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: How
9 many other states?

10 MS. CAREY: Eleven jurisdictions. Ten
11 states plus Washington, D.C.

12 Someone has to be terminally ill,
13 which is defined in the bill as having an
14 illness that is incurable and irreversible.
15 And many, many other safeguards that --

16 (Time clock sounds.)

17 MS. CAREY: I can follow up.

18 Thank you.

19 ASSEMBLYWOMAN GONZÁLEZ-ROJAS: Thank
20 you.

21 CHAIRMAN PRETLOW: Thank you.

22 And Assemblywoman Kelles to close.

23 ASSEMBLYWOMAN KELLES: You asked most
24 of my questions, Assemblymember

1 González-Rojas, on medical aid in dying.

2 One last question. How many cases --
3 you know, people are concerned -- there's two
4 things, actually, that occurred. People who
5 are advocates for people with disabilities --
6 and yet from what I understand, there hasn't
7 been a single case since the first state,
8 Oregon, started where there's been abuse of
9 particularly the use of medical aid in dying
10 for people with disabilities against their
11 will.

12 That's the concern, right?

13 MS. CAREY: Yeah. I think the concern
14 was valid before any state had ever passed a
15 medical aid in dying law.

16 But now we know, after more than a
17 quarter of a century of experience, that
18 there have been no substantiated cases of
19 abuse or coercion or any misuse of these
20 laws.

21 Less than 1 percent of all people who
22 die in states use it. And if there had been
23 a case that caused concern, rest assured you
24 would know about it. Opponents of this law

1 are --

2 ASSEMBLYWOMAN KELLES: You have to be
3 able to administer it yourself. You have to
4 have two witnesses that are not related to
5 you or benefit in any way. You have to have
6 had an analysis to confirm that you have no
7 medical mental health issues. Right? Those
8 are all in the bill right now, right?

9 MS. CAREY: Yes.

10 ASSEMBLYWOMAN KELLES: I just wanted
11 to confirm, because that to me already
12 precludes a lot of the concerns. But I think
13 people don't know that they're there.

14 MS. CAREY: And the robust conscience
15 clause provision, which says that only the
16 person who requests it is going to use
17 medical aid in dying. No one is obligated --
18 no hospice worker, no doctor, no nurse, no
19 pharmacist.

20 ASSEMBLYWOMAN KELLES: Thank you.

21 And I wanted to thank you for bringing
22 up overdose prevention centers. I just want
23 to say they've been around since the
24 seventies, and the research shows they are

1 phenomenally helpful in reducing the spread
2 of AIDS, reducing HIV, hepatitis C. And
3 reducing overdose deaths, which all are very
4 costly to states.

5 So thank you so much for bringing that
6 up. I just wanted to get that on the record,
7 because the data and research actually shows
8 it's just kind of silly that we're not doing
9 that.

10 One thing, though, that blew my mind
11 was hearing the lack of any funding at all
12 for hospice. What funding is being used, and
13 how is this affecting -- are people being
14 turned away?

15 MS. CHIRICO: Sure.

16 ASSEMBLYWOMAN KELLES: Like what is --

17 MS. CHIRICO: Well, I know I'm going
18 to run out of time. I'm going to tell you
19 that there are 4 million people in New York
20 that -- approximately -- are on Medicare, and
21 hospice is primarily serving those
22 individuals. We serve all people and some
23 Medicaid individuals.

24 And so the problem is the

1 reimbursement is not enough to help
2 sustain -- just like hospitals tell you, the
3 reimbursement is not enough.

4 But the dollars coming out of the
5 state don't go to Medicare primary providers.
6 They keep going to Medicaid providers.

7 ASSEMBLYWOMAN KELLES: Got it.

8 Okay, thank you.

9 CHAIRWOMAN KRUEGER: All right. Well,
10 then, we all appreciate very much your
11 staying and being our last panel for tonight.

12 And I am going to excuse you. I am
13 going to officially close this hearing and
14 remind whoever's out there listening that we
15 start again 9:30 tomorrow morning with
16 Human Services.

17 Thank you very much.

18 (Whereupon, the budget hearing
19 concluded at 7:45 p.m.)

20

21

22

23

24