Citizens' Committee for Children of New York (CCC) is a 75-year-old independent, multi-issue child advocacy organization dedicated to ensuring that every New York child is healthy, housed, educated, and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce. For over 70 years, CCC has undertaken public policy research, community education, and advocacy efforts to draw attention to children's needs so that we can advance budget, legislative, and policy priorities that produce the best outcomes for our youngest New Yorkers.

We would like to thank Chair Krueger and Chair Weinstein, and all the members of the Senate Finance and Assembly Ways and Means Committees, for holding this hearing on the proposals related to Health in the Governor’s Executive Budget for State Fiscal Year 2020-2021.

We are deeply concerned about the potential impact of this budget on the health and behavioral health of children and families. We share the concerns of many advocates and members of the Legislature regarding the Medicaid Global Cap, which puts artificial limits on the ability of the state to meet the changing needs of a growing and diverse population. We are also extremely concerned that proposals in the Executive Budget to shift billions of dollars in costs to local governments will dramatically impede counties, and in particular New York City, from addressing local health and human service needs, and will result in poorer outcomes for the most vulnerable New Yorkers. Finally, we are concerned with how the proposals of a new Medicaid Redesign Team may adversely impact funding available for critical health services.

We cannot achieve a healthy future for our state if we continue to cut funding from preventive services for the youngest New Yorkers and their families. We urge the Governor and the Legislature to craft a budget that protects New Yorkers with the greatest needs, and recognizes that investing in healthcare upfront leads to long-term health benefits and cost savings.

**Medicaid**

For years, New York has led other states in expanding health coverage, recognizing that New Yorkers cannot work, care for their families, and thrive without access to basic health services. Due to leadership from the Governor and the Legislature, New York can claim a 98% insured rate for
children and a 95% insured rate for all New Yorkers. Rather than embrace New York’s record of extending health coverage to more New Yorkers, however, this year’s budget moves in the opposite direction, threatening to undercut services available to New Yorkers with the greatest needs.

The Executive Budget proposes making substantial Medicaid cost shifts to local governments, including requiring local governments to cover Medicaid cost growth above three percent. Local governments that do not adhere to the property tax cap, including New York City, would be required to pay for all local Medicaid spending growth above the prior year’s level. This change will put substantial burdens on local governments, which have little control over eligibility determinations or scope of services. As a result, local governments will have fewer resources available to address health and human services needs, ultimately resulting in reductions in care for New Yorkers most in need. New York City alone estimates this change will result in $1.1 billion in cuts to Medicaid.

Moreover, the budget proposes the creation of a new Medicaid Redesign Team, MRT II, which would be responsible for identifying $2.5 billion in savings by April. If the MRT fails to do so, there will be uniform across-the-board cuts to achieve $2.5 billion in aggregate savings.

While the Governor claims these decisions cannot impact beneficiaries or local governments, it is difficult to understand how such significant cuts to the system would not negatively impact services for vulnerable New Yorkers. Moreover, the process for developing the MRT II is deeply concerning, involving very little notice and few standards around composition of the new team. The last MRT had almost no consumer representation, and lacked a transparent process for inclusion. The State must do better in representing the consumers it is intended to serve.

New York cannot continue to pursue a short-sighted approach to health care cost containment that results in cuts to preventive services for vulnerable populations, especially children. Our State must develop a vision for the budget that recognizes that early investments are the key to improving long-term outcomes for children and families, and for achieving long-term cost savings for the State.

As part of this vision, CCC recommends the following:

- **Ensure the children’s MRT subcommittee continues its work, without being impacted by cuts proposed through MRT II.** The redesign of children’s behavioral health in Medicaid occurred on a different timeline and through a separate process than the redesign of the adult system, and New York is still in the midst of this transition. As such, it is not appropriate to upend the ongoing work of children’s redesign or threaten to cut services and programs before they have been fully implemented.

The State must recognize the necessity and benefit of early and consistent investment in children. Cuts to children’s behavioral health care not only cause immediate harm to the health and wellbeing of children, but they also result in an increased likelihood that these children will
become sick adults with complex needs, requiring significant and costly health care. **We urge the State to allow the children’s Medicaid Redesign Team to continue the work of implementation without the threat of cuts proposed through MRT II.**

- **Ensure there is adequate representation on MRT II of experts in children’s health and behavioral health.** This includes the involvement of impacted families and independent consumer advocates in the work of MRT II – New York cannot largely exclude consumer voices as it did in the first iteration of Medicaid redesign. Governor Cuomo should expand the membership of the MRT II to include greater representation from consumers and from experts in children’s health.

- **Eliminate the Medicaid Global Cap.** The Medicaid Global Cap remains an impediment to meeting the health needs of New Yorkers today and in the future. Early and consistent investments in children’s health and mental health ensure that children grow up to be healthy, thriving adults, and create the best path towards creating long-term cost-savings across health care and human service systems.

**Public Health**

1) **Fully restore the State’s Article 6 General Public Health Work program reimbursement rate for New York City to previous level of 36%, preventing an estimated $65 million cut to NYC community and public health programs this year.**

A strong public health program is critical for combatting chronic health conditions, preventing disease, and improving long-term health outcomes for New York families. Unfortunately, last year the FY 2020 Adopted Budget made devastating cuts to New York City’s public health services. Article 6 funding supports health initiatives that are the foundation of New York City’s public health infrastructure, including Family Health, Communicable Disease Control, Chronic Disease Prevention, Community Health Assessment, Emergency Preparedness, and Environmental Health.

By reducing the State’s reimbursement rate for NYC’s Article 6 public health program from 36% to 20%, the State slashed $65 million from the city’s budget. Approximately $59 million of this funding went directly through the city’s Department of Health and Mental Hygiene, while an additional $6 million directly impacted community-based organizations who receive Article 6 matching funds through the City Council’s discretionary budget public health programs.

Significantly, only New York City was targeted for this cut. After extensive efforts by advocates, New York City temporarily restored funding cut from the program. However, this restoration is not sustainable. CBOs, the backbone of services for low-income communities and communities of color, are particularly at risk of seeing their services slashed as a result of cuts in State support.

These cuts put the health and well-being of children and families at risk, at a time when our city and state should be investing *more* in public health. We cannot let health disparities widen, particularly
as we face new threats to immigrant communities and striking inequities in child and maternal health.

**CCC strongly urges the Legislature to fully restore the State’s Article 6 General Public Health Work program reimbursement rate for New York City to previous level of 36%, preventing an estimated $65 million cut to NYC community and public health programs this year.**

2) **Ensure sufficient funding to reduce childhood exposure to lead.**

There is no safe blood lead level for children. Even low levels of lead exposure can lead to long-term neurological damage and behavioral health challenges. Exposure to lead may result in reduced IQ, shortened attention span, hearing and speech problems, and health complications including anemia, hypertension, and renal impairment.¹

Last year, the FY 2020 Adopted Budget made important strides in addressing childhood lead exposure, including by lowering the definition of elevated blood lead and lowering the action level in the Childhood Lead Poisoning Prevention program to align with the CDC’s recommended level. However, local health departments, which are responsible for implementing these changes, were given minimal financial support to implement proposed changes. **We urge the Legislature to negotiate a budget that fulfills the State’s commitment to ending lead poisoning among New York’s children.**

**Early Intervention**

CCC commends Governor Cuomo for including a 5% reimbursement rate increase for occupational therapy, physical therapy, and speech language pathology in Fiscal Year 2020 Budget. This proposal was an important step towards restoring reimbursement rates to address provider shortages. However, it remains clear that more is needed to ensure that children are able to receive the EI services they need and are legally entitled to.

Early Intervention provides evaluations and services to children age birth to three with developmental delays or disabilities. Professionals work as a team with families to address the unique needs of each child. These services can be provided in the home, in a child care setting, or in whatever setting is natural for the child.

Decades of research have shown that children’s earliest experiences play a critical role in brain development. Intervening in the first few years of life can change a child’s developmental trajectory, leading to positive outcomes across health, language and communication, cognition, and social/emotional domains.²

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Despite the critical role that Early Intervention plays in the lives of young children, New York cut the EI service rate for home and community-based services by 10% in 2010, and cut the reimbursement rate for all EI services by an additional 5% in 2011. The State has also implemented difficult new processes for seeking reimbursement, placing significant administrative burdens on EI providers.

The 5% increase to for certain providers in last year’s budget was an important step towards creating a sustainable EI system. However, we believe it is important to increase rates for all EI providers, evaluators, and service coordinators, including special education teachers, psychologists, licensed behavior analysts, and teachers of the blind or deaf. Additionally, the rate still remains lower than it was when the program began more than 20 years ago.

As a result of inadequate rates and administrative barriers, experienced, high-quality EI providers have shut their doors or stopped taking EI cases, making it difficult for children in certain areas to access much-needed high-quality services in a timely manner.

The shortages have impacted children in urban, suburban, and rural communities. In fact, the latest data show that in New York State, one out of every four children did not receive their mandated Early Intervention services within the required time frame. Provider shortages and waitlists mean children who are desperately in need of services are forced to wait during a period when initiating those services would make the biggest difference.

A recent report by CCC and Advocates for Children analyzed NYC data and found that deep disparities in access to EI evaluations and services based on borough, neighborhood demographics, and race. The neighborhoods where children are less likely to be evaluated and receive services are primarily low-income communities of color. Even in neighborhoods where higher rates of eligible children receive services, there are significant racial disparities, with Black children being less likely to receive services that White children.

Without additional investment in the EI system, disparities will persist and more children will go without the services they need and are legally entitled to. CCC and our partners at Kids Can’t Wait and Winning Beginning New York urge the Legislature to support the following proposals to strengthen the EI system:

1) **Raise reimbursement rates for all service providers, therapists, evaluators and classrooms in the Early Intervention by 10%** in order to recruit and retain enough professionals to serve all children in need.

2) **Require private health insurance companies to contribute their fair share to the cost of Early Intervention by drawing revenue from commercial insurance providers by establishing a “Covered Lives” assessment of $40 million.**
In his Executive Budget, Governor Cuomo rightly acknowledges that commercial insurance funds less than 2% of total Early Intervention costs even though 42% of children in the program have commercial insurance. The Budget also points out that commercial insurers are approving only 15% of provider claims, whereas Medicaid approves nearly 75% of claims. When insurers deny claims for necessary services, states and counties are responsible for paying for the services children need.

The Governor has identified a key challenge within the EI system. However, the solution proposed in the Executive Budget is a “Pay and Pursue” model that would pull in $400,000 in savings. While this is a step in the right direction, it falls far short of eliminating the full array access barriers created by insurers, and it does not approach the actual amount insurers owe to the State and to families who see critical services for their children denied. Additionally, some providers fear this proposal could ultimately increase their administrative burden. New York must pursue an approach that truly holds private insurers accountable and strengthens the EI system.

**CCC urges the Legislature and the Governor to increase reimbursement from private health insurance companies by supporting a “Covered Lives” proposal,** which would assess a fee on these companies to help cover the cost of EI services instead of asking private health insurance companies to review each claim for EI services. Such a proposal would increase resources for EI and eliminate the need for burdensome billing and appeals processes that often result in denials of claims by private health insurance companies.

The State should reinvest this funding into the EI program to pay for an across-the-board rate increase and to support quality improvement efforts and recruitment and retention of high-quality professionals.

**Maternal, Infant, and Child Home Visiting Programs**

Maternal, infant, and child home visiting programs have well-documented, long-term impacts on the health and wellbeing of children and families. Home visiting programs have been shown to improve child and maternal health, promote child development and school readiness, and reduce the risk of child maltreatment. Investments in home visiting also lead to long-term savings by

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lowering healthcare costs and helping families become more self-sufficient. Despite the benefits of home visiting, less than five percent of New York children ages 0 to 5 in families with incomes below poverty live in communities with access to home visiting.

CCC echoes the priorities of the statewide Home Visiting Workgroup – a coalition composed of child welfare, health and education advocates, and home visiting programs – and urges the Legislature to increase State investments for key home visiting programs:

- **Healthy Families NY**: Adopt the Executive Budget’s $26 million in funding and add $1 million, to serve more families annually.
- **Nurse-Family Partnership**: Adopt the Executive’s $3 million and add $1 million to enable growth in underserved communities.
- **Parent Child Plus Program**: Invest $2 million to bring the program to unserved areas.
- **Parents as Teachers**: $3 million to reduce waiting lists and expand to underserved areas.

**Conclusion**

New York cannot continue to pursue a short-sighted approach to health care cost containment that results in cuts to preventive services for vulnerable populations, especially children. The Medicaid Global Cap remains an impediment to meeting the health needs of New Yorkers today and in the future. Early and consistent investments in children’s health and mental health ensure that children grow up to be healthy, thriving adults, and create the best path towards creating long-term cost-savings across health care and human service systems.

Thank you for this opportunity to provide testimony.

Respectfully,

Alice Bufkin

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