



FEDERATION OF PROTESTANT WELFARE AGENCIES

Statement Prepared for the February 2, 2009 Hearing

of the

Assembly Ways And Means Committee

and

Senate Finance Committee

on the

2009 - 10 Executive Budget Proposal for Health and Medicaid

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About FPWA

The Federation of Protestant Welfare Agencies (FPWA) has been working since 1922 to improve the lives and conditions of disadvantaged and low-income New Yorkers. We are unique in New York City in that we are the only membership organization for Protestant and non-sectarian health and human services organizations. Our work with almost 300 member agencies and church-based human service programs puts us in direct contact with every level of the social service system. This gives us a comprehensive view of the complex social problems that face human service organizations today, and allows us to identify common ground among our members so that we can have a greater impact as we advocate for them.

Though we understand the challenges faced by the state in these difficult economic times, these are also the times when people are without jobs, have exhausted unemployment benefits, have lost or are on the verge of losing their homes, and must turn to essential human services to feed and clothe their families, pay for heat, medicine and other needs.

FPWA strongly supports the administration's "patients first" agenda. We applaud the Executive Budget's proposal to streamline the enrollment and renewal process of Medicaid. We understand the State's effort to improve cost-effectiveness of Medicaid-funded programs. However, we think there are a number of cost saving initiatives proposed in the budget that are counter-productive. In this testimony, we will address our concerns to these proposals and other budgetary actions, which impact mainly seniors and people living with HIV or AIDS.

Elderly Welfare

Strongly support restoration of the full \$1.9 million for vehicle operating expenses for senior service providers

The Governor's Executive Budget includes funding in the amount of \$921,000, down from \$1.9 million in the 2008-2009 budget, for vehicle operating expenses for senior service providers. In addition to meal delivery to homebound seniors, these vehicles transport the elderly to important services and activities including senior centers, adult day services, medical appointments and food shopping. Operating expenses include costs for insurance, maintenance, and fuel. Due to the continually increasing costs for insurance and vehicle

maintenance, a funding restoration is critical. FPWA requests that the amount of funding for this program be restored to \$1.9 million.

Strongly support \$2 million in funding for Geriatric Mental Health Services

FPWA is very pleased the \$2 million allocation for geriatric mental health programs has been maintained in the Governor's Executive Budget. The \$2 million was previously allocated to establish demonstration programs under the Geriatric Mental Health Act. Funding is being utilized for the creation of state of the art demonstration programs to provide innovative geriatric mental health services, as well as education and training programs, for primary care physicians in the identification and treatment of depression among older adults. Due to the dramatic increase in the older adult population, we urge the legislature to support the continued funding of \$2 million to provide these innovative geriatric mental health services to older adults.

Restore funding for the Enriched Social Model Adult Day Services Demonstration Project

FPWA is concerned that funding in the amount of \$250,000 for the enriched social adult day services demonstration project has been eliminated in the Governor's Executive Budget. We believe it is critical for social adult day agency personnel to be able to provide an array of enriched services to seniors who attend their programs including assistance with toileting, mobility, transferring and eating, medication dispensing by an R.N., case management, and restorative and maintenance therapies. It is important that social adult day providers are able to offer these additional services to the elderly in order to prevent premature placement in adult day health service programs and nursing homes. Persons who are 85 years or older are the fastest growing portion of the older adult population. FPWA believes cost-effective and affordable services, such as enriched social adult day care, is essential to meeting the future needs of this expanding human services target population. We urge the Governor to restore this funding.

Support a restoration of the SSI Supplemental state benefit

We are concerned that the Executive Budget proposes to reduce the SSI supplemental state benefit provided to aged, blind and disabled individuals. Although the state will continue the pass-through of the federal cost-of-living adjustment (COLA), we still believe this benefit reduction will have a very detrimental impact on recipients. We are particularly concerned about this proposed reduction since New York's portion of the SSI benefit is not indexed to inflation and has been increased only once since 1989. Currently SSI recipients must survive on a benefit which is about \$140 per month below the poverty level. New York State needs to institute an increase in the SSI benefit level for the elderly, disabled and visually impaired target populations and continue to ensure the federal COLA gets passed through each year to recipients.

Strongly support a restoration of \$11 million in funding to Adult Day Health Care Transportation

We are concerned that the Executive Budget proposes a reduction in adult day health care transportation rates. With the high costs of insurance and maintenance and repairs for program vehicles, FPWA is particularly concerned about the financial strain this reduction will place on program providers running adult day health care programs. We urge the Governor and Legislature to restore this critical funding so seniors can continue to be transported to vital programs.

Oppose rate reductions to the Long Term Home Health Care Program (LTHHCP) and Certified Home Health Agencies (CHHA)

The Governor's Executive Budget Proposal calls for the elimination of trend factors for home care and personal care program providers. In addition, his proposal recommends the reduction of CHHA and LTHHCP rates. FPWA is concerned about the impact these recommended rate reductions will have on program providers and the seniors who need to access these critical services. For example, the current LTHHCP rate of reimbursement to social adult day care programs is currently far less than the actual cost of services. The highest rate of reimbursement to one program is \$45 per day when the actual cost for a social adult day care day is at least \$70. With the projected growth of the elderly in the coming years, sufficient financial resources need to be in place for the continued provision of

home care and long term home health care services for the seniors. An investment in these community based services needs to be made as nursing home placement is a much more expensive option.

Support restorations for an array of Community Based Programs

With the projected growth of the elderly population throughout future years, it is gratifying to see continued support for these critical initiatives, but many of the programs are still slated for reductions in the Governor’s proposed Executive Budget. These programs provide important services to the elderly who wish to remain in the comfort of their own homes and in the community for as long as possible, averting premature institutionalization.

We request that the Governor and Legislature restore funding for the following programs back to 2008-09 amounts as these community based options are vital, and in many instances provide more appropriate care and are less expensive than institutional care.

| <u>List of community-based programs</u> | <u>Proposed in Executive Budget</u> | <u>Amount Requested</u> |
|---|-------------------------------------|-------------------------|
| Community Services for the Elderly Grant program | \$15.3 M | \$15.7 M |
| Naturally Occurring Retirement Communities (NORCs) | \$2.02 M | \$2.14 M |
| Neighborhood NORCs | \$2.02 M | \$2.06 M |
| Respite | \$656,000 | \$672,000 |
| Expanded In-Home Services for the Elderly Program (EISEP) | \$46 M | \$47.12 M |
| Social Model Adult Day Services | \$872,000 | \$928,000 |
| Caregiver Resource Centers | \$353,000 | \$353,000 |
| Regional Caregivers Centers for Excellence | \$230,000 | \$230,000 |
| COLA for EISEP, CSE, and SNAP providers | \$13.2 M | \$14.59 M |
| Supplemental Nutrition Assistance Program (SNAP) | \$21.3 M | \$21.76 M |

HIV/AIDS

FPWA is pleased to learn that the majority of HIV/AIDS programs overseen by the AIDS Institute was held harmless in the Governor’s executive budget. HIV/AIDS service providers

that receive State funding have already experienced two cuts (2% + 6%) in the current fiscal year. Any further budget reduction will negatively impact the infrastructure of these providers and more importantly, the system of coordination and the quality of care, which took many years to build. FPWA urges the Governor and Legislature to continue protecting direct service provision to people living with HIV or AIDS.

However, we are deeply concerned about the proposed financing changes for the AIDS Drug Assistance Program (ADAP). Under the Governor's budget proposal, ADAP will be removed from the Department of Health's FY2009-2010 budget, an item originally funded as part of the Health Care Reform Act (HCRA). Instead, it will be financed by a combination of funds made available through drug rebates and federal funds. ADAP is considered as the last resort for prescription coverage for those who do not qualify for Medicaid and are unable to afford private insurance. Although this is meant to be a one-time action, FPWA, however, is disappointed about the State's decision to set this unprecedented example, which may unintentionally lead current and future administrations to walk away from the responsibility for providing medication to a vulnerable population. We ask the State to seek and secure sustainable funding sources for ADAP.

Last but not least, as a proud member of Medicaid Matters New York (MMNY), FPWA stands united with MMNY coalition members to express our concern that the Governor's Budget proposal would eliminate more than \$50 million in Part D "wrap around" coverage provided through the Elderly Pharmaceutical Insurance Coverage (EPIC) Program and Medicaid programs for drugs not covered by the Medicare program. This proposal will negatively impact hundreds of thousands of low-income elderly and New Yorkers who rely on these programs to help pay for their medication, including people living with HIV or AIDS. The current Medicaid wrap pays for four specific categories of drugs including atypical anti-psychotics, anti-depressants, anti-retrovirals used to treat HIV/AIDS, and anti-rejection drugs used by organ and tissue transplant recipients. The Medicaid wrap around provides a critical safety net to vulnerable residents and needs to be maintained. This proposal contradicts the state's assurance last year that the elderly and poor would not go without the medication they need. We ask that this proposal be rescinded.

Thank you for the opportunity to submit this written testimony.