



**NEW YORK
STATE OF
OPPORTUNITY.**

**Department
of Health**

**Testimony of Sally Dreslin, MS, RN
Executive Deputy Commissioner of Health**

**Joint Legislative Public Hearing
On the
2015-2016 Executive Budget Proposal**

**February 2, 2015
Legislative Office Building
Hearing Room B**

Good morning Chairmen DeFrancisco, Farrell, Hannon and Gottfried, and all of your distinguished colleagues here today.

I am Sally Dreslin, Executive Deputy Commissioner of Health. Acting Commissioner Howard Zucker was unable to attend due to a medical appointment. I am pleased to be here today to discuss Governor Andrew Cuomo's Executive Budget as it relates to the mission of the Department of Health. Joining me is Jason Helgersen, State Medicaid Director.

Under Governor Cuomo's leadership, New York is setting a national example of health care reform, reforms that are resulting in improved quality of care for our residents and cost savings for taxpayers.

We are steadily moving forward with the Delivery System Reform Incentive Payment program, known as DSRIP. This initiative is fundamentally restructuring the health care delivery system in New York State while supporting the state's pursuit of the Triple Aim – better health care for individuals, improved population health and lower costs.

DSRIP will provide up to \$6.4 billion in waiver funds to health care providers that have created performing provider systems, or PPS's, to work toward the overarching goal of reducing avoidable hospital use by 25 percent. Statewide, hospitals and providers have submitted proposals for 25 of these systems. The state has also received \$100 million from the federal government to implement the State Health Innovation Plan, or SHIP, which will complement our DSRIP program and transform the way we deliver health care in New York.

But while New York wisely invests federal funds to transform its health care system, we must also develop state programs to meet our goals. Governor Cuomo's budget calls for a \$1.4 billion capital investment that will address challenges in all regions of the state, equally split between upstate and downstate. The \$1.4 billion will be supplemented by Vital Access Provider funds, money to keep essential providers operating as they transition to more integrated care systems.

New York also continues to implement the recommendations of the Medicaid Redesign Team (MRT). These reforms represent the most comprehensive Medicaid reforms our state has ever seen. Included in this year's Executive Budget is a package of budget-neutral reforms that are worth highlighting.

Among them is the transition to managed care plans. Our state continues to make progress toward care management for all, moving all Medicaid enrollees into these comprehensive care plans. This initiative is improving the quality of care, better coordinating benefits and improving patient outcomes. We are moving away from fee-for-service Medicaid and redirecting our resources toward managed care. These plans address special population needs, and we are adding more plans to care for those with mental health and substance abuse issues, as well as fully-integrated plans for those who are dually eligible for Medicaid and Medicare.

In addition, we plan to implement the federally-supported Basic Health Plan, which was authorized under the Affordable Care Act (ACA). The Basic Health Plan is a new state health insurance option to make coverage even more affordable for low income individuals who do not

have employer-sponsored coverage and do not qualify for Medicaid because their income is too high or because of their immigrant status. By implementing the Basic Health Plan, we will further reduce the number of uninsured in New York, resulting in savings to the state and reductions in bad debt for hospitals.

The Executive Budget also reinforces the state's commitment to putting an end to the AIDS epidemic. Governor Cuomo's three-point plan includes identifying people with HIV who are not yet diagnosed and linking them to health care; keeping people diagnosed with HIV in health care, so they remain healthy; and providing pre-exposure prophylaxis - or PrEP - to high-risk individuals so that they stay HIV negative.

As part of Governor Cuomo's anti-poverty agenda, Department of Health is committing \$4.5 million to the Hunger Prevention and Nutrition Assistance Program. The addition of these funds will enable food pantries statewide to provide an additional 2.8 million meals in the coming fiscal year.

To better care for the elderly and disabled, we must also look out for caregivers, who devote countless hours of unpaid care to loved ones. The Executive Budget includes a \$25 million investment in Alzheimer's caregiver support to provide respite services and expand existing programs. This will give caregivers the help they need to keep their loved ones in the community for as long as they can.

We are aware that paying for these programs will require adjustments. To that end, we will implement new efficiencies, such as discontinuing duplicate audits of medical residents' work hours and consolidating local assistance appropriations so they better target population health needs. Taken together, readjustments proposed in the Executive Budget will save the state more than \$54 million this year.

Governor Cuomo's Executive Budget reflects an unwavering commitment to improving health care for all New Yorkers. And in this era of health care reforms, we continue to take steps that promise to enhance the quality of health care and improve population health while lowering costs.

To achieve these goals we must continue to work collaboratively with our partners -- the members of the Legislature, the health care community and the residents of this state. Together, we will continue to set the example for health reform across the country.

Thank you. I am happy to answer your questions.