

Dennis P. Whalen, Deputy Secretary to the Governor for  
Health and Human Services

Formal Budget Hearing  
Department of Health, Office of Mental Health, Office of Mental Retardation  
and Developmental Disabilities, and Office of Alcoholism and Substance  
Abuse Services

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- **People First Philosophy**

- Last January, Governor Spitzer put forward a patients' first agenda based on the single premise: "patients, not institutions, must be at the center of our health care system." That means that every decision, every initiative and every investment we make must be designed to suit the need of patients first. That principle has guided the work of DOH, OMH, OASAS and OMRDD since this Administration began.
- The Governor charged his public and mental health team to conduct the first-of-its-kind "People First Coordinated Care Listening Forums" tour across state. Public forums were held in New York City, New Paltz, Plattsburgh, Syracuse and Buffalo. More than 2200 people attended these meetings to directly tell us the ways in which our services could be improved to meet their needs and those of their families.
- Through the information we heard in these forums and other meetings, and as the result of an analysis of a great deal of data, it is clear that we need to make changes to improve the responsiveness of our systems of care and to improve the quality and safety of the services being provided.

- **Last Year's Budget**

- Last year's budget proposal took the first steps toward improving access to affordable health insurance and reforming our delivery system to make the first shifts toward a "Patient's First" system. Let me highlight some of the initiatives from the 2007-08 budget:
  - Making health insurance affordable and accessible for all children in the State by expanding CHPlus to 400 percent of the Federal Poverty Level.
  - Making Medicaid work so that eligible children and adults, including those with disabilities, can get on and stay on coverage (removing

documentation requirements at renewal and guaranteeing 12 months of coverage for adults as we do for children).

- Requiring that Medicaid dollars follow Medicaid recipients and the providers that serve them.
- An historic investment of 2000 new housing opportunities for people with psychiatric disabilities.
- Establishment of the Family Health Plus Buy-in Program.
- Continuation of Cost of Living Adjustments for dedicated, yet underpaid, direct care workers throughout the human services agencies.
- Beginning the process of rate reform by eliminating hold harmless provisions and updating service intensity weights.
- Additional investments toward ensuring appropriate housing options are available for people with developmental disabilities.
- Authorizing demonstration programs to test effective interventions for managing the care of our most medically complicated and expensive patients – those with multiple needs that cut across systems of care.
- Major investments in additional housing for people with addiction treatment needs.
- A \$100 million investment in stem cell research and another \$22 million for new public health initiatives, including lead poison prevention, cervical cancer initiatives, emergency contraception, and obesity prevention.
- Major investments dedicated to children with psychiatric disabilities to provide them with the services they need where they live and learn.

- **The Past 10 Months**

- As significant as the reforms adopted in last year's budget were, they were only a starting point. Since that time the agencies before you today have been working hard to analyze and assess the strengths and weaknesses of our current health care delivery system and all of its component parts. No program, activity or expenditure is exempt from scrutiny. The question we are measuring by is: *do our investments provide our patients with services that are the best value available?*
- We know our Medicaid program is the most expensive in the country. Yet, just this summer, two studies came out showing that on health care quality, New York

ranks as average and on some critical indicators we are in the bottom quartile. This is unacceptable. New Yorkers should never be asked to accept an average or mediocre score on any health care ranking.

- We know that people's needs are not compartmentalized in separate silos and so our four health care agencies are working together to identify the appropriate strategies to address the needs of individuals that cut across agencies and budgets.
  - We have examined the Medicaid claims data and the results will guide our choices for reform. We will continue to make sound choices to achieve solutions, not arbitrary cuts. Pharmaceutical costs and home care costs are increasing rapidly. Inpatient costs while increasing at a somewhat slower rate remain problematic and 80 percent of the people for whom it is most costly to provide services have a behavioral health problem along with significant medical needs. We see these individuals engage our health care system with multiple hospital admissions but few, if any, ambulatory care visits to receive primary and preventive care.
  - The long term care delivery system poses special challenges as we try to address the needs of younger disabled people and those of our growing numbers of elderly citizens. Medicaid is the most significant payor and it is a role we cannot sustain as the baby boomers age.
  - Implementation of the Berger recommendations is moving forward.
  - The Agencies have reached out to hospitals, community health centers, clinics, treatment centers, doctors, nurses, school officials to engage them in our battle with health related epidemics.
  - We are proud of our strong tobacco control efforts. Just this fall, an article in the American Journal of Public Health reported that deaths due to heart attacks were reduced in NY by the Clean Indoor Air Act.
- **Going Forward: FY 2008-09 Budget**
  - From the People First Forums, three themes emerged:
    1. Better access to services;
    2. Quality and coordinated services; and,
    3. Overcoming service barriers inherent in our systems.

All of the agency budget requests reflect these themes.

- In this next budget we will focus on important principles:
  - Focus on patients and their needs;
  - Continue to improve coverage and access; and,

- Pursuit of services that are high quality and safe.
- OMH, OMRDD and OASAS have each completed their Statewide Comprehensive 5-Year Plans, as required by §5.07 Mental Hygiene Law (on websites). These plans chart the direction in which these agencies will go over the next 5 years, detailing the systemic restructuring and transformation envisioned by each Commissioner and the mechanisms by which such reforms will be accomplished.
- **Collaboration Necessary**
  - Our Commissioners recognize their charge to care for some of our state's most vulnerable populations; they further recognize the necessity of working together to achieve the best of services and support for those who are cared for in their systems and by their programs. In their presentations the Commissioners will talk about how they have fully embraced the collaborative approach necessary to break down the barriers and silos that are impairing our system.
  - The DMH agencies have reinvigorated the Inter-Office Coordinating Council (IOCC) and brought in sister agencies like DOH who, while crucial partners who must be involved, have not participated before.
  - The cross-cutting nature of the needs of the people they serve will require not only DOH, OMH, OMRDD and OASAS to collaborate, but to extend their working relationships to a wide range of other state agencies.
  - While several formal inter-agency collaborative efforts underway (Most Integrated Setting Coordinating Council, Children's Cabinet) to address issues that individuals face that cut across state systems, there are numerous unofficial collaborative relationships that these commissioners have initiated, recognizing the only way to address the issues people face is to do it in cooperation with all those agencies and programs who have a contribution to make in our efforts to improve.
  - Working together, these commissioners and their colleagues in other state agencies are developing the systemic reforms necessary to improve people's lives through improved outcomes and to ensure that we are spending our significant investments wisely.