



New York State Division of Budget

**Hearings on the
Executive Budget
State Fiscal Year 2008-2009**

**November 27, 2007
Syracuse Common Council Chambers
Syracuse, New York**

Good afternoon.

My name is David McNally. I am the manger of Government Relations for AARP in New York State. AARP has over 2.6 million members in New York.

Today I am going to briefly touch on four issues that AARP strongly believes need to be addressed in Governor Spitzer's 2008 Executive Budget: Rx marketing reform and affordability, long term care (LTC), mortgage foreclosure remediation, and kincare.

Rx Marketing Reform and Affordability.

The state needs to change the way it buys prescription drugs and the ways drug companies market them to the public.

AARP recommends that:

- ♦ The State budget contain provisions to establish the frame work for New York State to "bulk purchase" its prescription drugs to save tax payers money and then use some of that savings to expand EPIC for those in need and to create access and affordability through a Rx discount card.
- ♦ In addition, at minimum, Governor Spitzer should require drug companies to disclose the enormous number of gifts it provides to doctors to encourage them to prescribe new high cost drugs rather than generic or equally effective, less costly, older drugs. Taxpayers should not be footing the bill in government programs for new high cost drugs when generics or older and cheaper equally effective drugs could be prescribed.

Long-Term Care – Support for the Caregivers

According to Governor Spitzer's Office for Aging, 80% of all LTC services in New York State are provided by more than two million families; this care was valued at over \$24 billion in 2006.

We are asking Governor Spitzer to strengthen his investment in family caregiving services with the following:

- ♦ **Adult Day Care** – Increase the current social adult day care allocation from \$1.5 million to \$5 million.
- ♦ **Enhanced Adult Day Care** – Establish an enhanced social adult day services demonstration program that will allow individuals with some medical needs to stay in the program.
- ♦ **NYS Caregiver Program** – Increase funding for the NYS Caregiver program from \$350,000 to \$5 million. This would allow every Area Agency on Aging (AAA) in the state to offer services under this program.
- ♦ **EISEP** – Provide an additional \$25 million for the EISEP program. This program, an integral part of New York's LTC system, it keeps people in their home for as long as possible and delays institutional care.

In addition we strongly believe that the Governor should be very careful when looking at Medicaid cuts to insure that the services for frail elderly in nursing homes are maintained and delivered at the highest quality level; our elderly deserve nothing less.

Housing Foreclosure Remediation

According to New York State Banking Department's report "2007 Spring Review," more than **"50,000 foreclosures were reported in New York for 2006, a year over year increase of 40%."** What is even more alarming, RealtyTrac reports that **close to 49,000 foreclosures were filed in New York during the first six months of 2007.** For an older person, a foreclosure can mean losing a retirement nest egg as well as a lifetime of family memories without the ability to ever recover.

AARP recommends the following to address this crisis

- ♦ **State Foreclosure Fund.** Provide \$100 million to establish a foreclosure remediation fund to assist individuals who are in foreclosure but are not eligible to apply for assistance under the "Keep the Dream" program.
- ♦ **Foreclosure Data Collection.** Require the banking department to collect foreclosure data that currently exists only at the county level. Currently, no state depository exists for this data that could be analyzed and utilized by state officials and the public.

Kincare

Kinship care is successful and cost effective. According to the U.S. Census, in 2000, more than 143,000 New York State grandparents were responsible for raising children. Research conclusively demonstrates that children receive tremendous benefits when they are raised in kinship families.

In NYS, the NYS Office for Children and Families provides funding for thirteen regional programs and one statewide "Navigator." These programs are already exceeding anticipated outcomes.

AARP recommends

The above programs be funded again this year and that additional funds be allocated to expand these programs across the state; the cost of this total request is \$4.2 million dollars.

Thank you for the opportunity to provide this testimony today.