



# Southern Tier Independence Center

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Testimony for Budget Division Hearing  
Adam Cybulski, Systems Advocate

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## **The Importance of Deinstitutionalization**

Whenever New York has faced budget problems in the past, Medicaid has become a prime target for cuts. This is not an acceptable way to balance a budget. In fact, many of the cuts to Medicaid that are typically proposed would result in higher total costs. However, the purpose of my testimony today is not to plead with you for money, rather, it is to demonstrate a solution. The best way to save money on New York's health system is to work towards fuller implementation of the Olmstead decision, and work toward community based care rather than institutionalization.

The costs of keeping an individual in an institution is staggering. For state run developmental centers, it costs over \$235,000 per year per person. Compared with only \$64,000 per person per year for an individual living in the community on the waiver program. A savings of over \$170,000. There are currently 1700 people living in Developmental Centers within NYS. Many wish to leave, and are capable of doing so. However, not enough supported apartments or other housing arrangements are available, and these individuals find themselves on waiting lists to move out of the institution for an incredible amount of time.

More housing must be created to allow individuals who wish to transition back to community the opportunity to do so. With a modest goal of transitioning out only ten percent of the institutionalized population, the state would realize a saving of almost 30 million dollars.

Proposals to cut payment for aid services abound almost every budget cycle. This approach will not result in any real savings. By slashing aid services to people who live in the community the state will only drive more people into institutions. The cost to the state of maintaining a patient in a nursing home is \$78,000 compared to only \$13,000 for the same individual living in the community. Cutting payments for home health aides and other caregivers will only drive Medicaid costs up in the long run.

Unfortunately, unlike the nursing homes, individuals who rely on home care aids can not afford a multi million-dollar media blitz when cuts threaten them. But rest assured, any cuts to home based services, will result in more long term costs to the state as more people are forced into nursing homes.

We support the Governor's Patient's first agenda. The way to decrease health care spending in New York, is to find the inefficiencies and corruption in the system. The administrative costs per patient at large facilities is astronomical compared to the costs of keeping a person in the community. In order to reduce healthcare spending, we must look at where the money that goes to these institutions is being spent, because I can tell you from experience, it certainly isn't to patient care.

I currently work with a consumer who is in a state run psychiatric center. It is costing the state \$235,000 a year to keep him there. From the center, he only receives 30 minutes of one on one therapy, every other week, and group therapy during the day. This hardly seems worth \$235,000 to me. This is an intelligent young man, who wants to leave the center so he can resume his college education. Yet the level of care he is receiving at the hospital is pathetic, for a fraction of that amount of money, he could receive therapy far more frequently in the community. He has been trying to get what is known as "privileges" so he can leave the grounds of the hospital. The process for getting these privileges has taken a month and a half at this point. These centers are so over burdened with bureaucracy that it stands as an impediment to people's progress, and is a massive drain on New York's Health Care budget. These bureaucracies must be brought under control. If cuts must be made, they must be made to the large institutions, and not care in the community.