



Testimony
Of

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Commissioner**

New York City Department of Health and Mental Hygiene

before the

New York City Council Committee on Health

regarding

FY10 Preliminary Budget

March 25, 2009

City Hall
New York City

Good morning Chairperson Rivera and members of the Health Committee. I am Dr. Tom Frieden, New York City Health Commissioner.

In his 2009 State of the City address, Mayor Bloomberg outlined an ambitious agenda that will allow New York City to weather the current economic downturn while preserving and enhancing core services and quality of life. This agenda focuses on three key areas: 1) creating jobs, 2) strengthening quality of life, and 3) promoting even greater accountability and efficiency to ensure quality services for all New Yorkers. The Health Department (DOHMH) is committed to the pursuit of this agenda and will continue to fulfill our mission of promoting and protecting the health of New Yorkers despite the current financial crisis.

State and Federal Budget Overview

Let me begin with an overview of state and federal budget actions affecting DOHMH. The State's Executive Budget proposes eliminating the Community Optional Preventive Service (COPS) funding stream, a valuable source of state funding for the Nurse Family Partnership program. The elimination of COPS funding has the potential to create a \$3.4 million funding gap, and may result in NFP serving 618 fewer families annually.

The Governor's budget also proposes eliminating Article VI funding for day care inspections, and eliminates nearly \$1 million in funding for the Key Extended Entry Program (KEEP). KEEP provides methadone treatment and medically supervised withdrawal from opiates, providing an average of 15,000 detoxifications and 5,000 maintenance treatment admissions each year. Substance abuse experts report that inmates not treated with methadone while incarcerated were more likely than their methadone treated peers to relapse back to heroin and return to jail; on average, three quarters of all KEEP participants report for community treatment upon discharge. Beyond preventing relapse among inmates and individuals who have been released from jail, KEEP reduces infectious disease risk both within the jail and in the larger New York City community, and decreases the potential for re-arrest associated with opioid dependence. Elimination of this program will increase relapse rates post release, creating financial and societal costs that will exceed savings gained through cutting this initiative.

We are, however, optimistic about recent federal actions. The American Reinvestment and Recovery Act of 2009 included opportunities for public health funding. DOHMH hopes to be eligible to receive funding and is partnering with other agencies to identify additional opportunities. Although the majority of these public health funds will not come to the city based on a formula, DOHMH will actively pursue competitive grants to support our priorities.

We look forward to working with our federal partners to leverage as much funding as possible to improve public health in New York City; however the temporary and specific nature of this funding cannot solve structural budget problems or be used for purposes beyond the priorities stated in the Act.

DOHMH Highlights and Priorities

We made significant progress on our Take Care New York health policy, meeting seven out of 10 ambitious public health goals set in 2004. By 2007, the most recent year on record, New Yorkers had surpassed 2008 targets within four of the program's priority areas: colon cancer screening, regular access to primary health care, tobacco control, and decreasing intimate partner homicide.

Since Take Care New York was launched in 2004, the City has also narrowed health gaps among racial and ethnic groups in colon cancer screening and access to primary health care. The proportion of black and Latino New Yorkers getting colonoscopies has increased dramatically, closing longstanding disparities in screening rates. In addition, black New Yorkers are also now nearly as likely as whites to report having a regular doctor. In 2002, 25 percent of New Yorkers did not have a regular doctor but that figure has now fallen below 20 percent, which was Take Care New York's goal.

Smoking prevalence among New York City adults fell from 21.5 percent in 2002 to 16.9 percent in 2007, surpassing the Take Care New York goal of 18 percent, and the number of New Yorkers who died from HIV/AIDS related illnesses fell from 1,713 in 2002 to 1,115 in 2007, a 35 percent decline.

I would like to thank Speaker Quinn and the City Council for their continued support of these efforts.

FY10 Budget Outlook

Let me take a minute to update the Committee on certain initiatives included in our November Plan. We have been meeting with Federally Qualified Health Centers and other community based medical providers to discuss taking over oral health services in our health clinic and school sites. I'm happy to report that we have strong and firm interest to continue oral health services in 3 clinics and more than 20 schools and will continue working to identify additional providers over the coming months. Finding oral health providers in the community who can serve these children both in the community and in schools, and working with Medicaid managed care providers to increase utilization is, in our judgment, a more effective use of resources than providing limited clinical care to a small portion of the children in need. In addition, we will work with families served by the Oral Health Program to make sure that they are aware of other sources of low-cost dental care, help them access these programs and make a smooth transition to a new provider.

As planned, due to low patient volume the part-time East Harlem STD Clinic will close effective May 1st. Nearly two thirds of this clinic's patients live outside East Harlem and all patients can continue to be seen at the Department's 9 remaining STD clinics, including those nearby in Central Harlem and Riverside as well as Chelsea.

In developing our FY10 budget the Department continued using a three-tiered decision making process that allows us to make fiscally prudent choices while maintaining core services.

First, we identify revenues to help meet targets, resulting in fewer service cuts. Beginning in FY10, DOHMH will increase collections from Medicaid, Medicare and third-party insurers for TB and immunization services. There will be no service impact or patient payment obligations, but this effort will generate \$850,000 annually.

Second, we identify efficiencies to provide the same service at lower cost. We are streamlining business processes, trimming lower-priority purchases and consolidating activities to ensure that every dollar spent yields the greatest possible public benefit. DOHMH will save \$2.8 million in FY10 by reducing spending for goods and services, including animal care and control, chronic disease prevention, and education and outreach, and eliminating vacant staff positions. These savings grow to \$4.8 million in FY11 and beyond.

Given the dire nature of the fiscal situation, we also focused on efficiencies in direct services. Where public schools have more than one health staff, the Health Department will reduce the number of staff. Some middle schools will no longer have public health advisors assigned to support nurses who are already on site. Some other non-mandated staffing, functions and ancillary services, such as hearing screening, which is not recommended by the U.S Preventive Service Task Force, may be reduced as well. These reductions will save approximately \$750,000 annually.

The fiscal crisis has not stopped us from improving services. We will increase our use of information technology to make our work more efficient and cost-effective. Vital records, clinical care, and pest control tracking will increasingly become paperless, and patients will be able to retrieve STD test results 24/7 on-line and via an automated phone service. These efforts will provide the public with better access to vital records and allow more coordinated treatment in city health clinics.

Third and most challenging, we identify programs and operations that, however well run, can absorb reductions with less impact on public health. Instead of reducing programs across the board, we target savings. These are the most difficult cuts to make, but unfortunately they are sometimes inescapable. The Department will reduce its support for HHC Child Health Clinics by \$1 million in FY10 and FY11. We were able to preserve \$2 million for the Primary Care Initiative and spare current services in favor of reducing this program's planned expansion.

We are deeply committed to funding HIV prevention and care services. Today, despite cuts in programs throughout the agency, we are spending more city tax levy dollars on HIV than we did 7 years ago, thanks largely to the Mayor's decision to baseline \$5 million in 2005. We also have been very active in Washington, fighting to preserve NYC's funding even as the epidemic spreads to other jurisdictions. Still, NYC's prevention and treatment programming is not as effective as it could be and we need to

make better use of the resources currently available. Unfortunately, as we reduce programs throughout the agency, in FY11 funding for HIV/AIDS case management and health education provided through HHC will be reduced by \$283,000. An additional \$597,000 in FY11 savings will result from a reduction in HIV prevention and control contracts, although no contracts will be eliminated. We wish we didn't have to make these cuts, and will continue to advocate strongly on behalf of New York City for increased federal HIV funding to offset these cuts.

New Initiatives

The Department is also enhancing its efforts to improve food safety in restaurants and respond to consumer demands for clean, pest-free restaurants and easier access to information about restaurant safety. Food-related illness is a source of growing public concern in New York City. Complaints about food-borne illness have increased in recent years, and rodent infestations are a common problem in restaurants. Food poisoning causes missed work and school, emergency department visits, hospitalizations, and even deaths. In fact, there are hundreds and perhaps thousands of cases of diarrhea per day from eating out, and based on national estimates 7,000 people are hospitalized each year as a result.

Under the new model, establishments that fail to maintain adequately safe conditions will be inspected more frequently – and in FY11, every restaurant in the city will start prominently displaying a sanitary grade that reflects its inspection results. Requiring additional inspections for restaurants that perform poorly on inspections will concentrate our resources on the establishments that pose the greatest risk to public health. It will place no additional burden on establishments that maintain good sanitary conditions. Those that fail to maintain good sanitary conditions will face additional inspections, additional fines, and greater public accountability. We have begun and will continue to meet with representatives of the restaurant industry to discuss how to implement this initiative most fairly and effectively.

Thank you for the opportunity to testify. We look forward to continuing our partnership with the City Council. Together we can identify cost-effective solutions that will improve public health, strengthen quality of life, and stretch every dollar further. I'm happy to answer your questions.

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