



Testimony  
Of

**Thomas R. Frieden, M.D., M.P.H.  
Commissioner**

**New York City Department of Health and Mental Hygiene**

before the

**New York City Council**

**Committee on Health**

**Committee on Finance**

**Committee on Mental Health, Mental Retardation, Alcoholism, Drug Abuse and Disability  
Services**

**Subcommittee on Drug Abuse**

regarding

**FY10 Executive Budget**

May 27, 2009

City Hall  
New York City

Good afternoon Chairpersons Rivera, Koppell, Palma, Weprin and members of the Committees. I am Dr. Tom Frieden, New York City Health Commissioner.

Despite the fiscal crisis, New York City continues to pursue a comprehensive public health agenda. We are meeting or exceeding health targets for most aspects of Take Care New York and pursuing strategies to protect and promote the health of all New Yorkers. I would like to thank the City Council for your continued support of the Department's initiatives.

### **State and Federal Budget Overview**

Let me begin with an update on state and federal fiscal developments since our March hearing. After months of advocacy, the Enacted State Budget restored \$30 million for Community Optional Preventive Services, an important funding source for the Nurse-Family Partnership (NFP) that was slated for elimination in the Executive Budget. We were also pleased that the Enacted Budget included \$5 million in TANF funds specifically for NFP. We hope this funding will allow NFP to expand and serve more at-risk first time mothers and their families.

The Enacted Budget also restored Article VI public health funding for medical examiners and day care inspections, preserving support for these critical services. Increased state fees for tobacco retailers will likely reduce the number of tobacco outlets in New York State, and Rockefeller Drug Law reforms will reduce minimum sentences for drug offenses and expand eligibility for alternative to incarceration programs.

Unfortunately, the Enacted Budget reflected several important missed opportunities. One million dollars for the Key Extended Entry Program (KEEP) was not restored. KEEP provided opiate detoxification and methadone treatment for inmates on Rikers Island, preventing relapse and reducing infectious disease risk within the jail and in the larger New York City community. I am deeply troubled by the elimination of this funding.

The Enacted Budget's minuscule increases in beer and wine taxes are not likely to have a significant impact on consumption and the revenues will not be reinvested in community-based programs to generate broader public health benefits. Additionally, the budget failed to include a tax on sugar sweetened beverages. An excise tax of just one cent per ounce would have generated more than \$1 billion in revenue and prevented many thousands of people from becoming obese and developing diabetes.

The Enacted Budget also failed to include much-needed reforms to the Early Intervention (EI) program. Regrettably, private insurers continue to be let off the hook for their obligation to pay for children receiving EI services, which we estimate represents \$80 million in New York City alone. As a result, local governments continue to pick up a disproportionate share of EI costs.

I am pleased to report on several encouraging developments at the federal level. President Obama included funding in his FY 2010 budget to support the establishment and expansion of evidence-based home visitation programs, such as the Nurse Family Partnership. The President's budget also increased the Public Health Emergency Preparedness cooperative

agreements and the hospital preparedness program, both of which are critical to supporting New York City's public health preparedness infrastructure and come after several years of reduced funding. An additional \$1.5 billion was requested to support emergency response activities regarding the recent H1N1 influenza outbreak and is currently under consideration by Congress.

The Health Department is actively pursuing American Reinvestment and Recovery Act funding. To date, we have applied for more than \$7.5 million in competitive stimulus grants across a range of critical programs, such as child asthma, electronic health records, medication adherence, HIV prevention, and vocational services for people with histories of substance abuse or mental illness. We also expect to receive \$4.5 million to support and expand our immunization program. Further guidance on the 'Health Information Technology' and 'Prevention and Wellness' stimulus funds are expected in coming months. We also will receive funding to partly restore Housing Opportunities for Persons with AIDS (HOPWA) cuts to legal eviction prevention services.

### **DOHMH Highlights and Priorities**

We met or exceeded seven out of 10 ambitious **Take Care New York** public health goals. Health gaps among racial and ethnic groups in colon cancer screening and access to primary care have narrowed; the infant mortality rate is at its lowest ever – 5.4 deaths per 1,000 live births, which is far lower than the national rate; we are expanding distribution of naloxone, an immediate-acting antidote to opiate overdose; we continue to promote screening and brief intervention for alcohol and the Managed Addiction Treatment Services (MATS) program, which increases retention in alcohol and drug use treatment services for frequent users of costly in-patient detoxification services; and, we now have more than 1,200 doctors serving more than a million patients in New York City using an electronic health record customized to help them prevent heart attacks and strokes.

New York City continues to reduce smoking. In March we introduced new hard-hitting media campaigns. Smoking prevalence among New York City adults fell to 15.8 percent in 2008 – not only well below the **Take Care New York** goal of 18 percent, but the lowest rate on record for the city. 350,000 fewer people are smoking than in 2002, a decline that could prevent more than 100,000 premature deaths in future years. Our most recent effort resulted in the distribution of almost 30,000 courses of nicotine replacement therapy in partnership with the 311 Citizen Service Center.

Despite these successes, smoking continues to threaten the health of all New Yorkers. More than half of non-smoking New Yorkers have elevated levels of cotinine in their blood, meaning that they were recently exposed to toxic second-hand smoke in concentrations high enough to leave residues in the body. For example, while exposure to second-hand smoke near building entrances is brief, it is a repeated and unavoidable daily occurrence for many New Yorkers. There is no safe level of exposure to second-hand smoke and the Health Department supports measures, such as Intro 642-A, to restrict smoking around building entrances and other outdoor areas.

Implementation of NY/NY III housing continues, though we remain behind schedule. We have achieved 93% of our FY09 target for scatter-site housing, and 32% of our FY09 target for

congregate housing. There are more congregate housing units in the pipeline and we will work aggressively to catch up to our targets next fiscal year.

In addition to housing, employment is particularly important to the recovery of individuals living with mental illnesses. They face enormous employment and economic disparities. Two out of three people with disabilities are unemployed, and one out of three people with disabilities lives in poverty. These disparities are even larger for individuals with psychiatric disabilities, who have the highest levels of unemployment and poverty across all disability groups. In 2008, employment programs in contract with the Department placed more than 1,200 individuals with serious mental illnesses into jobs. This has an enormous impact on their recovery, their ability to maintain stable housing, and their economic independence.

Let me now take a moment to update you on our activities and response to the novel H1N1 influenza outbreak. The novel H1N1 virus since April 2009 has caused outbreaks of flu-like illness among people in New York City and in many countries around the world. The symptoms appear to be similar to those of seasonal flu and usually include fever accompanied by cough or sore throat. Human transmission is thought to occur in the same way as seasonal flu: through respiratory droplets that are released when an infected person coughs or sneezes. At this time, there is no vaccine for novel H1N1 influenza and vaccination against seasonal flu does not appear to protect against the novel H1N1 influenza virus.

The Health Department and the Department of Education are working to monitor flu-like illness in New York City schools. This information is collected daily from school nurses and school administrators and evaluated by the City's Office of School Health. If a school nurse reports a sudden or sustained increase in flu-like illness — documented fever accompanied by cough or sore throat — among students seen in a school's medical room, the Health Department may recommend closing the school. To date, more than 40 schools have been recommended for closure—25 of which have already reopened without incident—and additional schools will likely experience temporary closures in the coming days and weeks. Rather than using a simple rule to close schools, the Health Department is carefully evaluating the circumstances at each one. High absenteeism, in and of itself, is not a basis for closure.

Flu epidemics evolve in unpredictable ways – it is impossible to know whether this one will dwindle, remain the same, or surge in coming weeks, and whether the illness will remain mild. The best way to prevent the spread of flu is to stay home if you're sick, cover your cough, and wash your hands frequently.

## **FY10 Budget Outlook**

Let me turn now to the Department's FY10 Executive Budget. New York City faces the deepest financial crisis of the past 70 years. In November 2008, March 2009 and May 2009, city agencies have been faced with budget cuts, and each round of reductions makes it harder to identify ways to meet our fiscal obligations without reducing services. In addition to a cumulative CTL budget savings of more than \$50 million for FY10, DOHMH absorbed an additional \$25 million in federal funding reductions over the past four years in the areas of

HIV/AIDS, tuberculosis, sexually-transmitted disease control, immunization and emergency preparedness. The latter two are especially troubling in the context of the novel H1N1 influenza.

The single largest reduction DOHMH will absorb as part of the FY10 Executive Budget is to our own agency operations. We are streamlining and consolidating operations and trimming lower-priority purchases to ensure that every dollar spent yields the greatest health benefit. By eliminating vacant positions in some areas, reducing vehicle expenses, and reducing other-than-personnel costs across the agency, DOHMH will save an additional \$4.3 million in FY10 and \$2.5 million in the out-years. We will also generate \$1 million in FY10 and \$500,000 in the out-years by obtaining Medicaid reimbursement for clinical services initially denied.

In the context of declining resources, we strive to maintain a friendly and helpful customer service environment for the public. We currently issue approximately 52,000 burial permits every year and respond to nearly 30,000 requests for corrections and amendments to birth certificates, at no charge. As part of our Executive Budget the Department proposes to institute modest fees for disposition permits and birth certificate corrections to help cover a portion of the cost to produce these documents. New parents will continue to receive a free copy of their child's birth certificate, and there will continue to be no charge for any corrections made within a 60-day grace period.

Where the fiscal crisis forces us to make reductions, we have tried to do so in areas that will not affect existing services. We will eliminate expense funding for the Primary Care Initiative, yielding savings of \$2 million in FY10 and the out-years. Since this initiative had not yet begun there will be no reduction to current services. More than \$67 million in State and Federal funds have been invested in primary care expansion in New York City in the past year.

We proportionately reduced our Animal Care & Control contract by an additional 4 percent to \$8 million, a reduction of \$330,000 annually. The pass-through to the Health and Hospitals Corporation for child health clinics will also be reduced by 4 percent, or \$175,000. The Health Department's budget for child health clinics will still total more than \$4 million.

The New York State Office of Mental Retardation and Developmental Disabilities (MRDD) will be eliminating the \$5.6 million it provides to City MRDD programs. This allotment from the State is functionally equivalent to a matching fund, therefore we reduced funding to MRDD services by \$1.1 million through voluntary program closures and a five percent targeted cut to non-clinical services, which had been spared cuts in previous budget reductions. Increased reimbursement rates for some of these programs and reduced indirect costs will help mitigate the effects of this reduction. We believe that individuals being served at programs slated to close will be able to be served by other existing programs, however we will monitor this closely and update Council on these changes.

## Recent Updates

Finally, I would like to provide an update on some specific items discussed at our Preliminary Budget hearing. As planned, the Department stopped providing services at the East Harlem STD clinic effective April 30<sup>th</sup>. All steps needed to inform the community and transition staff and materials were completed on schedule, and DOHMH continues to operate nine clinics, including Manhattan sites in Central Harlem, Riverside, and Chelsea.

With respect to the elimination of the oral health program, the Department continues to implement a transition plan to minimize any interruptions in service. As of today, we have firm interest in four out of five fixed sites and 31 school sites from a diverse group of providers including the Bedford Stuyvesant Family Health Center, Woodhull Medical and Mental Health Center, and Urban Health Plan, Inc. In most cases, necessary paperwork has already been filed with the State and we've been assured these submissions will be expedited. During the past month Health Department staff met with Council Members and staff to share our plans in more detail and update you on our progress. We listened to your concerns and made adjustments where possible to reflect these concerns. Letters are being sent to all principals and parents notifying them of our plans and providing them detailed instructions on how to identify another oral health provider in their area. We will encourage providers to hire former Health Department staff and provide services regardless of a student's ability to pay.

Before concluding, I'd like to give you a brief update on the status of FY2009 City Council contracts. As of May 20<sup>th</sup>, 86 percent of all contracts have either been registered or are with the Comptroller for registration. The remainder of the contracts are either unable to be processed or will be completed once we receive additional information from the vendors. We've made progress together in the administration of these funds and our partnership has produced valuable health programming. For example, the Infant Mortality Reduction Initiative supports a wide range of community-based maternal, infant and reproductive health programs and is a critical component of our efforts to continue reductions made in infant mortality in recent years. Other notable partnerships include the Injection Drug Users Health Alliance, the Obesity Prevention Initiative, the Children Under Five Mental Health Program, and the various cancer and HIV initiatives. We look forward to working with you as you develop your FY2010 priorities and will be providing the committee chairs with detailed feedback on the Council's FY2009 designations later this week for your review and consideration.

Thank you again for the opportunity to testify. I'm happy to answer your questions.

###