



Testimony

of

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New York City Department of Health and Mental Hygiene

before the

**New York City Council Committee on Health
Committee on Mental Health, Mental Retardation, Alcoholism,
Substance Abuse, and Disability Services
Committee on Finance**

On the

FY 2011 Executive Budget

**June 2, 2010
City Hall**

Good afternoon Chairperson Arroyo, Chairperson Koppell, Chairperson Recchia, and members of the Committees. I am Dr. Tom Farley, New York City Health Commissioner. I am pleased to have this opportunity to discuss the Department's executive budget and the priorities and challenges of the Department of Health and Mental Hygiene.

The Department of Health and Mental Hygiene is responsible for protecting and promoting the physical and mental health of all New Yorkers. We do this by focusing on public policies that improve environmental, economic, and social conditions impacting health; improving access to and quality of care; and informing, educating, and engaging New Yorkers to improve their health and the health of their communities.

DOHMH Budget

As you know, the City and State face very serious budget shortfalls. Our preliminary budget reflected reductions of 4% percent for FY 2010 and 8% for FY2011 and later years. Our executive budget includes an additional 3.3% reduction for FY 2011 and beyond. Depending on the outcome of the State budget, our fiscal situation could worsen in the coming months.

We are proposing to do everything possible to try to preserve services and limit cuts. For example, the Bureau of Health Insurance Services, which administers the City's initiative to reduce the number of uninsured New Yorkers, will save \$2.4 million in City funds through a funding shift of Health Insurance Services to Medicaid Administration, based on an existing agreement with the Human Resources Administration. The Bureau

of Immunization will save \$220,000 in City funds by using Federal Direct Assistance funds to purchase several types of vaccines.

Unfortunately, after several budget cuts in recent years, funding shifts like this are very hard to find, so service cuts are unavoidable. Every program we run was established to protect some aspect of the health and well-being of New Yorkers, so there are no easy budget cuts. While we have tried to cut programs and operations in ways that have the least impact on the public, we should be clear that these cuts are real and that they will be felt by people receiving services and by service providers.

When I last testified in March, we discussed cuts the Department proposed in our preliminary budget in the areas of tobacco control, pest control, Tuberculosis clinics, school health, HIV, Correctional Health, and mental hygiene. I would like to highlight a few additional cuts we are proposing for FY11 as part of this additional 3.3% cut.

The Department will reduce funding for Nicotine Replacement Therapy. This service, currently available at 11 HHC facilities and 25 community cessation programs, will no longer be available once we have exhausted the surplus Nicotine Replacement Therapy kits we have from this past year. As a result, about 10,000 fewer smokers will be treated in FY11. New Yorkers will still be able to obtain the therapy by calling 311, and can continue to receive cessation counseling. Nicotine Replacement Therapy is also available through Medicaid. We will also reduce funding for our anti-smoking educational media campaigns. Since 2006, these media campaigns have been the most effective intervention in reducing smoking prevalence in New York City and directing smokers to barrier-free cessation services. Nonetheless, we will reduce this program beyond the \$1 million cut in the preliminary budget.

As you know, we have several initiatives that address asthma. A reduction to our asthma program will end the Asthma Training Institute, which provides self-management trainings to school and daycare staff, health care workers, and others. Although this is a valuable program, asthma remains a top priority. Through the New York City Asthma Initiative, the Department coordinates a citywide coalition of schools, health-care institutions and community-based organizations to improve citywide policies and systems that affect people with asthma.

With Council support, we lead the Managing Asthma in Early Childhood program. We also work with the American Lung Association on the Open Airways for Schools program, an asthma self-management training program for third, fourth and fifth graders. Council funding also supports the Community Integrated Pest Management Initiative, allowing us to work with community partners, pest control companies, landlords, superintendents and health care providers to safely reduce pests in low-income homes where people with asthma reside. We continue to address childhood asthma in East Harlem through the East Harlem Asthma Center of Excellence. In addition, the Office of School Health continues to provide case management, medication, and consultative services to more than 70,000 students with asthma.

As we mentioned in our preliminary budget, we could not avoid looking for savings in the school health program given the magnitude of budget cuts the Department is required to make. We recognize the value that parents and principals place on school nursing services. However, we have had to propose reducing school nurses in elementary schools with fewer than 300 students. No nurses will be laid off, and many schools will

still qualify for nurses under federal mandates for health support to children with specific medical needs.

The Department will reduce expenditures in our Early Intervention program, which provides services to children under age 3 with developmental delays who need speech therapy, special instruction, and physical and occupational therapy. Early Intervention is the single biggest expense for the Health Department. At nearly \$500 million per year, this program comprises more than 30% of our total budget. By better aligning eligibility review and service authorizations with state regulations, the Department projects to save \$4.3 million in City tax dollars in FY 2011. We will continue to ensure that appropriate Early Intervention services are provided to all eligible children in accordance with the standards set forth in Federal and State law, regulation, and program directives.

The services we provide in the area of mental hygiene, not including Early Intervention, represent approximately 33% of our City Tax Levy budget, so we have no choice but to seek cuts in this area. As in the preliminary budget, we first sought to find savings in mental hygiene programs in a way that minimizes service impact by focusing on programs that are underperforming, closing, and/or anticipating additional revenue. However, for this budget we must also make reductions in programs that are otherwise performing satisfactorily but are of lower priority than other Department initiatives. We will reduce outreach and advocacy mental health programs as well as outpatient drug treatment programs, and we will eliminate funding for non-Medicaid reimbursed mental health case management programs.

We are pleased that the issue of potential reductions to FY10 Council-designated contract funding has been resolved without requiring additional cuts to current year programs elsewhere at the Department. The organizations funded by Council designations do important work throughout the City, and we will continue working with you to ensure that these funds are used to their fullest in protecting and promoting the public health.

Let me briefly discuss cuts to the pest control lot cleaning program we proposed in our preliminary budget, which will reduce the number of overgrown lots that are cleaned by Department employees. In recent years we have undertaken a new and innovative approach to rodent control. Our Bronx Rat Indexing Pilot Project has led to an 83% decrease in the number of properties with rodents in many areas through rapid screening inspections of every block and lot in the borough. We have expanded this pilot to Manhattan. The program will continue to answer complaints about rats, conduct inspections, exterminate and issue violations for rats and garbage. Going forward, the restructured lot-cleaning staff will more effectively target properties contributing to neighborhood rat infestation and clean the most severely infested lots.

Program Updates

I would now like to give you an update on some of our work at the Department. In late March, Mayor Bloomberg and I announced two grants that will bolster the City's ongoing efforts to prevent chronic diseases and improve public health by decreasing smoking, reducing obesity, increasing physical activity and improving nutrition. To combat obesity, we are designing programs to increase access to healthy foods through

farmers' markets, mobile vendors and local bodegas; training thousands of City teachers to lead physical education activities in the classroom; and sponsoring media campaigns to discourage eating unhealthy foods and encourage physical activity in daily life.

To reduce tobacco use, we are planning an intensive training program with case management staff at agencies that serve these populations so that they can integrate tobacco cessation services into regular client care. We will also work with hospitals to help them comply with the recent expansion of the Smoke-Free Air Act to include hospital grounds, and educate retailers about the point-of-sale health warning sign regulations. Funded through the American Recovery and Reinvestment Act, the grant is part of a two-year national initiative called Communities Putting Prevention to Work. However, these funds are one-time stimulus grants and cannot be used to supplant cuts in non-Federal funds for tobacco and chronic disease activities.

We continue our work to reduce the burden of health problems associated with alcohol and drug use. We are concerned by the growing prevalence of prescription drug misuse in New York City, and the resulting problems of overdose, drug dependence, and other associated morbidity and mortality. We have noted rising rates for emergency room visits and hospital admissions involving prescription opioids, which include drugs such as oxycodone and hydrocodone. To discourage prescription drug misuse, we recently released a Health Bulletin on this subject, and are making it available in health care and community-based settings throughout the city. We will also work with the medical community regarding these trends, encouraging physicians to caution and educate patients when they are prescribing opioid and other psychoactive medications and to use appropriate prescribing practices.

On the topic of mental health, I would like to take this opportunity to highlight employment as a particularly important component of the recovery process for individuals living with mental illnesses. A substantial proportion of people with psychiatric disabilities are unemployed and poor. A recent survey by the State Office of Mental Health found that fewer than 20% of adults served in the public mental health system were employed. In 2009, employment programs in contract with the Department placed more than 1,000 individuals with serious mental illnesses into jobs. This can have an enormous impact on their recovery, and their economic independence. However, one of the largest barriers to employment for people with serious mental illness remains the fear of losing benefits, including Supplemental Security, Disability Income and Medicaid. We are currently working with other City agencies and community-based organizations to increase the use of programs such as Medicaid Buy-In and other work incentives. Medicaid buy-in is a program in which working people with disabilities can keep their Medicaid health coverage even though they earn more than the allowable income limits for Medicaid.

Council Contracts

Before concluding, I would like to provide a brief update on the status of FY2010 City Council contracts. As of May 21, 2010, 81% percent of all City Council Discretionary FY '10 contracts have either been registered or are with the Comptroller for registration. The remaining contracts require a combination of pre-qualification; contract development and execution; integrity processing and clearances; oversight clearance; and other general processing. We recognize the valuable public health

programming these contracts provide, and we continue to improve our contracting process to put them into motion as quickly as possible. We look forward to working with you as you develop your FY11 priorities, and we will provide the committee chairs with detailed feedback on the Council's FY 2010 designations for your review and consideration.

Conclusion

Thank you again for the opportunity to testify. I want to reiterate what I said earlier about the budget cuts. As unfortunate as these reductions are, we made them after very careful review and with the goal of preserving core services. In his State of the City address, Mayor Bloomberg made a commitment to demanding and achieving progress in every area, even in the face of this financial crisis. The Department of Health and Mental Hygiene will continue to make progress across a number of our programs to promote and protect the health of New Yorkers.

I will be glad to answer your questions.

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