



**Testimony**

**of**

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

**before the**

**New York City Council Committee on Health**

**regarding**

**FY 2011 Preliminary Budget**

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**New York City**

Good afternoon Chairperson Arroyo and members of the Committee. I am Dr. Tom Farley, New York City Health Commissioner. I am pleased to have this opportunity to discuss the Department's preliminary 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.

I am pleased to report continued improvements in the health of New York City residents. Recently, I released our latest Vital Statistics report, which shows another increase in life expectancy -- to 79.4 years. Today, New York City's death rate is nearly 20% lower than the national death rate. Deaths from HIV continue to decline. Heart disease and cancer remain the leading killers of NYC residents, but overall rates are falling. Particularly notable is the decline in deaths from heart attacks and strokes attributable to smoking; recent further declines in the City's smoking rate should yield even greater benefits in future years. Infant mortality remains at historical lows and teen pregnancy rates have declined.

The report also reveals the major challenges we continue to face in bringing these improvements to all New Yorkers. Too many people still die from preventable causes, and racial and economic health disparities persist.

As chronic diseases have replaced acute epidemics as the leading public health threat, we are constantly seeking to develop effective tools to address the behaviors that contribute to these diseases -- smoking, unhealthy diets, physical inactivity, and alcohol and substance abuse. While traditional responses to chronic diseases focus on education or early detection and treatment, New York City is pioneering a new approach -- and taking a lesson from past successes in combating communicable diseases. We are combining education with environmental changes that make healthy behaviors easier, and have seen successes. For example, the number of smokers in New York City has fallen by 350,000 people, from 1.3 million to 950,000, following tax increases, bans on smoking in public spaces, and media campaigns.

Our efforts to improve diet have focused on both healthy and unhealthy foods. To increase access to healthy foods, we have promoted the use of farmers markets, established a program of mobile "Green Carts," worked with bodegas to sell fruits and vegetables, provided "health bucks" to low-income consumers, and worked to ensure healthier food in schools and day cares. In our National Sodium Reduction Initiative, we are partnering with the food industry to voluntarily lower the salt content in packaged and restaurant food in order to reduce high blood pressure and the risk of heart attack and stroke.

Taking a lesson from our successful anti-smoking campaigns, we developed a hard-hitting campaign against sugary beverages called “Pouring on the Pounds.” We are also strongly advocating that the State Legislature tax sugar-sweetened drinks, the largest single driver of the obesity epidemic. Nearly half of the increase in calories Americans consume over the last 30 years comes from sugar-sweetened drinks, and a tax could be one of the most important steps we take to address obesity in New York State.

A citywide initiative to encourage active design in the built environment is aimed at promoting physical activity. By engineering in the choice to be physically active, we can make walking, biking, and active play easier and more integrated into daily life.

Of course, the threat of communicable diseases has not disappeared, and the Department maintains its vigilance in this area. As you may know, I assumed my responsibilities at the health department last year, just after the arrival of a new strain of the influenza virus, novel H1N1, which first appeared in New York City in April 2009. At the time, we knew little about how easily the virus would be transmitted, its severity, or who among the New York City population would be most at risk. In response, the Department activated its emergency preparedness system and tracked the spread of H1N1 in New York. As we learned more about the virus, we mobilized our resources to vaccinate those at greatest risk of infection and complications when a vaccine became available. During 2009-2010, we vaccinated nearly 800,000 New Yorkers, including more than 120,000 students at more than 1,000 public and non-public elementary schools. This helped protect New Yorkers this past fall and winter and will protect them with the expected return of H1N1 influenza next season.

We continue to have an extensive program to prevent the spread of HIV infection in New York and provide services to people who are infected with HIV and have AIDS. Over the years, many of our HIV activities have benefited from the generous support of the City Council, and we want to take this opportunity to thank you for that support. I would like to mention one of our newer initiatives – the Bronx Knows campaign – which is the largest HIV testing initiative in New York City history. It has resulted in a 26% increase in HIV testing by our partner agencies compared to 2007, and the identification of many people who would otherwise be undiagnosed.

The Department remains committed to protecting the health and quality of life for New York City residents from threat of environmental hazards such as unsanitary food and water, lead poisoning, mosquitoes, and rodents. In January of this year, the Department expanded the successful Bronx Rat Indexing Pilot Project, which involves rapid screening inspections of every block and lot in the borough, to Manhattan. Currently, we are engaged in a campaign to protect New Yorkers from rabies by trapping and vaccinating raccoons in Central Park.

### **DOHMH Budget**

As you know, we are facing very serious budget shortfalls at the City and State level. In October 2009, the Mayor’s Office of Management and Budget directed all non-

uniform City agencies, except the Department of Education, to reduce their budgets by 4% for FY 2010 and 8% for FY 2011 and beyond in order to close the large deficit facing the City. This is the largest single reduction we have had to make in recent years. It follows a series of cumulative mandatory PEG targets last year totaling nearly 17%, which leaves fewer options to find savings. At this point there are no easy budget cuts. Meeting our target requires increasingly difficult choices. We have responded to this budget challenge by prioritizing programs that are particularly effective, that address the most pressing needs of affected individuals, and that provide the greatest benefit for the most people. Unfortunately, the Department is unable to avoid reducing many valuable services, and we have had to take reductions in many programs that were previously shielded from PEG targets. Perhaps most painful of all, the Department will have to eliminate a significant number of positions throughout the agency, and while we will achieve much of this reduction through attrition and vacancy reduction, we will have no choice but to layoff some employees. You have been provided information on all of our proposed budget reductions, but I would like to describe some of them.

The Department first looked for additional revenue sources to meet our PEG targets. We will work to generate additional revenue of approximately \$3.3 million in FY 2010 and \$4.3 million in FY 2011 through enhanced billing to third-party insurers for services provided by our clinics. This will not affect the availability of services, nor the obligation of patients to pay. We have identified savings of another \$4.2 million in under-spending in FY 2010 as well as agency wide program and administrative efficiencies totaling about \$3.1 million in FY 2010 and \$4.9 million in FY 2011.

Further savings will be achieved through reductions in many contracts across the agency. HIV prevention contracts with community-based organizations will be reduced by \$427,000 CTL and HHC HIV contracts by \$135,000 CTL in FY 2011. We are taking reductions roughly proportional to the agency's overall cuts in other programs, such as the pass-through to Child Health Clinics at the Health and Hospitals Corporation. The contract with Animal Care and Control will be reduced by 4% in 2010 and 6% in FY 2011. We are also taking roughly proportional cuts on the mental hygiene side of the Department, reducing contracts and intra-city agreements by \$7.2 million for mental health, substance abuse, and mental retardation services for FY11 and future years.

During the last ten years, the City has seen a 40% decrease in tuberculosis (TB) cases. In response to this reduced need, the Department is reorganizing its TB clinics to improve their efficiency, allowing for the closure of two part-time clinics, resulting in savings of \$380,000 CTL in FY 2010 and \$1.3 million in FY 2011.

The Physically Handicapped Children's Program, which provides oversight for orthodontic care under Medicaid, as well as funding for orthodontic treatment and medical services for children with physical disabilities who are not Medicaid eligible, will be reduced by \$509,000 CTL. The majority of children who receive funding for orthodontic treatment through this program will have these services covered by the State's Child Health Plus program beginning in July 2010, and the administration of this

program should be covered by Medicaid administration funds. Current orthodontic treatment plans will be completed for children who are not covered by Child Health Plus.

The Department will achieve savings of \$1.5 million CTL in FY 2011 by restructuring the activities of the pest control program that involve cleaning overgrown lots. This program is also being impacted by a provision in the Governor's budget proposal that will eliminate Article VI state aid for related lot cleaning and exterminations. We will be reducing lot cleaning activities overall, but targeting the program on properties that contribute the most to neighborhood rat infestation. We believe our newer approaches to rat control currently underway in the Bronx are a more effective way to deal with this problem overall.

The funding for Correctional Health Services will be reduced by \$1.8 million CTL in FY 2011 through program and purchasing efficiencies and reductions, elimination of some non-jail-based health services, and some reductions in staff positions. Essential services will not be affected and DOHMH will continue to meet all our standards of care.

As you know, we have proposed reducing the number of nurses working in elementary schools. We recognize the value that parents and principals place on school nursing services, and the concerns about scaling back the program. However, the School Health Program is one of the largest programs in the agency, and given the magnitude of the cuts the agency is required to take, and the fact that cuts were being taken in nearly every program in the agency, we felt it was necessary to include this program in our budget reductions. We are proposing to redeploy nurses from elementary schools with fewer than 300 students to larger schools. This change will save around \$3 million in CTL. Achieving these savings will require an amendment to Local Law 57, which mandates a nursing presence in any elementary school with at least 200 students that has a medical room upon request of the school's principal. No nurses will be laid off, and Section 504 mandates will not be affected.

Anti-smoking campaigns have been essential to the unprecedented decline in smoking in NYC. We estimate that the reduction of 350,000 fewer smokers in New York City as a result of our programs is saving some 1,000 lives a year already, and will save tens of thousands of lives in the future. Nevertheless, as we have looked for savings in every program, we are proposing to reduce our Tobacco Control nicotine replacement therapy and public education budget, for a CTL savings of about \$1 million a year. These cuts will result in reduction in the distribution of nicotine replacement therapy kits to 11 HHC facilities serving 17 sites and 25 community cessation programs, and the elimination of one media campaign per year.

As I mentioned earlier, there is no way to avoid some layoffs of personnel. We estimate that the combined reduction in programmatic and administrative staff positions beyond the areas listed above will save a total of about \$3.2 million in FY 2011.

Finally, proportional cuts of 4% are being taken in City Council-initiated contracts for FY 2010, including intra-city agreements. We are grateful to the Council for providing this funding, and we do not take this action because we do not value these services. Nevertheless, given the magnitude of our current savings targets and the cumulative effect of prior savings targets, we have been forced to take reductions in nearly every area of the agency, including programs and services that had previously been exempted. We believe a proportional across-the-board reduction to the contracts is a reasonable and justifiable step, given the tremendous budget challenges we are facing and the cuts being taken in all areas of the Department.

I want to note that we have applied for stimulus funds for obesity prevention and tobacco control from the CDC and expect to be notified very shortly of specific awards in these areas. However, these funds are strictly limited to diet, physical activity, and tobacco control; and are one-time stimulus grants. They are also subject to strict compliance standards and reporting to ensure that we do not use them to supplant cuts in non-Federal funds for these activities. Therefore, while we will certainly welcome any additional funds, they cannot serve as an offset for the permanent reductions we will be making in local funding for these program areas.

All of these reductions are the result of difficult decisions that were only reached with careful review. We have tried to take these cuts in a way that will be least harmful to public health and the core mission of the Health Department. In his State of the City address this year, Mayor Bloomberg made a commitment to demanding and achieving progress in every area, even in the face of this financial crisis. Despite the painful budget choices we must make, the Health Department will continue doing everything we can to promote and protect the health of New Yorkers. I will be glad to answer your questions.

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