



**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 2012 Executive Budget**

**May 24, 2011  
250 Broadway  
New York City**

Good afternoon Chairperson Arroyo, Chairperson Koppell, Chairperson Recchia and members of the committees. I am Dr. Tom Farley, New York City Health Commissioner. Thank you for inviting me to discuss the Department's executive budget for Fiscal Year 2012. As you know, the Department is responsible for protecting and promoting the physical and mental health of all New Yorkers. Despite a tough fiscal climate, we still try to strengthen existing programs that help New Yorkers live longer, healthier lives. I want to thank you for your strong support of all of our programs. Before turning to the budget, I'd like to update you two new health initiatives and then discuss mental hygiene issues.

### **Program Updates**

Last month, I had the privilege of standing with President Clinton, Mayor Bloomberg, DOT Commissioner Sadik-Khan, and Sustainability Director Bragdon to announce the positive impact of pedestrian plazas on air quality. A study we released showed immediate and substantial improvement in the quality of air in Times Square after the creation of a pedestrian plaza there. A quarter million people walk through Times Square every day, so this is no small achievement. The study shows that when we reduce traffic or separate people from vehicles by a city block, we can greatly reduce exposures to pollutants.

Last week Mayor Bloomberg, Speaker Quinn, Deputy Mayor Gibbs and Deputy Commissioner Louise Cohen launched *BigAppleRx*, the City's first official prescription drug discount card program. This card originated with a law passed by the Council, and with it New Yorkers can now save an estimated average of 47% on prescription medications at their local pharmacy, with an average discount of 15% on brand name drugs and 53% on generic drugs. All New Yorkers, regardless of income or immigration status, are eligible to use the cards, which are free and available at Council offices, City agencies, pharmacies and other neighborhood businesses and community organizations. New Yorkers can instantly download and print the card, access educational information about prescriptions, compare drug prices and locate the nearest participating pharmacies on the Health Department's website. The *BigAppleRx* card also has a smart phone

application that allows consumers to locate their nearest pharmacy and present the card to pharmacists right from the phone.

Last year, more than 800,000 New Yorkers didn't fill a prescription because they couldn't afford it. With *BigAppleRx*, New Yorkers who don't have prescription drug coverage and who suffer from diabetes may save up to \$831 per year on generic glucose control medication, while those with asthma can potentially keep \$667 annually in their pockets by using the card to fill their inhaler prescriptions. Allergy sufferers, those who use birth control pills, people who take medication for high cholesterol or to help manage heart disease -- all can benefit from *BigAppleRx's* deep discounts.

HealthTrans, the company that won the licensing agreement to create and distribute the cards, is heavily marketing the program so New Yorkers will know that it is available.

### **FY12 Budget**

Let me turn to the Department's Fiscal Year 2012 budget. As you know, we continue to face serious budget shortfalls at the City and State levels. In March, the Mayor's Office of Management and Budget directed non-uniformed City agencies to reduce their budgets by 4% for Fiscal Year 2012 and beyond. These cuts come in addition to the 5.4% reduction for Fiscal Year 2011 and 8% for Fiscal Year 2012 that we discussed at the preliminary budget hearing in March.

To achieve the additional 4% budget cut, we have again found ways to maximize revenue from other sources before making reductions. For example, we will realize additional revenue from Medicaid and grants for administrative functions of \$3 million for Fiscal Year 2012 and \$4 million in Fiscal Year 2013. Additionally, wherever possible, we have found savings that have little or no effect on services. For example, the Department will generate savings of \$257,000 in Fiscal Year 2012 and beyond through reductions in general administrative contracts and purchases. We will also shift some environmental health staff from City Tax Levy funding to grant funding. These two actions will save a combined total of \$2.2 million in Fiscal Year 2012 and \$185,000 in Fiscal Year 2013.

Unfortunately, we have had to make additional reductions to programs across the Department. For example, we will make cuts totaling \$2.3 million in Fiscal Year 2012 and beyond in the areas of correctional health, chronic disease prevention, and tobacco control. The Department will also reduce funding for HIV contracts and services by \$1.7 million in Fiscal Year 2012, out of total of \$115 million spent on these programs.

Layoffs are the most difficult and painful cuts. In the coming months, the Department will eliminate 49 full-time and 39 part-time positions. Many of these positions are currently vacant. For this round, we expect to eliminate approximately 40 full-time and 7 part-time positions that are currently filled. As in previous rounds of cuts, we expect that the actual number of employees laid off will be less than 47 because some employees will find other positions in the agency or elsewhere. The positions that we are eliminating are in several areas, including vital statistics, public health training, the district public health offices, school health, newborn home visiting, environmental health, tuberculosis clinics, our public health laboratory, and communicable disease surveillance. As we did earlier this year, we are being careful to target positions that will have the smallest impact on services. For example, we have identified redundancies and overlaps in service delivery following our restructuring of tuberculosis clinics. We will work with the Department of Small Business Services to provide training on job placement, skill building, and resume writing to all staff affected by layoffs.

At the same time, the Department is being required to meet several new needs, including funding for a health center at the Brooklyn House of Detention, which the Department of Corrections will be re-opening. This location will operate as an 850-bed swing space for inmates at other correctional facilities while those spaces are undergoing renovations. The health center at this facility will provide comprehensive medical services to inmates, including acute and chronic care, sick call, mental health services, emergency care, discharge planning, transitional health care, dental care, and pharmaceutical dispensing.

## **Mental Hygiene**

Let me discuss the Fiscal Year 2012 budget for mental hygiene, programmatic highlights and two important legislative changes we are seeking in Albany.

To meet the savings target for Fiscal Year 2012, Mental Hygiene will achieve a \$2.7 million reduction in City Tax Levy expenditures in the Early Intervention program. As you know, the Early Intervention program provides services to children under age 3 with developmental delays and who need developmental intervention such as speech therapy, special instruction, physical and occupational therapy. Early Intervention is the single largest expense for the Health Department. At almost \$450 million per year, this program comprises more than 25% of the Department's total budget. We will continue to improve our administration and oversight of the program. Services are authorized and individualized based on clinical, child and family considerations, such as the child's diagnosis, the child's age, family need and the ability of the child to engage in services. The Department will ensure that services are authorized and delivered in a manner that creates opportunities for optimal family learning and involvement in the services delivered to their children. This best-practice approach may in some cases emphasize services delivered less frequently, but for longer duration, and contributes to program savings. We will also continue to carefully review the eligibility of all children referred to the program while ensuring that services are provided to all eligible children in accordance with the standards set forth in Federal and State law, regulation, and program directives.

The State budget passed in late March included reductions in State Aid to Localities, which will be effective July 1 of this year. The Department recently received notification of targeted cuts of more than \$3 million from the State Office of Mental Health, which include reductions to both administrative and program services. We are currently reviewing our budgets for implementation strategies. Services that will not be affected include housing, Medicaid reimbursable case management, employment, and programs for children and youth. Providers who receive reductions will be notified as soon as the State reviews the plan. Additional reductions could come from the State Offices of Alcoholism and Substance Abuse Services or People with Developmental Disabilities, but we have not yet heard from those agencies.

In our preliminary budget hearing, Dr. Karpati mentioned that the Governor's Medicaid Redesign Team made several behavioral health-related recommendations and

that the most significant was to bring managed care to the currently fragmented system that serves people with serious mental illnesses and substance use disorders.

The State's budget, released in April, instructs that specialized managed care plans that cover physical and behavioral health services for people with serious behavioral health problems will be established in 2013. Until then, regional behavioral health organizations will provide utilization management and facilitate the continuity of post-hospitalization care for Medicaid beneficiaries who are not in managed care as well as those who are not receiving these services through their current managed care organization. We are glad that this process also establishes a role for City government in system planning and oversight. While New York's behavioral health service system will change significantly in the next few years, we believe that these changes have the potential to improve care and care coordination, maintain a dedicated, specialized focus on these often vulnerable, high-need populations, and promote the integration of physical and behavioral care.

Before I end our testimony, I want to ask for the Council's support for two pieces of legislation we are pursuing in Albany as the current session winds down. One would curb underage drinking, and the other would help us combat the growing misuse of prescription drugs.

Underage drinking is a very serious problem. Drinking during adolescence can lead to the development of alcohol-related problems in later life; in fact, two out of five adolescents who begin drinking before the age of 15 will become dependent on alcohol in their lifetimes. Moreover, one in eight youth between the ages of 18 and 20 years old are already alcohol dependent. Often teenagers begin by drinking beverages nicknamed "Alcopops" – premixed, sweet, carbonated flavored malt beverages with alcohol content as high as 12%. Alcopops are packaged and advertised with youth appeal, and they often look more like soda or lemonade than alcohol. Alcopops are particularly popular among teenage girls and younger underage drinkers. More than two-thirds of high school students report drinking alcopops in the past year, which serve as a bridge to alcoholic beverages that are less sweet.

In the five boroughs, more than 20% of public high school students who drink report purchasing or obtaining their alcohol from retail stores, including delis, grocery stores, and mini-marts, where alcopops are sold alongside beer, teas and sports drinks. To

address this issue, we hope to introduce a bill that would restrict the sale of alcopops to liquor stores, where they would be far less accessible to kids. If this bill passes, there would be 8,700 fewer outlets in New York City for underage drinkers to buy alcopops. We hope the Council will support this bill.

There is a class of prescription painkiller medications that are chemically related to opium and heroin, and that have similar risks of fatal overdose. Examples include OxyContin and Percocet (which contain oxycodone) and Vicodin (which contains hydrocodone). Drugs in this category are referred to as opioids. Opioid prescribing and opioid-related health problems have risen in New York City, reflecting national trends. In the City, self-reported non-medical use of prescription opioids increased by 40% from 2002-03 to 2008-09. Related emergency department visits more than doubled between 2004 and 2009, and prescription opioids were involved in a quarter of unintentional overdose deaths in the City in 2009. Overdose from prescription opioids is now the second leading cause of unintentional injury death in the five boroughs, after motor vehicle accidents.

Although prescription opioid misuse is on the rise citywide, it is more prevalent in some neighborhoods than others. We have noted with particular concern that four of the five neighborhoods with the highest rates per capita of hydrocodone and/or oxycodone prescriptions were also among the five with the highest rate of unintentional prescription opioid-involved overdose deaths during the years 2008-09. All are in Staten Island. The Department is actively exploring various approaches to address these alarming trends, including the development of clinical guidelines to promote responsible opioid prescribing by physicians, soon to be issued in a City Health Information publication, and expanded use of the New York State prescription drug monitoring program. There are bills in Albany intended to strengthen the program and give pharmacists access to the database. We hope you will support our efforts to reduce the over-use of these drugs as well.

Thank you. I am happy to answer your questions.

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