



Testimony

of

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New York City Department of Health and Mental Hygiene

before the

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on

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Good afternoon Chairwoman Arroyo and members of the Committee. I am Dr. Tom Farley, Commissioner of the New York City Department of Health and Mental Hygiene. Thank you for the opportunity to testify on the Department's preliminary budget for Fiscal Year 2014. My plan today is to highlight some of our recent programmatic initiatives and discuss the impact of the City and State budgets on the Department.

Programmatic Highlights

I am pleased to report that New York City residents are healthier and they are living longer. In early December, the Mayor announced that the City's residents now have an all-time highest life expectancy of 80.9 years. This is 1.5 more years than when I first addressed you on the budget in 2010, and 2.2 years more than the national average. I am confident that New York City's public health efforts – from increased identification and treatment of HIV infection to reducing infant mortality, from tobacco control to our broad portfolio of anti-obesity work – have improved the health of our community. The leading killers in New York City continue to be chronic diseases, such as heart disease, diabetes, and cancer, so to further improve the health of New Yorkers we will continue to focus on reducing the risk factors for these diseases, particularly smoking and unhealthy diets, as well as early detection and treatment of conditions that lead to them, such as high blood pressure.

Last month I was pleased to stand with Mayor Bloomberg when he announced that, through the voluntary partnerships formed by the National Salt Reduction Initiative, 21 companies met one or more of their commitments to reduce the sodium content in their packaged or restaurant foods. New York City created and coordinates this nationwide partnership of more than 90 city and state health authorities and organizations. Cutting salt intake lowers blood pressure and reduces the risk of heart disease and stroke. Not only do we save lives, but we save money with this work; researchers have estimated that if Americans reduce their daily sodium intake by 1,200 milligrams, we save tens of thousands of lives and up to \$24 billion in health care costs annually nationwide.

I'm also extremely pleased with the progress we've made to help health care providers use electronic health records to improve the quality of medical care in New York City. Electronic health records have already had a significant impact on health. In fact, the Department's Primary Care Information Project, which helps providers who treat three million New Yorkers through the meaningful use of electronic health records, has helped 96,000 patients control high blood pressure, 81,000 improve diabetes management, and 58,000 quit smoking. It is a key tool we can use to improve the length and quality of New Yorkers' lives.

I also want to note the role the Health Department takes in a time of crisis. In the immediate aftermath of Hurricane Sandy, the Department helped respond to the critical health care needs of New Yorkers, whether they were in their homes or displaced by the storm. From the time the storm hit on October 29th through the beginning of 2013, we worked with federal, state, city, and community groups to get services to evacuees, to identify and move people to safer locations, and to support residents who remained in homes without heat or power. Our efforts continue; we are still actively providing guidance on mold removal and safe cleaning practices for impacted homeowners. I want to thank the Council for its support in the aftermath of Sandy. In particular, I know that Council Members got food and other supplies to shelters, and the Speaker's staff coordinated additional support for people at Special Medical Needs Shelters.

Reducing injuries and death from guns also remains a priority in New York City. While New York City's firearm homicide rate is among the lowest in the nation's big cities, homicide by firearm is still a leading cause of death among the City's youth. Our Cure Violence initiative utilizes an evidence-based, public health approach to violence prevention. It aims to interrupt youth violence on the street, and provide educational, employment and counseling resources to high-risk youth. I thank the Council for their support of this important work.

Our outreach to the City's youth has also helped reduce teen pregnancy rates. The City has seen a 27 percent drop in teen pregnancy rates from 2001 to 2010, which is reflecting both a decrease in the percentage of teens that are sexually active and an increase in the percentage of sexually active teens that use hormonal contraception.

Budget

As you know, we all continue to face significant budget challenges. In September 2012, most City agencies were directed to decrease their budgets by five percent for fiscal year 2013, and eight percent for fiscal year 2014 and beyond.

As with past budget shortfalls, we first try to maximize any potential budget efficiencies. For example, we are consolidating staff and services, and relinquishing both city-owned and privately leased land. As a result, starting in FY 2014, we will save more than \$1 million in operating and lease expenses. In another example, our Mobile Food Vending Enforcement unit will better utilize its data systems and enhance its interagency collaboration. In this effort, by gathering improved information on violations issued by the Department of Sanitation and the Police Department, the Department will save \$1.4 million that would have otherwise been spent on GPS technology. With the City's decision to not open the Queens Detention Facility while construction is undertaken at facilities on Rikers Island, our Bureau of Correctional Health Services will not need to provide for additional health care services. This will save \$3.1 million in FY2013 and \$5.9 million for FY2014. We have also tried to reduce expenses in our central operations. We will cut nearly \$2 million in administrative and other staff through attrition and vacancy reductions in the Office of the Commissioner, the Office of the Chief Operating Officer, and divisions including Administration, Finance, and Communications.

Despite these measures, we have had to make reductions in some of our programs. As I have noted in past years, the Department is mandated to provide specific services to certain populations. Examples of these include the Early Intervention Program, School Health nurses, and Correctional Health – which together account for 47 percent of our budget. The number and size of these mandated programs severely limit the areas in our budget where we are able to make reductions. All of these cuts are difficult for us because they impact valuable health programs that help New Yorkers.

Let me now describe some of the cuts we announced last November, which totaled \$32.8 million (\$27.3 million CTL) for FY 2014 and \$28.1 million (\$22.4 million CTL) for FY 2015 and the out years. We are reducing our Nicotine Patch and Gum Patch Program by \$336,000 in FY 2014 and \$656,000 in funding starting FY 2015; this program has provided free nicotine replacement therapy to tens of thousands of New Yorkers to help them quit smoking. We will also shorten the hours for our full-time STD clinics. We currently have seven full-time clinics, and two part-time clinics. The full-time clinics are currently open Monday through Friday, and five of these also operate for half day on Saturday; the part-time clinics are open one or two days during the week. This change only impacts those full-time clinics; we are proposing that those

facilities will now operate on a Tuesday through Saturday schedule, including full hours on Saturdays. This will achieve a cost savings, while also expanding the number of hours in which people who work Monday through Friday can get services. We have also reduced our anti-obesity media campaign expenditures by \$250,000.

We have unfortunately had to make cuts to school health. We have eliminated 15 administrative positions, eight of which are currently vacant, in our regional offices. Our published budget plan also includes reductions for the vision screening program. I want you to know that, while we will have to make changes in the school health program, we will continue to do vision screening for public or private school students. We will work closely with the Department of Education to identify savings while minimizing the impact on the City's children.

Despite our efforts to minimize the impact of the budget cut, we are eliminating 143 positions Agency-wide. As of January 3rd this year, 62 positions were vacant, and 81 were filled. We do, however, expect the actual number of employees laid off to be fewer than 81. Through attrition and placement in vacancies within the agency, historically, we have been able to reduce the number of filled positions targeted for layoff by about half. We will aid those who ultimately are laid off: we will prioritize their placement into available vacant positions; we will bring in Workforce One to provide computer training and workshops in resume writing and interviewing; and we will also assist with job placement and vocational counseling. In addition, once we have a final list of staff to be laid off, our Employee Assistance Program will conduct outreach to these individuals regarding unemployment, pension, and COBRA services.

State Budget

As the state budget process nears its April 1 deadline, we are closely monitoring and actively advocating for multiple proposals. In particular, I wanted you to be aware of proposals that would further impact the Department's budget.

The Governor has proposed a significant reduction in financial support to local public health work commonly known as Article 6 state aid. The Office of Management and Budget estimates that the City stands to lose between \$8 million and \$10 million under this proposal. It will make ineligible for state aid approximately 30 percent of contract costs with community-based providers and costs for the provision of clinical primary and preventive services to children. This cut, which we strongly oppose, would impact safety net services for children across the City and may impact contracts to community organizations.

In addition, the Department opposes the Governor's proposal to consolidate 89 separate public health and health service programs into six program areas, reduce funding overall by 10 percent, and to rebid certain contracts for the provision of these services. This plan does not provide the criteria for the proposed funding reductions and redistributions, and threatens certain key public health programs such as water supply protection, tuberculosis control, and rabies control - that we believe can only be provided by government.

It is important for me to also mention the Nurse-Family Partnership (NFP), an evidence-based program for low-income, first-time pregnant mothers and their children. The Governor has proposed the elimination of \$2.5 million in funding for NFP in this year's budget - a cut of over \$1.5 million to the City. NFP addresses health and social problems for new families through high-quality services. Since it was launched in the City in 2003, NYC NFP has served more than 9,500 families citywide, and currently nearly 2,000 high-risk New York State mothers

are enrolled in the program. It is important that we not only protect this program from budget cuts but also recognize the critical value of the program. It improves prenatal health, reduces childhood injuries, and has been proven to help moms find jobs.

While we have made great progress in reducing smoking rates in the City, we are concerned that our continued progress is threatened by retailers who avoid paying cigarette taxes in various ways. Thousands of retailers that follow City and State laws on cigarettes and pay their taxes are being unfairly undercut by retailers that cheat. Today, I ask you to help me support the state proposals to expand the cigarette and tobacco retailer registration clearance process, increase the civil penalty for possessing unstamped cigarettes from \$150 to \$600 per carton, and tighten regulations on retailers with unpaid tax delinquencies.

Our budget development forced us to make difficult decisions that were only reached after painstaking deliberation. As we made these tough choices we did our best to minimize their impact and stay true to the core mission of the Department of Health and Mental Hygiene, which is to protect and promote the health of all New Yorkers. I thank you for your continued support, and I will be glad to answer any of your questions.