Testimony of Verna Eggleston Administrator/Commissioner
Department of Social Services/Human Resources Administration
Before The City Council Committee on General Welfare
on
THE FISCAL YEAR 2005 PRELIMINARY BUDGET AND THE FISCAL YEAR 2004 PRELIMINARY MAYOR'S MANAGEMENT REPORT

We are a little over two years into this Administration. I am here today to review the work we have done over this period, and describe our accomplishments. Unfortunately, since our last meeting Congress has still not reauthorized welfare reform legislation.

As you already know, two years ago we developed a plan for the next phase of welfare reform that emphasized (1) retention support for those who had left the welfare rolls, (2) welfare prevention for those at risk of becoming dependent on public assistance, and (3) flexibility to meet and engage all clients and their families "where they are," while providing services for those who have significant barriers to employment.

Public Assistance

Our public assistance (PA) rolls have declined by 5.8% over the past two years. In January 2004, we recorded that 432,538 individuals were receiving PA. On average, during 2003, 25,100 people applied for PA each month, and each month we opened an average of 14,500 cases, while closing approximately 13,800. We have seen small net increases in the PA caseload over the past few months, and the January Financial Plan projects a modest increase in PA costs. The City Comptroller's review of this budget confirms that the caseload projections are reasonable and that the budgeted increase should be adequate to support them.

Job Placement and Retention

HRA achieved more than 186,000 job placements for PA clients during 2002 and 2003, and we have focused our efforts on assisting those clients to retain their jobs. We have 28 vendors that assist with job training, placement and retention support, and 300 State-certified organizations that participate in training voucher programs. Over the past two years, our clients achieved an average job retention rate of 78% after three months of employment and 70% after six months.

Customized Assistance Services

As the PA rolls have declined, the proportion of remaining PA clients who are fully or partially unengageable in work has increased, and today stands at 55%. To address the increasing proportion of clients with health-related barriers to employability, Customized Assistance Services (CAS) was developed to assess and treat clients and their families under an "umbrella" of coordinated services.

CAS is implementing our new Wellness, Comprehensive Assessment, Rehabilitation and Employment (or WeCARE) program. Clients referred to WeCARE will receive bio-psycho-social assessments that include general and specialty medical examinations, as well as individualized service plans based on the assessments that may include case management services, linkages to treatment, diagnostic vocational evaluations, vocational rehabilitation, and job placement and retention services. Individuals with long-term disabilities will receive assistance in applying for federal disability benefits. We completed our RFP process to select vendors to provide these services, and anticipate start up of this program citywide in July.

The Wellness Program that we began as a pilot in the fall of 2002 with HHC will become an integral component of WeCARE. We have implemented the Wellness Program in seven HHC facilities. Clients who require treatment for medical conditions that interfere with employability, and who do not have medical providers, are referred to primary care doctors at HHC. These doctors develop treatment plans, coordinate and monitor care, and report on client compliance with care plans. A new initiative with Medicaid managedcare plans will foster a similar type of collaboration between HRA and treatment providers.

Public Health Insurance

We have increased the number of public health insurance enrollees in our programs by 39.1%, from 1,715,513 in January 2002 to 2,386,985 in January 2004. This growth represents mostly clients who receive health coverage independent of PA or federal Supplemental Security Income (SSI). These clients, who receive health insurance only, have increased by 81%, from 859,408 in January 2002 to 1,556,727 in January 2004. These numbers include individuals whose applications we processed after intake was done by the New York City Health and Hospitals Corporation and other partner agencies. A key factor in this growth has been our progress with enrollment in Family Health Plus, which covered 233,760 City residents as of January 2004. HRA administers other health insurance programs in addition to Medicaid and Family Health Plus, including Child Health Plus A, the Prenatal Care Assistance Program and the Family Planning Benefit Program.

These increases also reflect people who originally enrolled in Disaster Relief Medicaid and who have now moved into ongoing public health insurance programs. And clients receiving only health insurance are no longer required to meet face-to-face with our

staff to renew Medicaid, Family Health Plus or Child Health Plus benefits; instead, since late 2002, these individuals can now respond by mail. We have already seen a significant increase in the renewal rate thanks to this change.

Food Stamps

I have discussed our food stamp program with this Committee on previous occasions. In the past two years, the number of individuals receiving food stamps in New York City has increased from 798,396 in January 2002, to 978,406 today, a rise of 22.5%. The number of individuals receiving Food Stamps independent of PA or SSI has risen from 220,643 to 374,030 over the same period, an increase of 69.5%.

Our budget numbers support this activity. New York City provided more than $1 billion in federal food stamp benefits in 2003. Above and beyond our regular issuance, in the weeks following the August 2003 blackout, HRA provided more than $12 million in one-time emergency replacement food stamps to nearly 115,000 families. In January 2002 alone, we issued $72 million in food stamp benefits. Comparatively, in January 2004, monthly issuance increased to $91 million.

Working with the State, we have increased access to transitional food stamps benefits. Our collaborative food stamp outreach efforts with the United Way and community organizations have reached more than 9,000 people. And even as we have enrolled thousands of new recipients, our food stamp error rate has dropped to 4.34%, its lowest level ever, demonstrating that the program's growth is being managed with heightened accuracy and integrity.

Can we do more? Yes, we can and we are. We are submitting a grant proposal to the U.S. Department of Agriculture for funding to use vans to conduct neighborhood-based food stamp outreach. I have proposed to the State Office of Temporary and Disability Assistance, which has the responsibility and federal funding for food stamp outreach, that they do a mass mailing of inactive Electronic Benefit Transfer, or EBT, cards, to individuals who might be eligible for food stamps, encouraging them to apply if they think they are eligible.

Some groups have suggested that there are 800,000 people who should be enrolled in food stamps but are not. Recently, others have estimated that number at 750,000, a reduction of 50,000 even though actual enrollment is up by 180,000. In any event, these estimates of "potentially-eligible" individuals do not accurately consider factors such as immigration status and financial resources that would limit eligibility. They also do not take into account independent research showing that up to 45% of "potentially-eligible" individuals choose not to participate because they do not think that the small food stamp benefit they would receive under federal rules would justify the effort.

Transitional benefits

Transitional benefits are a critical support for employment retention, and we have strengthened our systems to provide childcare, health insurance and food stamps, to clients leaving public assistance. As of December 2003, we funded childcare for more than 40,000 children in families who are on or have left public assistance, and we project that we will fully spend or slightly exceed the childcare funding in this year's budget. With our Automated Child Care Information System (ACCIS), the transition of childcare payments for clients leaving PA is now seamless. During 2002 and 2003, more than 11,000 former PA clients who left welfare for work received HRA-funded transitional childcare two months after their departure.

Families may now also receive 12 months of transitional Medicaid and 5 months of transitional food stamps when they leave PA. During 2002 and 2003, more than 75% of those eligible were receiving transitional Medicaid after two months, and 74% of those eligible for transitional food stamps were receiving them at that point.

Child Support

In August 2003, as part of the implementation of the Fiscal Year 2004 budget, the Office of Child Support Enforcement (OCSE) was transferred to HRA. Child support can be an important part of family self-sufficiency, enabling some families to avoid the need for PA, and others to leave PA sooner than they otherwise could. We are currently handling 224,970 cases in OCSE, 43,839 involving families on public assistance, and 181,131 involving families that were not.

HIV/AIDS Services Administration (HASA)

At HRA, we remain committed to improving access to the essential benefits and services that HASA provides to its 30,942 current clients and 14,521 affected family members. To further enhance access to benefits, services, and vitally-important health care, HASA has become a part of the core services of HRA's Medical Insurance and Community Services Administration (MICSA), formerly the Medical Assistance Program. The integration of HASA into MICSA will allow us to take advantage of their combined health care and social service expertise to benefit our HIV/AIDS clients. Since the integration, we have implemented two major improvements. First, we have received permission from New York State to extend recertification periods for food stamps from 6 to 24 months for most single HASA clients who receive SSI, Medicaid and food stamps. Second, we are ready to recertify HASA families during routine home visits, which eliminates the need for clients to come to our offices to continue their benefits.

Customer Service

We have used our budgetary resources to create a new standard for HRA facilities that provide client services. Our “Model Office” concept is designed to streamline workflow, resulting in reduced wait time for applicants and recipients and greater access to services. Beginning in 2002, 15 of our 19 Medicaid community offices have been converted into “Model Offices”, with the remaining 4 slated for conversion this year. Average client wait times in the Medicaid Model Offices have decreased by 68-71%, depending on the type of service being provided.

Two Model Job Centers opened this year, one in January in East Harlem, and the second in February in downtown Brooklyn. The key features of the Model Job Center include an automatic ticketing and queuing system in the reception area and throughout the Center; a separate customer service area designed for service items that can be handled quickly, such as dropping off and picking up necessary documents; automated information kiosks; an enhanced employment area with improved job search resources to aid clients in finding work; and electronic information zippers in several areas of the Center. The third phase of model office conversion has already begun, the next project being the HASA Office at 400 Eighth Avenue in Manhattan.

Flexibility and Resources

We are advocating for greater flexibility and resources from the State. In the last two years, we submitted more than 20 requests for waivers from State or federal requirements to give us more flexibility in meeting clients’ needs. These waiver requests ranged from authority to conduct public assistance recertifications by video conference for public shelter residents, to implementing a initial period of fee-for-service eligibility for Family Health Plus consumers who are awaiting managed care enrollment.

At the same time, we are continuing to advocate for the resources we need to help our clients move towards self-sufficiency. We are concerned that the Governor’s proposed budget for Fiscal Year 2005 would reduce the administrative funding to support these efforts. It lowers the administrative caps in the food stamp, Medicaid and public assistance programs, increases the Medicaid home care savings target, and would deny the return of TANF maintenance of effort funds to localities.

CITY HALL
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