



TESTIMONY

OF

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BEFORE THE

CITY COUNCIL

GENERAL WELFARE COMMITTEE

ON

THE FISCAL YEAR 2008 PRELIMINARY BUDGET

AND THE FISCAL YEAR 2008 PRELIMINARY MAYOR'S MANAGEMENT REPORT

City Hall
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Good morning Chairman de Blasio and members of the General Welfare Committee, I am Robert Doar, Commissioner of the Human Resources Administration. Thank you for inviting me to provide testimony on Mayor Bloomberg's preliminary 2008 budget for HRA and the Preliminary Mayor's Management Report. I greatly respect the City Council's role and I look forward to a productive relationship with each of you.

I also have great respect for the men and women who work at HRA and I believe that they have made remarkable contributions to the life of our city. I am joined here at the witness table by HRA's First Deputy Commissioner Patricia Smith, a person whose tireless contributions to our city over many years have been immeasurable.

Since the beginning of Mayor Bloomberg's Administration, HRA's efforts have led to nearly 420,000 job placements of public assistance clients. During the same period, the number of persons receiving food stamps who are not on cash assistance has increased by almost 337,000, or 94% and this percentage increases to 130% for those food stamp recipients who are independent of both cash assistance and Supplemental Security Income (SSI). New York City public health insurance enrollment has grown 54% over the past five years and the city has enrolled nearly 900,000 people. Child Support collections have jumped by 46% from \$403 million up to more than \$588 million. Since the inception of the Medicaid Prescription Drug Fraud Program in 2000, HRA has conducted nearly 7,000 prescription drug fraud investigations resulting in 1,500 arrests and approximately \$24 million dollars in cost savings to the City.

I look forward to working with the Council and building on this impressive record. At this time I would like to provide you with more detailed information about HRA programs and their outcomes over the past year and the challenges we are facing as we move forward.

In 2008, HRA expects to spend \$1.2 billion on public assistance benefits, of which \$453.4 million are City funds. In February 2007, the New York City welfare roll dropped to its lowest level in more than forty years to 369,601 -- a decline of 20.1% since the beginning of the Bloomberg Administration. As of February 2007, 88% of clients who have achieved employment have remained off public assistance and/or retained jobs after three months, and 72% have achieved those results after twelve months. As of February 2007, 85,901 people who exceeded their five-year time limit were receiving benefits through the State and City funded Safety Net Assistance program, a decline of 19.3% since February 2006. In 2008, we project spending approximately \$179.6 million of the total public assistance expenditure on benefits for recipients who have exceeded their five-year time limit, of which \$89.8 million are City funds.

Back to Work

The “Back to Work” program is one of our major employment activities for applicants and recipients and became operational on August 8th 2006 in every HRA Job Center. Since then, over 32,000 New Yorkers have received a preliminary assessment from the program and over 6,100 have already been placed in jobs. It is too early in this contract to have meaningful retention numbers but full payment for an individual is not achieved

unless the person is retained at the three month and six month point. Recipients are engaged in job training, education and job search activities. Back to Work differs from HRA's former employment services contracts in that it allows one contractor to work with a recipient from initial assignment to the conclusion of services, providing greater continuity. Under Back to Work, recipients begin receiving services immediately, as early as the same day they apply for public assistance. Our expectation is that when people start their activity without a long lag time, it leads to more successful employment outcomes.

Our vendors prepare a plan for sustainable self-sufficiency, and offer training and other opportunities for recipients to upgrade their employment. The contracts are fully performance-based, with payment contingent on success in placement and retention. We are confident that this new program will generate even more successful job placement and retention rates.

WeCARE

Since its inception in February 2005, the results of the WeCARE (Wellness, Comprehensive Assessment, Rehabilitation, and Employment) program have continued to improve. WeCARE engages approximately 24,000 participants at any given point in time. In addition, WeCARE has helped more than 3,500 people with health and mental health barriers gain employment. Job Center staff make referrals for bio-psychosocial assessments and of those seen, 80.7% have completed all phases of the assessment process; 7.3% were found to be fully employable and were referred back to their job

centers to be engaged in appropriate activities from the traditional menu of employment and training programs; 45.7% were found to be employable with limitations and were referred for vocational rehabilitation services; 37.3% were found to be temporarily unemployable due to medical and/or mental health conditions and were referred for Wellness Plans; and 9.7% were determined to be unemployable for 12 or more months and were referred for assistance in applying for federal disability benefits. WeCARE vendors have initiated 9,703 federal disability applications with 2,433 federal disability approvals awarded. Many recipients who have applied are still engaged in the federal disability application process, which can take 18 months or more for a final determination from the Social Security Administration.

TANF Reauthorization

As you know, under TANF reauthorization, 50% of our TANF recipients must be engaged in federally-defined work activities, and the reauthorization legislation narrowed the types and scope of allowable activities which can qualify for federal participation. We believe the rules impose some unrealistic time limitations on certain rehabilitative activities and also limit the time someone can spend in activities like job search that are critical to their ability to get a job. We are committed to continuing valuable programs such as WeCARE but while participation in the employment activities of this program meet the federal participation requirement, many of the wellness and disabilities activities provided will not be countable under the new rules. The challenges we face in meeting the participation rate are due in large part to two groups: those recipients who are in the engagement process including those looking for child care so that they can work, undergoing a medical

assessment, or finding an appropriate training program, and those who do not consistently participate in employment programs.

In addition, we must now include Safety Net family recipients whose cash benefits are funded with State and City funds into our participation calculations for the first time. States failing to meet the participation requirements face very significant fiscal sanctions. The law also imposes new work verification and monitoring requirements that will be administratively burdensome and could result in penalties if not met.

We continue to work with the Department of Health and Human Services (HHS) and Congress in an attempt to retain some of our previous flexibility. However, we are not waiting for final guidance and have taken a number of programmatic steps to increase our participation rate including trying to reduce the lag time between initial intake and moving clients into activities. This involves a greater ability on our part to identify those in our system who are not currently participating and as quickly as possible asking them to come to one of our offices to be assessed for assignment to an employment activity. Through our Back to Work program we have reduced the time people who have employment assignments must wait to begin their activity.

HRA is also working, with support from the State, to enhance our outreach efforts to those who are sanctioned for not complying with work requirements. Instead of closing a case when a sanctioned recipient fails to appear, we will attempt outreach for those who do not show for scheduled call-in appointments, including making telephone calls

and conducting home visits. We will have clinical staff involved to assess situations where the traditional outreach efforts have not succeeded.

Child Support Enforcement

HRA currently manages 294,961 child support cases with court orders. We are now getting more children and custodial parents the support they deserve and in just one year there has been an 8% increase in the collection of child support obligations from \$546 million in FY 05 to \$588 million in FY06. Over 90% of these collections were made directly to children and families and over half of these families are former Public Assistance families. This accomplishment, therefore, has a very real positive impact on the children and families we serve. For all families receiving child support payments, the average is \$5,173 per year. Child Support, when combined with work, plays a critical role in helping families move toward self-sufficiency or remain self-sufficient and it does so in a cost effective way. For every city, state, and federal dollar spent on administering the child support program, \$4.75 is collected.

Food and Nutrition

We are continuing our efforts to ease food stamp enrollment for eligible individuals and families. The number of recipients in the Food Stamp Program is 1,102,007 as of February 2007. By simplifying the process through shorter applications and greater automation, we have increased the total number of individuals on food stamps by more than 303,000, a 38% since January 2002. In a further effort to reach the working poor, we will be extending office hours one night weekly at each of the five sites that are

currently open until 6 PM. HRA is one of several agencies participating on the Food Policy Taskforce, and we look forward to working with the City Council to notify New Yorkers of the extension and will be monitoring activity in the additional hours.

HRA, in collaboration with the New York City Coalition Against Hunger and Food Change has also successfully tested and implemented the Paperless Office System (POS) at the Fordham Food Stamp Office in the Bronx, the Borough Hall Food Stamp Office in Brooklyn, and the Richmond Food Stamp Office in Staten Island. This pilot project allows for applicants to have their application, along with any other relevant documents, scanned into an automated system at an offsite location prior to an in-person, pre-scheduled meeting at the food stamp office. Our field partners for this effort, so far, are Part of the Solution (POTS), a combined soup kitchen and food pantry in the Bronx, the Hanson Place United Methodist Church in Brooklyn, and Project Hospitality in Staten Island. By July we plan to implement in a total of six sites. While the community aspect is a major part of the grant process, the other significant piece is the development of a new computer system for our food stamp offices. This system represents a major technological investment in the food stamp offices and will greatly improve the efficiency of our offices and allow workers to better serve our clients. It poises us to better expand automation efforts as other activities, such as ACCESS NYC, move into their next phases of integration and sharing of information.

There is also now an opportunity to simplify the Food Stamp process further as the program is due for federal reauthorization this year. As part of this Congressional

process, we are advocating for changes in federal law that would increase access and simplify the administration of food stamp benefits. For example, we suggest a standard deduction for medical expenses incurred by elderly/disabled household members and a single standard utility allowance in place of the current tiered structure for all recipients.

Public Health and Services

Health Insurance Enrollment

In New York City, public health insurance enrollment has grown and as of February 2007, approximately 2.53 million New York City residents are covered by public health insurance programs administered by HRA, of whom 1.76 million are not receiving public assistance. More than 50% of New York City's children have public health insurance coverage with Medicaid insuring over 1 million, and an additional 165,000 in Child Health Plus B (CHP B), the state health insurance plan for children up to age 19 who are not eligible for Medicaid and who have no health insurance. While the rest of New York State and the nation experienced decreases in health insurance coverage, New York City experienced steady increases. According to the latest report from the United Hospital Fund, the number of uninsured children declined from 289,000 in 2002-03 to 240,000 in 2003-04 in New York City. The decline for uninsured adults during this same time period was from 1.4 million to 1.26 million.

There is also a marked growth in enrollment of Healthy New York, a program designed to encourage small employers with 50 or fewer employees to offer health insurance coverage to their employees and their families. It is also available to eligible working

uninsured individuals including sole proprietors. The program creates standardized health insurance benefit packages that are offered by all health maintenance organizations (HMOs) in New York State. In 2006, NYC enrollment in Healthy New York increased from 20,000 to 31,000, a 55% increase over the previous year's enrollment level.

Medicaid Provider Fraud

We need to ensure that funds are responsibly spent and we are focusing on identifying and stopping fraud committed by Medicaid providers. The funds misspent due to provider fraud are needed for other services to clients. In collaboration with other local, State and federal governmental and law enforcement entities, including the NYS Attorney General Office, NYS Department of Health, the local District Attorney's offices, the FBI, and the DEA, HRA has saved the government millions of dollars as a result of prescription drug fraud prevention activities, has gotten dangerous prescription drugs off the street, and has participated in arrests of both providers and recipients involved in illegal activities. In 2006 alone, the Medicaid Prescription Drug Fraud Prevention Program was involved in 242 arrests and these prescription drug anti-fraud efforts saved the City nearly \$2.2 million.

As part of the Mayor's commitment to support the integrity of the Medicaid program, in December 2006, New York City entered into a Memorandum of Understanding (MOU) agreement with the New York State Office of the Medicaid Inspector General (OMIG) and the New York State Department of Health (DOH), authorizing New York City to

implement a Medicaid provider fraud and abuse project to target Medicaid fraud, waste and abuse by healthcare and other service providers. I would like to reiterate that this is one of my highest priorities and appreciate that both the Governor and new Attorney General have also made it their priority as well.

Building on the success of HRA's longstanding efforts to combat Medicaid prescription drug fraud, we are currently in the process of creating the Office of Medicaid Provider Fraud Investigation to implement this new initiative. As part of this function, we will be responsible for conducting audits of Medicaid providers in New York City suspected of fraud, waste or abuse in accordance with the provisions of the MOU and the concurrent goals of the Mayor and Governor to address this crucial issue. Working in conjunction with the New York State OMIG and DOH, the efforts of HRA's Office of Medicaid Provider Fraud Investigation will include investigations of physicians, HMOs, and transportation providers suspected of waste, fraud or abuse. We are quickly moving forward to implement the goals of this crucial effort.

Long-Term Care Services

New York City leads the nation in providing Medicaid-funded long term care services to frail elderly and disabled residents so that they can continue to live at home in spite of significant impairments. Medicaid-funded in-home long term care services are provided for approximately 120,000 residents of New York City each year, and HRA annually reviews and authorizes nursing home care for an additional 35,000 frail individuals who are clinically no longer able to live at home.

HRA contracts directly for personal care services (home attendants and housekeeper services) for approximately 50,000 home care clients. HRA provides the review to determine the level of clinical need and authorization for the appropriate level of service at least annually for this population, as well as for 16,000 clients in the Managed Long Term Care Program and 13,500 in the Long Term Home Health Care program, which are state run programs offering a variety of services under the umbrella of a single provider. Included among the populations served by all these programs are approximately 1,500 people living with HIV/AIDS and close to 1,000 children. Support is provided for specialized programs such as the Consumer-Directed Personal Assistance Program, the Assisted Living Program, and the Care at Home Program, which together serve approximately 3,000 clients annually.

As the above demonstrates, there is an array of in-home long term care services. Clearly there is value in allowing elderly and disabled people to remain in their homes rather than receive care in institutional settings; and long term care would benefit from a more rational planning process. For this reason, the City is participating in a state- wide effort to establish a Long Term Care Point of Entry (POE) to provide consistent and impartial information on long term care options. HRA is leading this effort and partnering with the Department for the Aging, the Department of Information, Technology, and Telecommunications, and the Mayor's Office for People with Disabilities, among others. The planned POE will take advantage of the 311 and ACCESS NYC infrastructure.

Adult Protective Services

HRA's service to vulnerable adults through its Adult Protective Services (APS) program continues to improve as APS moves to address unprecedented growth and challenges. The caseload has grown 21% in the last two years alone, and 72% over the last five years. In addition, clients have increasingly complex needs, with nearly 40% of clients now under 60 years of age. These younger APS clients tend to have more severe mental illness than our elderly clients, are frequently active substance abusers, and are also more resistant to the program's efforts to assist them. Another significant challenge is that about 30% of APS-eligible clients of all ages are facing eviction, often in situations where APS is not asked to assist until the end of proceedings in Housing Court. To address caseload growth, we are increasing APS staff pursuant to the January financial plan that provides funding for 37 additional new staff, and the hiring process is currently underway. We expect to have them all assigned and trained by late spring.

HIV/AIDS Housing and Services

To better serve people with HIV/AIDS we continue to reduce the use of Single Room Occupancy (SRO) facilities as emergency housing, seeking rather to place a homeless person with HIV/AIDS in a supportive environment to better enhance both their health and service needs. In December 2005, the SRO census went under 1,000 for the first time in 15 years. As a result of the utilization of Masters of Social Work interns, the refinement of the housing application/referral protocol, the increase in the number of transitional housing units and more aggressive follow-up by the housing and

caseworker staff, our HIV/AIDS Services Administration's (HASA) SRO census has been under 900 for all of 2006 and under 800 for a significant portion of that calendar year. In addition, I am sure you know, in February we reached agreement with the state concerning the client's contributions toward rent in HASA supportive housing. With this change, HRA is looking forward to once again accessing State matching funds for the expenditures incurred on behalf of these public assistance clients with income.

Domestic Violence Services

We continue to work to provide services to ensure safety for survivors of domestic violence through non-residential services and shelter services for people fleeing domestic violence. For those in shelter, we work with partner agencies to ensure that they can access the array of housing and support services available, should they require permanent rehousing. We also work to prevent future domestic violence through the Relationship Abuse Prevention Program (RAPP) which helps to educate youngsters about healthy relationships. In addition, we are working with Commissioner Hess of the Department of Homeless Services to revise the HSP program in a way that ensures domestic violence victims in our shelters are also strongly supported in their efforts to move from shelter to permanent housing.

I would like to conclude by saying that I look forward to working with the City Council. I look forward to hearing your concerns and I welcome your questions.