



TESTIMONY

OF

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BEFORE THE

CITY COUNCIL

GENERAL WELFARE COMMITTEE

FINANCE COMMITTEE

ON

THE FISCAL YEAR 2008 EXECUTIVE BUDGET

**City Hall
MAY 15, 2007**

Good afternoon Chairman de Blasio, and Chairman Weprin and members of the General Welfare and Finance Committees. I am very happy to be back here to provide testimony on Mayor Bloomberg's Executive Budget for 2008 for the Human Resources Administration (HRA) and also to share with you some of the issues and program areas at HRA that I will be particularly focused on over the coming months.

Before I expand on these points, I would like to provide the committee with an update on two issues that came up during the March Preliminary Budget Hearing. First, during that hearing, concerns were raised that doctors within our WeCARE program were not considering the notes and records that clients present to them. This requirement to review documentation is stated very clearly in the WeCARE guidelines and since the hearing, HRA has re-emphasized the importance of this requirement at its monthly meeting with each vendor. Also, in an April 13th letter to the vendors we reiterated that consideration of medical and related information is a contractual requirement and that in order to ensure compliance, they must clearly document in the individual's record that all medical and related information provided by the client has been reviewed. Both contractors provided a prompt written response to our letter. Both acknowledged the importance of review and consideration of all medical and related information provided by WeCARE participants and described the steps they were taking to ensure compliance.

Also related to questions the committee raised, I need to report that, in cooperation with FoodChange and the New York City Coalition Against Hunger, HRA is implementing an innovative program to allow individuals at soup kitchens and food pantries to electronically submit food stamp applications, and the supporting documents, to HRA. In its pilot phase nearly 90 food stamp applications have been submitted from food pantries and soup kitchens. This project continues to be implemented on schedule and we recently opened our fourth site in Queens. The community partner for that location is the East River Development Alliance. In the first week of June we will be opening our Manhattan location and we will then have a community partner working with a local food stamp office to submit applications in each borough. In addition to the community

aspect of this project, the HRA offices involved have also benefited from the implementation of the Paperless Office System (POS). This is a major technological investment that HRA is making in these offices in an effort to improve their ability to more efficiently process food stamp applications and re-certifications.

The Mayor's formal budget submission for HRA requests \$6.7 billion in City Tax levy spending for the coming Fiscal Year. This spending includes the City's share of the major benefit programs available in New York City. We believe that, if adopted, this level will allow HRA to meet its obligations and achieve its goals for the coming year.

Looking forward, there are five major priorities for HRA. We must provide greater access to our work support programs using technology and community based providers; we must continue to focus on employment as the best path out of poverty; we must reduce Medicaid fraud and abuse by providers; we must support the elderly and persons with disabilities to remain in the community; and we must help to lead a larger effort to help those in our city who appear to be falling the farthest behind – young, low income men who we need to be better providers and role models for their children.

Let's start with greater access to programs using technology:

The POS Food Stamp pilot, which I mentioned at the outset, results in greater access to benefits because of its key elements: coordination with community-based organizations and the use of technology. Our Eligibility Data and Image Transfer System (EDITS) is another system that is improving access under a similar approach. EDITS allows for the electronic transmittal of Medicaid applications and imaged verification documents from healthcare providers and other community-based submitters to HRA's health insurance programs. After review by HRA eligibility workers, this system transmits data to the State WMS system and returns notification of a decision. The first of the EDITS modules, the Prenatal Care Assistance Program, has been operational since the end of FY 2006 and presently processes over 3,000 applications per month. Recent expansions of Facilitated Enrollers at St. Luke's Hospital and of Hospital In-Patient Applications at Beth Israel moved from testing into pilots at the end of March.

Our HIV/AIDS Services Administration's (HASA) Housing Unit has also automated the way it communicates with community providers. Our "HASAHousing" web-based application has reduced the time it takes to find housing for eligible clients and ensure accuracy and security of data. Providers can manage and update their vacancy rosters in real-time and our caseworkers can also request permanent supported housing for their eligible clients through a 'tie-in' to the system. This creates a seamless on-line process and connection between the caseworker and the vendor. The mechanism (or e-form) allows only providers with vacancies to receive referrals, eliminating extra paperwork and duplicative referrals.

We are using other forms of automation for recertification of benefits. We have two food stamp offices in a pilot program to recertify participants using an automated Interactive Voice Response System (IVRS). The IVRS gives clients who are aged or disabled, and on fixed income, the option of recertifying for benefits by calling into this system instead of appearing in person for an interview. It can be accessed any time of day or night prior to the scheduled in person interview and is linked to the information on the Agency's database. It uses that information to determine if the client's responses to the questions it poses regarding household eligibility factors differ from the data on file. If no changes are reported, the case is automatically recertified (as many as 35% a month of those eligible to recertify via this process have done so). We are seeking a USDA waiver to continue and expand this project and requesting Congress to allow the system to be used in lieu of in-person interviews.

Now let me turn to our focus on employment. The focus of our employment programs continues to be moving people to work as quickly as possible. For most people, the path to that goal is an integrated range of needed services. The model we have created provides for most people three days weekly in work experience and two days in the full spectrum of job search, training and education services. Our experience clearly shows that pursuing either activity exclusively is not the best approach.

Our Back to Work program embodies this combined focus. Most recipients in Back to Work participate three days weekly in work experience and two days weekly with one of our Back to Work vendors. The Back to Work vendors provide job search, vocational training and other services designed to move people to employment. These vendors also provide retention services to people who have obtained employment.

We intend to further enhance these strategies for shelter residents to allow them to take advantage of the rent supplement offered under Work Advantage. Our shelter residents have been very successful at moving to work. Last year, our Riverview center, which exclusively serves homeless shelter residents, placed more than 5,600 people into jobs. This year alone over 1,400 job placements have been made. With the strong positive incentive provided by Work Advantage, combined with additional work we intend to do with DHS and our employment vendors, we expect these numbers to increase substantially.

Medicaid Provider Fraud

As I testified in March, one of my highest priorities is to carry out the Mayor's commitment to support the integrity of the Medicaid program. As you know, NYC is part of the State's Medicaid Fraud, Waste and Abuse Demonstration Project designed to empower localities to join with the State to increase vigilance over Medicaid providers, ensuring that funds are responsibly spent. The City's new Office of Medicaid Provider Fraud Investigation (OMPFI), charged with conducting investigations and audits of Medicaid providers in NYC suspected of fraud, waste or abuse, is in its final stages of development and should be fully operational by the end of this summer. HRA has already submitted audit requests and we are currently coordinating efforts with the NYS Office of Medicaid Inspector General to ensure that duplicate audits of the same provider are avoided.

Supporting the Elderly and Persons with Disabilities to Remain in the Community

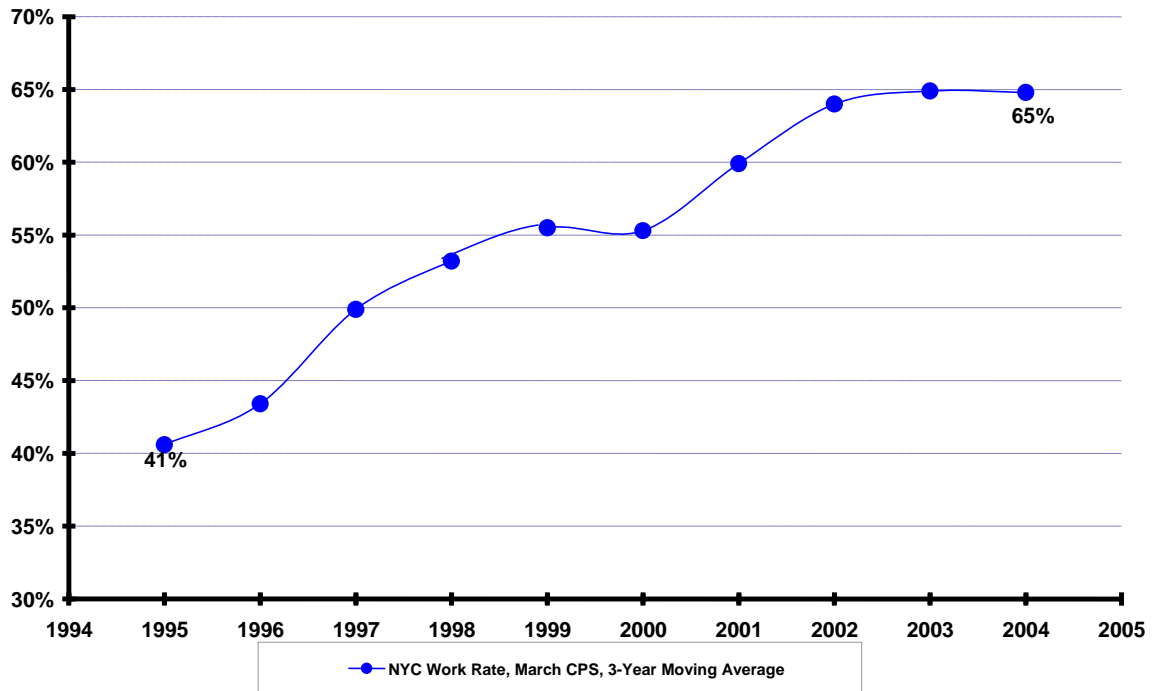
We have been, and continue to be committed to supporting elderly and disabled people to remain in their homes and avoid, or at least delay, care in institutional settings. Towards this goal, HRA with the Department for the Aging (DFTA) has been leading a citywide effort to plan for a Long Term Care Point of Entry system to streamline access to information and assistance on long term care services for the elderly and people of all ages with disabilities. New York State has awarded the City a \$500,000 grant to analyze the current long-term care system and to recommend next steps to develop and implement the program. One of the major efforts to collect data for this analysis is an online survey, which was distributed to nearly a thousand local providers of long term care. HRA is currently negotiating the contract terms with New York State and plans to reach all of its planning milestones by the fall 2007.

In addition, HRA's Adult Protective Services (APS) program provides eviction prevention, assessment, undercare and preventive services for clients who require support to maintain their independence. To help address the unprecedented growth in this program, the largest class of new APS caseworkers ever hired – a total of 50 started training this week. Following 30 days of training on APS curriculum, city procedures, and the automated system, these staff will be assigned to the boroughs that have experienced the greatest growth in caseloads.

Raising the Standard of Living above Poverty

Before turning to our fifth priority, I think it is useful to take a look at the long term picture regarding child poverty in New York and how it shows us a path forward. The two charts below tell the story very well.

**Work Rates for Never Married Women with Children in NYC
1995-2004**

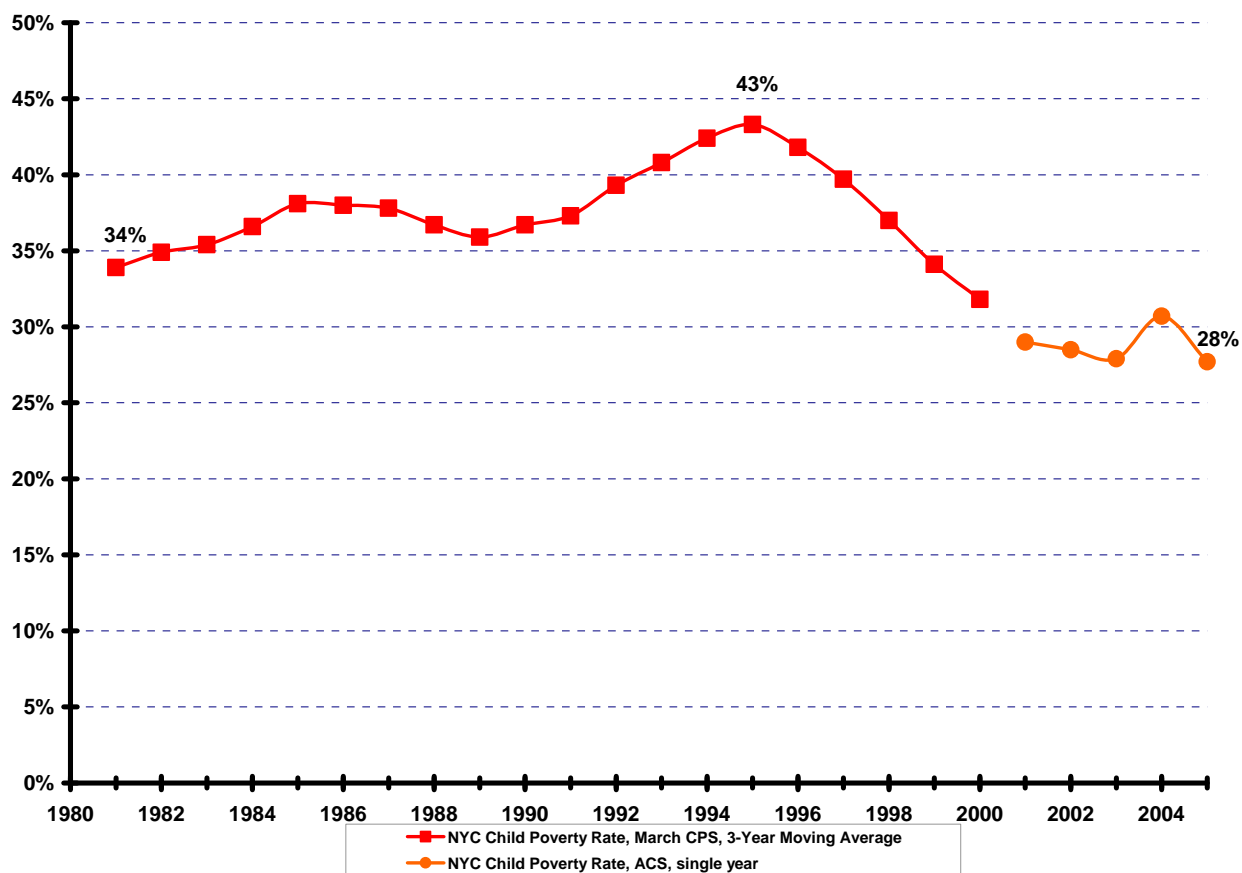


CPS 1995-2004 from

‘Monitoring the Effects of Policy Change: Family Composition, Employment, and Child Poverty in New York State’ NYS Office of Temporary and Disability Assistance

In the period starting in about 1995, the work rates for single mothers with children rose dramatically in New York City. As a consequence, and also due to the array of work supports available to New Yorkers such as food stamps, health insurance, child support collections, child care subsidies, and the Earned Income Tax Credit, the child poverty rate started a steady decline from a peak of 43 percent to the latest census poverty report figure of 28 percent.

New York City Child Poverty Rates (1981-2005)



This is progress. But Mayor Bloomberg believes it is not enough. A child poverty rate of 28 percent is still not acceptable. That’s why, under the leadership of Deputy Mayor Linda Gibbs, the city is now moving forward with the recommendations of the Commission for Economic Opportunity which was tasked by the Mayor to develop strategies to reduce poverty. Under the guidance of the newly created Center for Economic Opportunity (CEO) and with funding from the “innovations fund”, New York City agencies including HRA are moving forward with more than 35 initiatives across the city.

The Unfinished Agenda of Welfare Reform

But there is still even more to do and a key area for attention is the other parent of children in single parent households. I believe we need to do all we can to encourage

and support young, low-income working fathers to support the economic and social well-being of their children. It is well-established that children do better if they have two active and contributing parents, and it is also well established that the group that has seen the fewest gains during the past two decades has been young, low -income men. We are eager to support employment and parenting programs for young men who are not working and want to be stronger providers for their children. And HRA is active in creating and supporting programs that pursue that goal. For example, as part of the CEO initiatives, we have identified and sent letters to 2,260 non-custodial parents who have child support orders that appear to require payments far beyond the parent's ability to pay. Where appropriate, we are offering to adjust the order and arrange for an affordable schedule for payment. We have also built an employment component into the process, and if the non-custodial parent is unemployed or significantly under employed, he/she must agree to participate in our Support Through Employment Program (STEP).

We are also working with the Department of Corrections (DOC) to better assist prisoners, many of whom are parents, as they return to the community. We will be training Riker's Island discharge counselors so that they can better advise prisoners on how to navigate the child support system. Also, a child support liaison will be able to provide the counselor with the specifics of the prisoner's case prior to release so that if the circumstances warrant, the prisoner can be prepared to approach OCSE for administrative relief.

HRA is a large agency and its 15,000 employees are engaged on many fronts to help New York's most vulnerable populations. The information I have provided today only tells a part of the story but I hope it has given you a sense of our highest priorities and I welcome your questions and advice.