



**Human Resources
Administration**
Department of
Social Services

TESTIMONY

Robert Doar, Commissioner
Human Resources Administration/Department of Social Services

2011 Preliminary Budget Hearing

*Hearing of the New York City Council
General Welfare Committee*

March 8, 2010

Good Afternoon Chairwoman Palma and members of the General Welfare Committee. Joining me this morning is Kathleen Tyler, Deputy Commissioner for HRA's Budget Office. Chairman Palma, I congratulate you on your chairmanship and I'm committed to working positively with you on the difficult issues we together face.

I come before you this year at a particularly challenging time. With hard work and innovation, we weathered a difficult 2009. We met the demands of increased caseloads in Food Stamps and Medicaid, while maintaining our focus on employment as the essential first step out of poverty. Today, the bulk of the assistance we provide goes to working New Yorkers and their children.

The credit for this achievement goes to the more than 14,000 HRA employees who every day address the concerns of New Yorkers in need. I am pleased to report that in the past we have been able to avoid layoffs and achieve mandated savings targets through greater efficiency and innovation. While our commitment to protect front line workers from layoffs is getting much harder to fulfill as we face continuing reductions in revenue, any personnel reductions in this proposed budget are through attrition and redeployment, not layoffs.

When we prepared our 2010 budget last year, an influx of Federal stimulus funds gave us the ability to forestall some of the more difficult budget decisions. However, these funds were time-limited, and so this year's budget required even greater scrutiny of our programs and how we do business in order to identify revenue and cost savings of \$27.3 million for 2010 and \$55.56 million a year for 2011-2014. In addition, a majority of HRA programs are funded with Federal and State dollars and as such are impacted by the State budget and its \$9 billion deficit.

Before delving into the budget specifics, I would like to provide the Committee with a brief overview of our milestones over the past year.

I. FOCUS ON EMPLOYMENT

Our focus on employment continues to show positive results. Over the course of 2009, 75,398 Cash Assistance (CA) recipients obtained jobs through our employment programs. In addition, our subsidized jobs efforts have increased dramatically with a total of 7,059 individuals being employed in short-term paid employment in the private and public sectors. Last September we

were able to expand our present transitional jobs program with the assistance of Federal stimulus and State TANF funds. Through these funds, nearly 794 individuals have been placed in subsidized jobs with approximately 450 placements in city agencies. I am particularly proud of the start of a new subsidized jobs program at HRA, which I know several members of this committee have supported for some time. A total of 200 Job Training Participants are anticipated to be on board, and the final group of 75 started work today. Also, beyond these public sector placements, more than 300 individuals have new jobs in the private sector including the health care and green industries.

We are also expanding our Neighborhood Improvement Project with the Center for New York City Neighborhoods, utilizing federal Community Development Block Grant stimulus funds. This project provides transitional jobs to low-skilled Cash Assistance recipients and other hard-to-employ individuals who will work in small, closely-supervised teams to perform maintenance, minor construction and other services to prevent the deterioration of neighborhoods where there are high numbers of foreclosures. Participants will work three days a week, and spend another two days a week in training and job placement activities. We expect to employ 240 individuals through this project.

Last year we also renewed our Back to Work contracts for another three years and included provisions to serve both Food Stamp recipients and low-income, non-custodial parents. We also began a pilot of an Automated Metrocard Issuance System (AMIS) to prepare and transmit carfare to Cash Assistance recipients in order to reduce wait time and increase program efficiency.

II. SUPPORT FOR WORKING FAMILIES

An integral component of any work program is making sure people have key supports in place that will allow them to move towards independence. Assistance in enforcing child support collections and making sure eligible families have health insurance and Food Stamp benefits are key to supporting working people.

Child Support Enforcement

The Child Support program is incredibly cost-effective: every one City dollar invested brings in almost \$11 in collections to families. I want to stress that point. The vast majority of child

support collected goes to families and is not retained by the government. I am proud to announce that in 2009 our Child Support Enforcement program had a record year, collecting almost \$678 million and distributing close to 90 percent of that to families. In addition, the number of families receiving a payment increased again this year by 4 percent. The payments make a significant impact to these families and when combined with work and work supports, are a powerful tool in helping children avoid living in poverty. For example, families who formerly received Cash Assistance received an average of \$4,123 in child support income last calendar year. Our record high collection is also attributed to a 38 percent increase in new orders, as well as to increased outreach in the community.

However, we want to make sure that all non-custodial parents (NCPs) provide support to their children. This means focusing on their employment needs while also making sure they understand and are able to better navigate the Child Support system. For example, our Support Through Employment Program (STEP) placed approximately 460 NCPs into jobs last year at an average pay of \$10.75 per hour. Of note, the collections associated with NCPs referred to the STEP program since it started in 2002 total \$20 million this past year. Child Support and parental responsibility have also been integrated into our broader employment program through our BTW vendors, where there is now a full-time Parent Support Specialist on staff, parenting classes, and various other support services. We also have several initiatives to make it easier for very low-income NCPs (dads or moms) to modify orders or cap arrears without going to court. This has resulted in more NCPs paying their child support. In addition, last year we provided orientations, workshops, and/or individual counseling to over 1,000 inmates at Riker's Island. We also conducted presentations and workshops for community-based groups, parents, and employers, as well as for 16 city agencies.

Food Stamp Benefits

Of all the programs in our agency, Food Stamps saw the largest growth. Since Mayor Bloomberg came into office in 2002, we have seen an increase in the caseload of over 107 percent, and a dramatic 349 percent increase in the portion of recipients who rely on Food Stamp benefits as a work support but do not receive cash welfare or Federal Supplemental Security Income (SSI). From January 2009 to January 2010, our caseload went up 21 percent with our staff enrolling more than 289,000 new recipients. Food Stamps benefits contribute more than \$260 million monthly to the local economy, and more than \$3 billion annually. In the

last year alone, because of greater enrollment and increased benefits, the total value of the Food Stamp benefits received by New Yorkers has increased by nearly one billion dollars.

The increase in Food Stamp households and recipients can partially be attributed to the present economic downturn, but it is also due to the significant efforts we made to increase access. In particular, 2009 was the first full year without a resource limit as an eligibility criterion for applicants. In addition, telephone application interviews were successfully introduced for households with employment income, child care needs or travel hardships, and for most recipients for recertification.

We have also significantly expanded our work with community-based organizations (CBOs) and in one year went from 5 to more than 40 groups who are electronically submitting applications. Further, working in partnership with HHS-Connect and the State Office of Temporary and Disability Assistance (OTDA) we are set to launch an on-line application in June.

Connection to Public and Private Health Insurance Options

As the City agency responsible for Medicaid eligibility, our staff manages an enormous volume of cases and applications while at the same time moving forward with new ways to increase access to the program. These efforts are working and we have seen a 60 percent increase in the Medicaid caseload since Mayor Bloomberg took office. In addition, a recent U. S. Census survey showed that we ranked first among large American cities in having the lowest rate of uninsured children under the age of 18 at 5.7 percent. Moreover, the United Hospital Fund recently reported that NYC has the lowest administrative cost per capita in all of New York State Medicaid operations. This means we are providing public health insurance at a remarkably low administrative cost.

To ensure that more children and low-income adults are connected to quality health insurance, we recently launched *NYC Health Insurance Link*. This is an important new resource for freelancers, small business owners and residents in NYC searching for affordable health insurance. *NYC Health Insurance Link* is a web-based tool that allows consumers to compare price and benefit information for private health insurance plans in one convenient location. It also links residents to ACCESS NYC, where they can screen themselves for public health insurance and find enrollment assistance. In its first five months, the site has helped nearly

18,000 New Yorkers learn about their health insurance options and see side-by-side comparisons of different insurers.

Medicaid Fraud, Abuse, Waste and Recovery

HRA is committed to helping low-income individuals and families get access to the health insurance that they need, but we are also determined to protect the integrity of the Medicaid program. Broadly speaking, we focus on two types of waste detection and fraud prevention: those directed at abuse by providers and those directed at abuse by clients. Together, the results of our efforts have totaled more than \$220 million in combined recoveries and savings to the Medicaid program. For example, in conjunction with the State Office of the Medicaid Inspector General, our Office of Medicaid Provider Fraud and Abuse Investigation had approximately 130 audits of Medicaid providers doing business in the City in process last year, and \$6.1 million was recovered. In addition, our efforts to combat Medicaid prescription drug fraud saved the program more than \$20 million last year alone and over \$50 million since 2002. Since November 2007 we have also recovered over \$28 million from Medicaid clients who concealed income and resources in order to inappropriately obtain benefits.

We have found that a small portion of Medicaid recipients account for a large percentage of the expenditures for Medicaid-funded substance abuse services. To address both the human and economic costs of treatment for this particular group that is not resulting in recovery, we have partnered with the New York State Office of Alcoholism and Substance Abuse Services (OASAS) for the Managed Addiction Treatment Services (MATS) program. MATS provides voluntary case management services to high-end users of Medicaid for substance abuse treatment to appropriately manage their illness and avoid the unnecessary cycling in and out of substance abuse treatment. Since we began operations in April 2007 through September 2009 this program has generated more than \$27 million in Medicaid savings while providing an increased level of stability to those most in need of treatment.

III. COMMUNITY-BASED SUPPORT FOR VULNERABLE POPULATIONS

Office of Domestic Violence and Emergency Intervention Services

Our Office of Domestic Violence oversees one of the most extensive domestic violence service systems in the country. We provide emergency shelter to more than 800 families every day;

community-based support to over 3,000 families each month; and last year placed over a thousand homeless families that came to the City's homeless intake center into domestic violence shelters that better support their needs. We also have teams that assess Cash Assistance recipients who are experiencing domestic violence for safety and employment services. In order to optimize reimbursement and enhance services a number of City programs were recently transferred to HRA: both the New York City Housing Authority's (NYCHA) DV Intervention Education Program, which brings together DV counselors and police officers to intervene with NYCHA families; and the NYCHA Aftercare program which provides intensive home-based services to victims. In addition, the City's Family Justice Centers, which allow DV clients to receive a wide variety of services and support from one central location, have been transferred to HRA.

Adult Protective Services (APS)

Our Adult Protective Services program is mandated by the State to provide protective services to adults who are impaired and at risk in the community and have no one to responsibly assist them. In order to improve our current case management services, we will be launching two new automated systems. The first, Financial Focus, is software that will assist 2,300 financial management clients. This software will allow for faster issuance of individual checks, enable group payments and eliminate the need for antiquated ledger books. The second is a program called APSNET which will streamline processes, reduce time to request services, facilitate effective service coordination and enforce best practices. By 2011 both of these automated systems will be integrated to provide a seamless solution. Additionally, APS has been working in partnership with the NYPD Domestic Violence Unit to train officers on the APS mandate to report abuse and how the NYPD can help us investigate allegations of abuse.

Home Care Services Program

Our Home Care Services Program is one of the largest in the country and oversees the Medicaid-funded, non-institutional long-term care programs in the City. HRA determines eligibility and authorizes service for the 44,277 consumers in the Personal Care program. We also review service plans and authorize service for more than 27,000 clients in the Managed Long Term Care program and over 14,000 clients in the Long Term Home Health Care program. Our services promote the self-sufficiency of the elderly, disabled, and infirm by enabling them to remain in their homes and in the community and avoid institutionalization.

One recent initiative I want to bring your attention is the development of a sophisticated computer program, the Long Term Care Web or LTC Web that we are testing this month in a single office, with rollout across all our borough offices over the next 12 months. The LTC web expedites the delivery of services and imposes uniform practices across field offices. In addition to tracking and recording each client encounter, the LTC Web will improve communication with vendors by documenting exchanges involving hours of service, start dates, and other critical information.

The HIV/AIDS Services Administration (HASA)

The HIV/AIDS Services Administration (HASA) is committed to high quality services that are individualized, efficient, and effective. Our work brings all sectors of the community together to ensure that these medically-eligible individuals and families have adequate housing, financial security, medical care and other services necessary to allow them to manage their illness and live with the highest level of self-reliance and dignity. HASA currently serves 31, 677 clients. In addition to HASA case management services, we have contracted supportive housing that also provides case management services. We have approximately 200 center-based financial staff that performs eligibility determinations for cash assistance, Medicaid, Food Stamps, and on-going rental assistance. This work is further enhanced by on-site Credentialed Alcohol and Substance Abuse Counselors who assess and refer clients to treatment programs, Disability Services Program staff who develop and appeal SSI/SSD applications to facilitate long-term incomes for HASA clients, and the Clinical Health Assessment Team that assess clients to help them identify the best model of housing to meet their needs.

IV. THE CITY 2011 PROPOSED BUDGET

As you all know, the State and City are facing very serious budget challenges this year. There just is not the revenue available that we have had in previous years. This challenge has forced us to look hard at our operations to find additional efficiencies and eliminate waste – but also to re-examine what our core responsibilities are and consider withdrawing from tasks that we can no longer afford to continue to perform.

This present budget does not include layoffs, although I can not make similar assurances for future budgets. Overall, we have continued earlier exercises to maximize federal revenue sources, especially Medicaid. This involves transferring staff and/or their responsibilities as

appropriate, reorganizing workloads, and better identifying areas eligible for federal reimbursement. In addition, we were able to continue to find savings through space consolidations and further reducing overtime and consultant expenditures. We also created savings through programmatic changes and reductions. However, in needing to identify over \$249 million City tax levy (CTL) savings over the next five years, it also becomes necessary to look closely at the performance of all programs and whether they fall within our core mission. Some of the changes that are required by our circumstances are as follows:

Relationship Abuse Prevention Program (RAPP)

Although a difficult decision, we are eliminating the Teen RAPP program that provides relationship violence prevention education and services to youth in the public school system. I understand that this is a popular program and provides an important message to young people but these difficult times require us to make difficult decisions.

Adult Protective Services Staffing

Similarly, this budget situation requires us to eliminate 21 APS caseworker positions through attrition. The current budgeted caseload ratio for APS caseworkers is 1:25 and this changes the ratio to 1:28. This program is doing a great job at streamlining their operation and looking at more efficient ways to utilize their staff resources and I believe they will be able to accommodate this reduction without an impact on services.

HIV/AIDS Services Administration (HASA) Case Managers

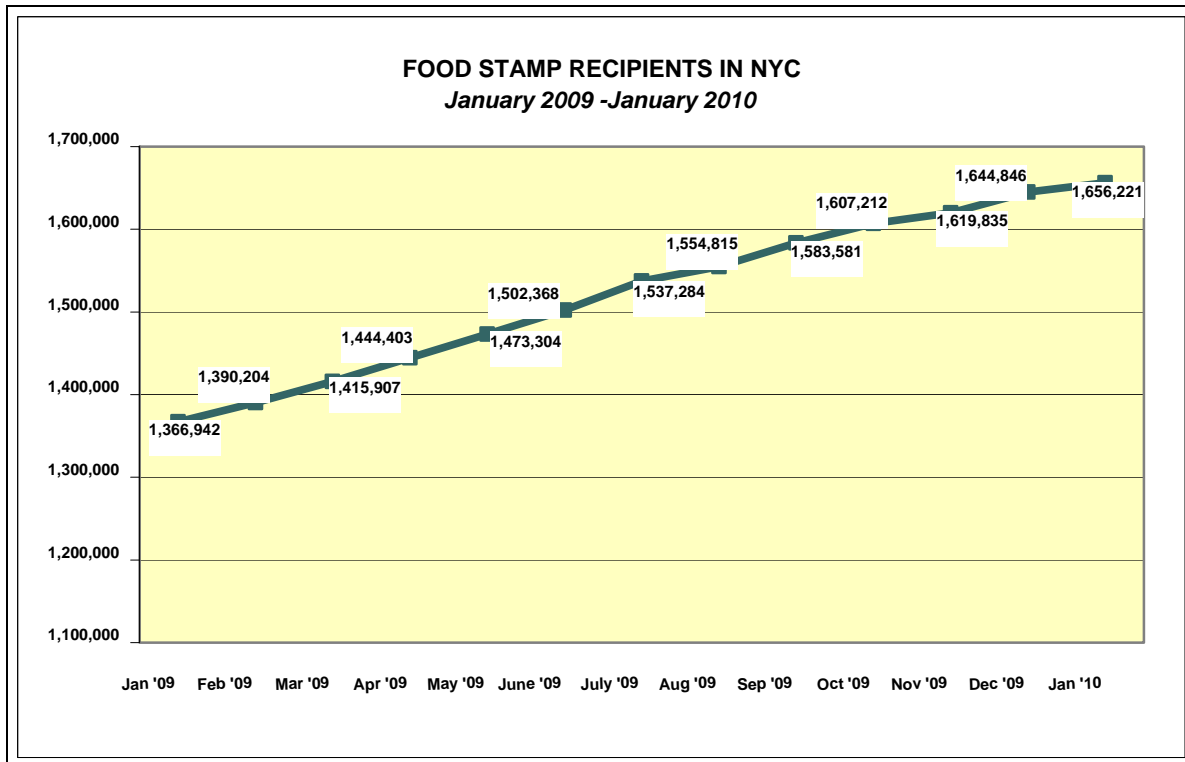
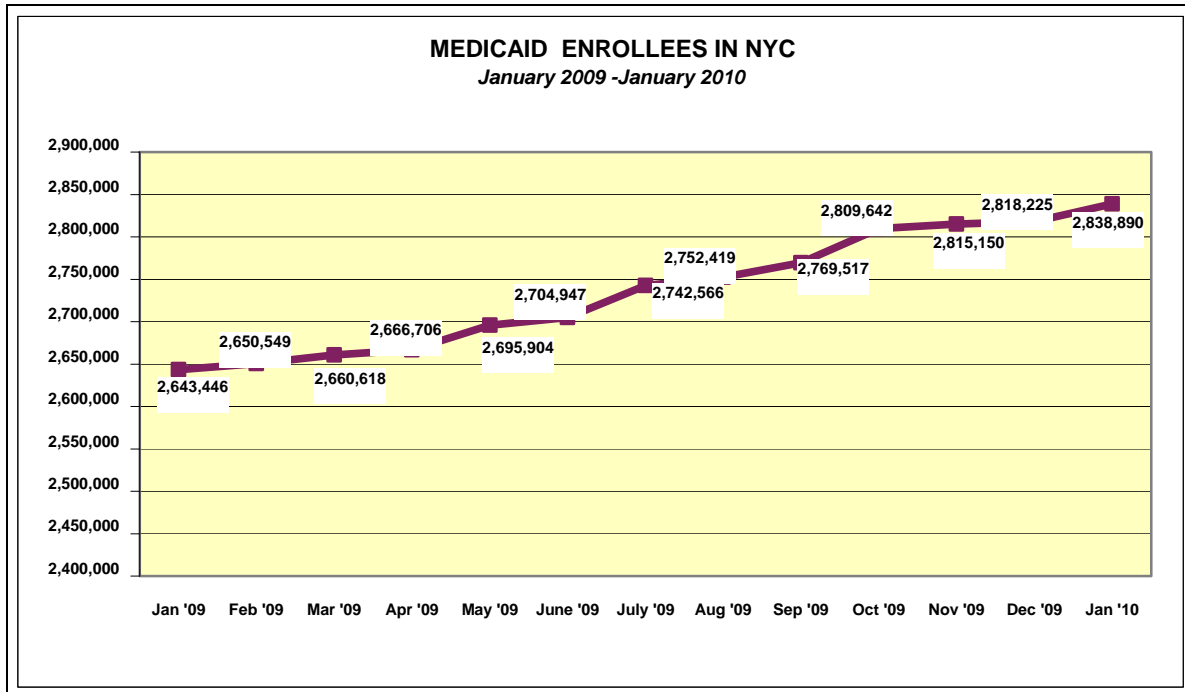
We will now include caseworkers at contracted supportive housing programs as part of the case management staff ratios for HIV/AIDS Services (HASA). The January 2010 PEG that reduced contractor caseworkers for FY11 and out-year budgets would be reversed and the reduction of 279 HASA case management staff would occur through attrition and redeployment. As part of this change, liaisons will be assigned to serve the needs of supportive housing staff and clients. In their capacity as intermediaries, they will ensure that HASA clients in contracted supportive housing and their case managers have adequate and ready access to HASA services and benefits as needed, as well as to other HRA services like home care. Taking into account these new liaison positions, along with some additional staff to support their work, the actual net reduction in HASA staff will be 248 positions. Again, we will achieve this reduction through attrition and redeployment – not layoffs.

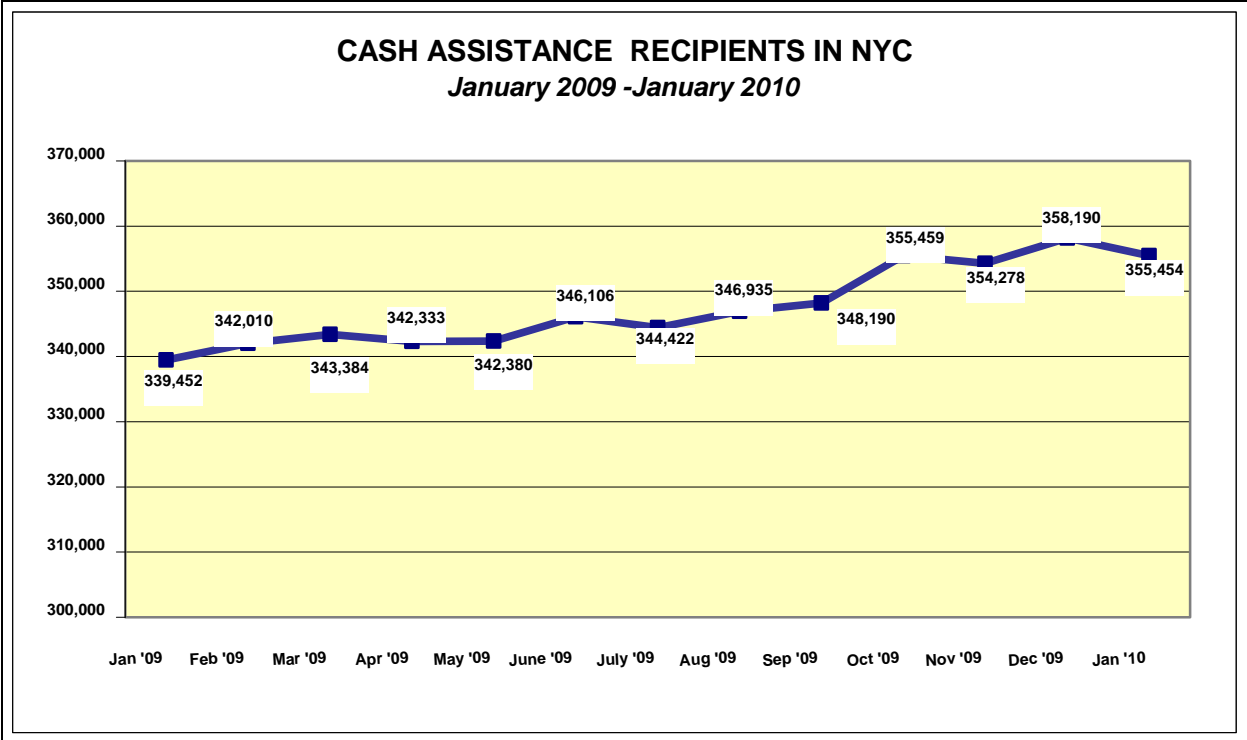
Employment Programs

We are reducing our WeCARE and Back To Work (BTW) contracts and eliminating a participation milestone that was added to each of 8 BTW contracts. It was used to fund the equipment and work needed to set up the process for additional documentation collection required by the Federal Deficit Reduction Act of 2005 and the start-up is now completed. We are also implementing a 10 percent reduction in future WeCARE program contracts. The program has been in existence since February 2005 and over this span of time both the vendors and HRA have developed the experience needed to operate the program more efficiently. In addition, the Department of Parks and Recreation initiated restructuring of its JTP program eliminating 737 out of 2,322 JTP positions, although we are now reviewing the number of these slots that could be funded in the short term with federal stimulus funds.

I acknowledge that we have had to make some difficult reductions to our budget in response to the dramatic and unprecedented fall in State and City revenues. 2009 was a difficult year but I believe HRA's staff did an outstanding job of meeting the demands placed on our agency. At this point I look forward to the Committees' questions.

MEDICAID, CASH ASSISTANCE, AND FOOD STAMP CASELOAD CHARTS:





CHILD SUPPORT ENFORCEMENT COLLECTION CHART:

