



**Testimony of
Coalition for the Homeless**

presented by

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before the
Fiscal Committees of the NYS Legislature

on
The 2011-2012 Executive Budget Proposal for Health and Medicaid

March 3, 2011

Good Afternoon. Thank you, Senator DeFrancisco and Assemblyman Farrell for holding this important hearing and inviting me to share some insights with you regarding the Executive Budget proposal for Health. My name is Shelly Nortz and I serve as the Deputy Executive Director for Policy with Coalition for the Homeless where I have been a public policy specialist for the last 24 years.

The deepening problem of homelessness in our state is not without serious implications for the health of our population and the costs of our healthcare system. These considerations should inform the choices made in negotiating the health budget.

Record Homelessness

Let me start by sharing just a few fundamental facts:

- ◆ In 2010, more than 113,000 different men, women and children – an all time record - were admitted to the New York City shelter system, and nearly 43,000 of them were children.
- ◆ Eighty-five percent of the homeless population in New York State is in New York City, where income inequality – a key factor in the economics of homelessness - has reached an unprecedented extreme.
- ◆ The number of families turned away from shelter in the City has skyrocketed since 2007 from 1,052 families per month to 1,855 families per month.
- ◆ Shelter demand among unaccompanied homeless women has also been rising unabated in recent years and now stands at a record exceeding 2,600 per night in New York City.
- ◆ Every night, 38,000 men, women and children bed down in the municipal shelters – among them, 9,700 families and 15,000 children.
- ◆ Every month this winter new shelters have been opened to accommodate the growing demand among men and women – with not a little prodding from our staff and the State. We are relieved that we have not seen the kind of chaotic admissions and over-night placements that posed such serious problem last winter.
- ◆ The fact that many homeless people suffer with multiple chronic illnesses and consume large amounts of costly medical services has been well documented, and more recent studies demonstrate that housing instability is a variable that can be changed to help address both the health and housing status of such individuals.
- ◆ And, these stark facts say it all: People without homes die 30 years earlier than people with homes. In New York the leading causes of death among homeless people are heart disease and cancer – cancer deaths at twice the rate of those in the general population.

Further, despite incremental efforts to build affordable and supportive housing, the current effort is clearly not sufficient to compensate for the loss of hundreds of thousands of affordable units due to deregulation and market forces.

Nor are current efforts able to keep up with a rising demand from new households and an un-abating need for housing with supports for populations that are no longer locked away in institutions, but left to find their way with the most meager of resources in a period of intractable unemployment. It is my assessment that the pace of special needs housing development has been cut by half since the early 1990's, and is insufficient to keep

up with the need deriving from of a population of 19.5 million people – our population has grown by more than 1.55 million individuals in the last couple of decades.

So - things are not good for homeless New Yorkers, especially those with psychiatric impairments and other disabilities, and families. Therefore, we want to underscore some critical recommendations that were submitted to but not voted upon by the Medicaid Redesign Team and urge the Legislature to include them in the budget:

Maximize participation in federal disability benefits and housing for high cost homeless people with disabilities

Coalition for the Homeless asks that a small \$1 million general fund program be established to help homeless people with disabilities obtain Federal disability and veterans benefits as well as stable housing modeled on our own small **Client Advocacy Program**. Such an investment literally can pay for itself in interim assistance recoveries paid to the state from the retroactive benefits awarded to the recipient. This is one way the Social Services budget could also help with Medicaid Redesign – the more people with disabilities and unstable housing we can get into Federal disability benefits, Medicaid, and housing, the more taxpayer funds can be saved by cutting down on preventable hospital readmissions and unmanaged chronic illnesses that often become acute and very costly for those without a home.

Maximize participation in Medicaid by Eliminating “Hospital Medicaid” and replacing it with Medicaid Managed Care/Behavioral Carve-out/Health Home/Special Needs Plan Enrollment On the Spot

Coalition for the Homeless recommends that New York take full advantage of the Affordable Care Act authority to establish presumptive Medicaid eligibility when people without insurance are hospitalized. Under current practices, the hospital bills of such people are often paid under what is called “hospital Medicaid” – a device that allows hospitals to be paid with an open-and-shut Medicaid transaction that does not supply the patient with a Medicaid card that could be used to obtain prescriptions or follow up care. This contributes to the revolving door of preventable hospital readmissions and must be changed. By enrolling people in Medicaid/managed care on-the-spot, this approach helps with continuity and follow-up care and also would “lock” in the Medicaid benefit for 6 months so that people will not lose their Medicaid when they lose their cash assistance or housing.

Include recipients with no address in MAMC and any behavioral carve-out rates.

A technical but vital issue arises when speaking of enrolling homeless people in any kind of capitated system: in the past, while the mental health Special Needs Plans were out to bid, the rate tables upon which the bids were to be based segregated out exempt and excluded groups, including those with no address. If homeless people are to be served in fact by any of the care management structures, their utilization data has to be included in the rates. They were the most expensive group, the last time we looked, so if their data are not included, we think they will be effectively excluded, whether exempt or not.

Continue the homeless exemption to allow homeless people continuity of care with treating providers including healthcare for the homeless centers.

Coalition for the Homeless agrees that the care of homeless people should be better coordinated and enriched, but at least a limited exemption from mandatory managed care must be maintained for two reasons. First, there are at least 14 federal healthcare for the homeless grantees in New York serving over 91,000 patients in a great variety of settings including shelter-based clinics. One such provider counts six in ten of its patients as a Fee for Service Medicaid patient, and forty percent of its revenue from that source. The ability of homeless people to access these services in their shelters and neighborhoods where their shelters are located is of critical importance, and we therefore ask that the homeless exemption remain. At the same time, as medical homes are being established, it may make some sense to include these clinics on the front

lines, particularly for chronically homeless people whose housing stability will be significantly aided by access to this care and support.

Establish Housing Vouchers for 2000 high cost mentally ill Medicaid recipients with unstable housing
Coalition for the Homeless believes that a sort of triage approach to helping the highest cost patients with unstable housing is supported by the research. We think the provision of immediate housing to the highest cost patients can be effected while also saving the state funds - \$1200 per person per year - that can then be reinvested in housing more such individuals.

I want to mention just a couple of additional MRT issues that have a bearing on our clients.

New York/New York IV

We note with appreciation that a fourth New York/New York Agreement is contemplated. A workgroup recommended by the MRT is expected to address by September the specifics of how to build 5,000 to 10,000 supportive housing units. Coalition for the Homeless recommends that the plan, in addition to the laudable plan to provide supportive housing for those seeking to avoid or leave Nursing Home placements, also ramp up the production of housing for homeless people with disabilities. It is of critical importance to build more of this housing more quickly, because the current pace of production is not keeping up with the need, and the shelter numbers continue to rise at great public expense. A supportive housing unit built in 2011 will be less costly than one built in 2013 or 2015, and it will put more people to work sooner as well. Coalition for the Homeless asks that NY/NY IV include 4,000 units per year for the first three years to provide supportive housing for homeless people with disabilities.

Behavioral Carve-out/Special Needs Plan

Coalition for the Homeless is hopeful that an HHC Special Needs Plan/Health Homes plan may be the right solution for New York City and is eager to join in discussions about how homeless people may best be served in such a system. It will be important for HHC to adopt new approaches that emphasize recovery, rehabilitation, and housing if this plan is to succeed.

Exempt homeless people from co-payments

Coalition for the Homeless is concerned about the impact of the co-payment proposal for our clients. For people who cannot afford the subway, and who suffer with chronic illnesses in need of primary care, it makes no sense to erect such a barrier to healthcare. We ask that homeless people be exempt from co-pays.

Un-Freeze Homeless Housing

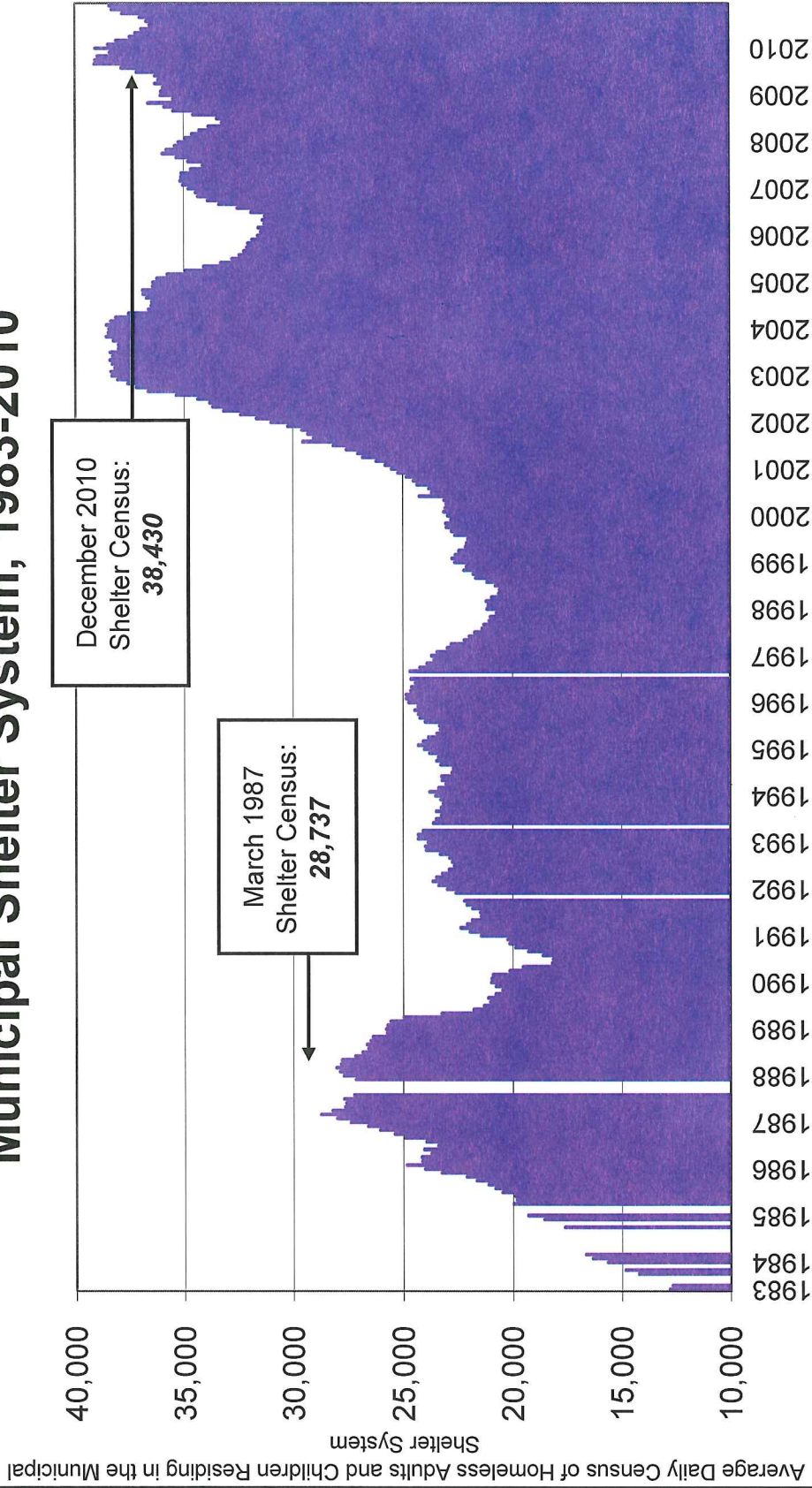
I want to mention just one item from the broader budget discussion that impacts the health budget, and that is the Office of Mental Health housing budget. It is our understanding that DOB is holding back on some homeless housing at OMH that would not save any real money this year but would in future years when the units are slated to come on line. At a time of record homelessness, we ask that the Legislature assure that all homeless housing pipelines remain open, not frozen.

Further, we urge that future budget balance be achieved in part through extension of the surcharge on high-income earners, not freezing housing investments that generate jobs and taxes. None of us can afford to blow a \$5 billion hole in the budget for next year when we have such extreme income inequality and record homelessness.

Conclusion

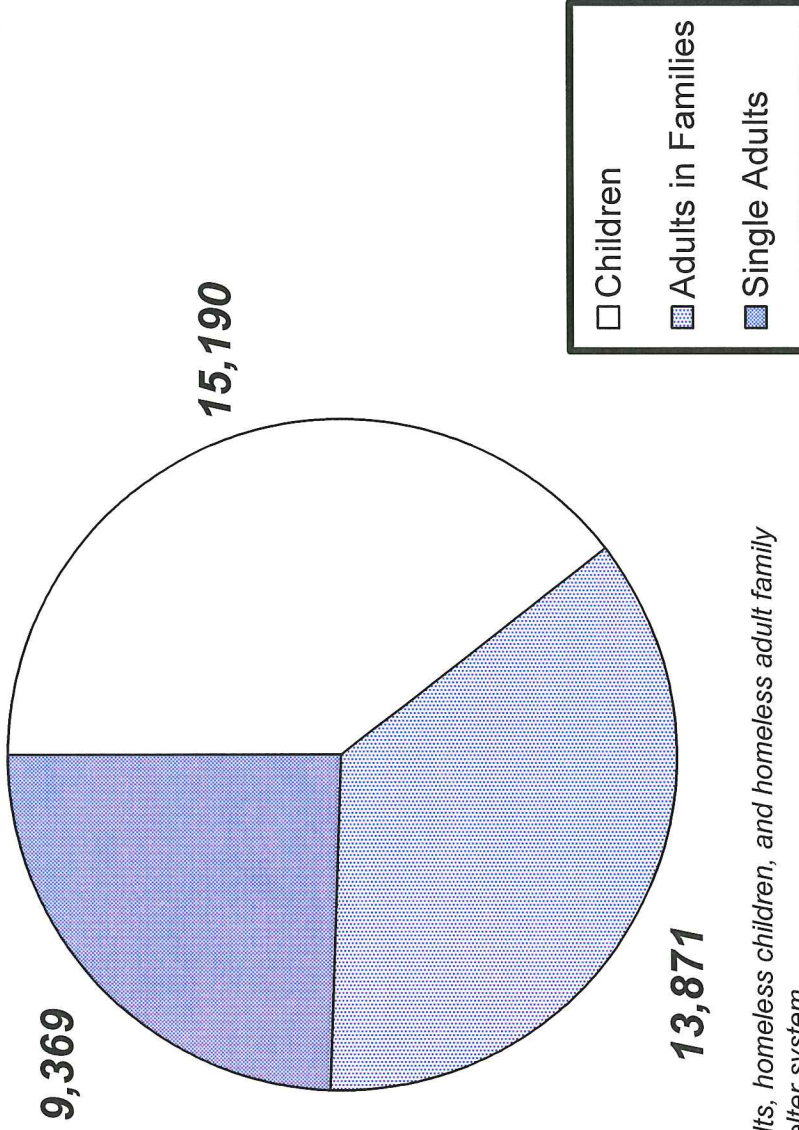
Thank you for your interest, I will be most pleased to answer any questions you may have either now or in the coming days and weeks.

New York City: Census of Homeless People in the Municipal Shelter System, 1983-2010



Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

New York City: Census of Homeless People in the Municipal Shelter System, December 2010

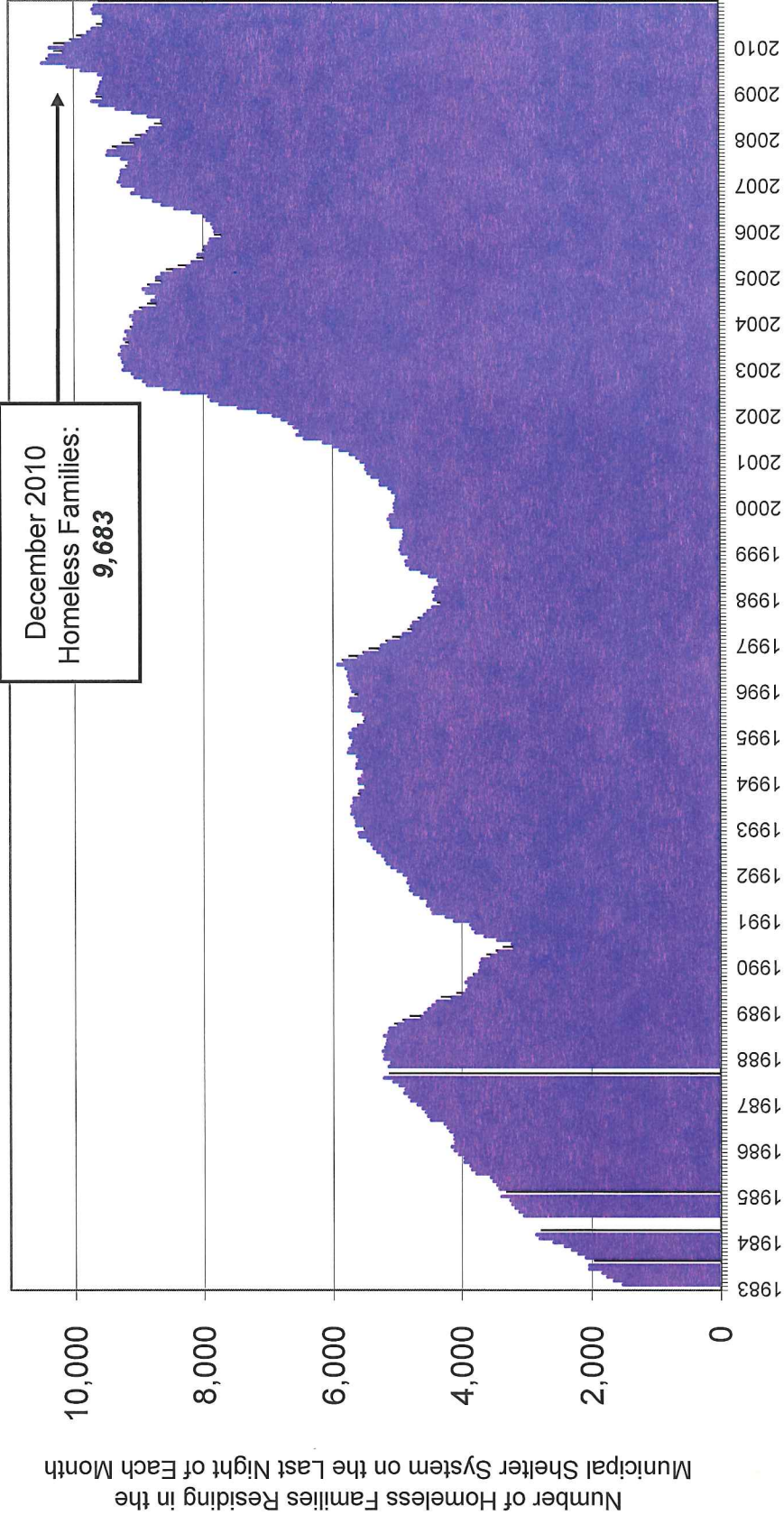


Total NYC
Municipal
Shelter
Population:
38,430

Note: Number of homeless single adults, homeless children, and homeless adult family members, residing in the municipal shelter system.

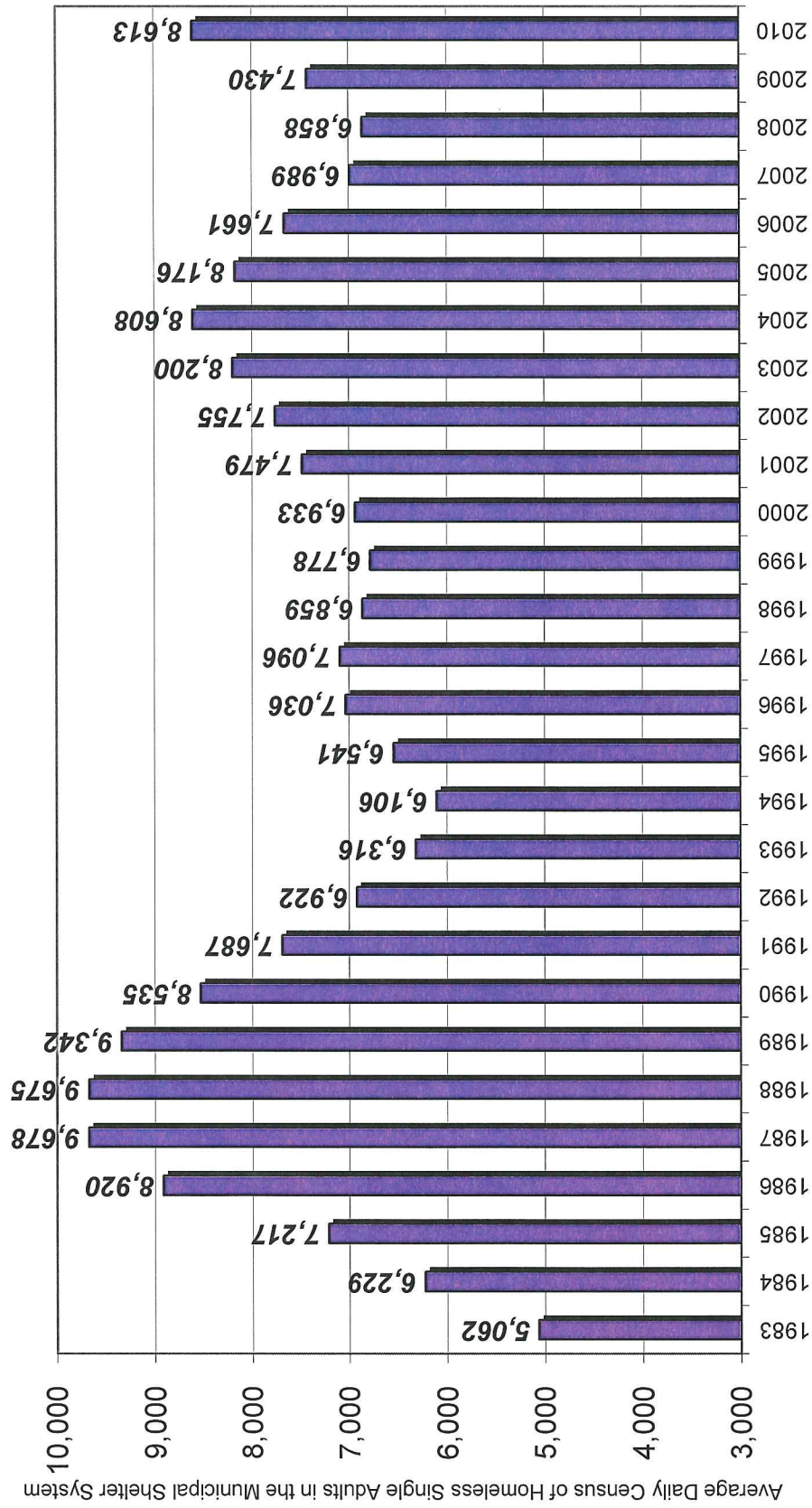
Source: New York City Department of Homeless Services, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

Number of Homeless Families in the New York City Shelter System, 1983-2010



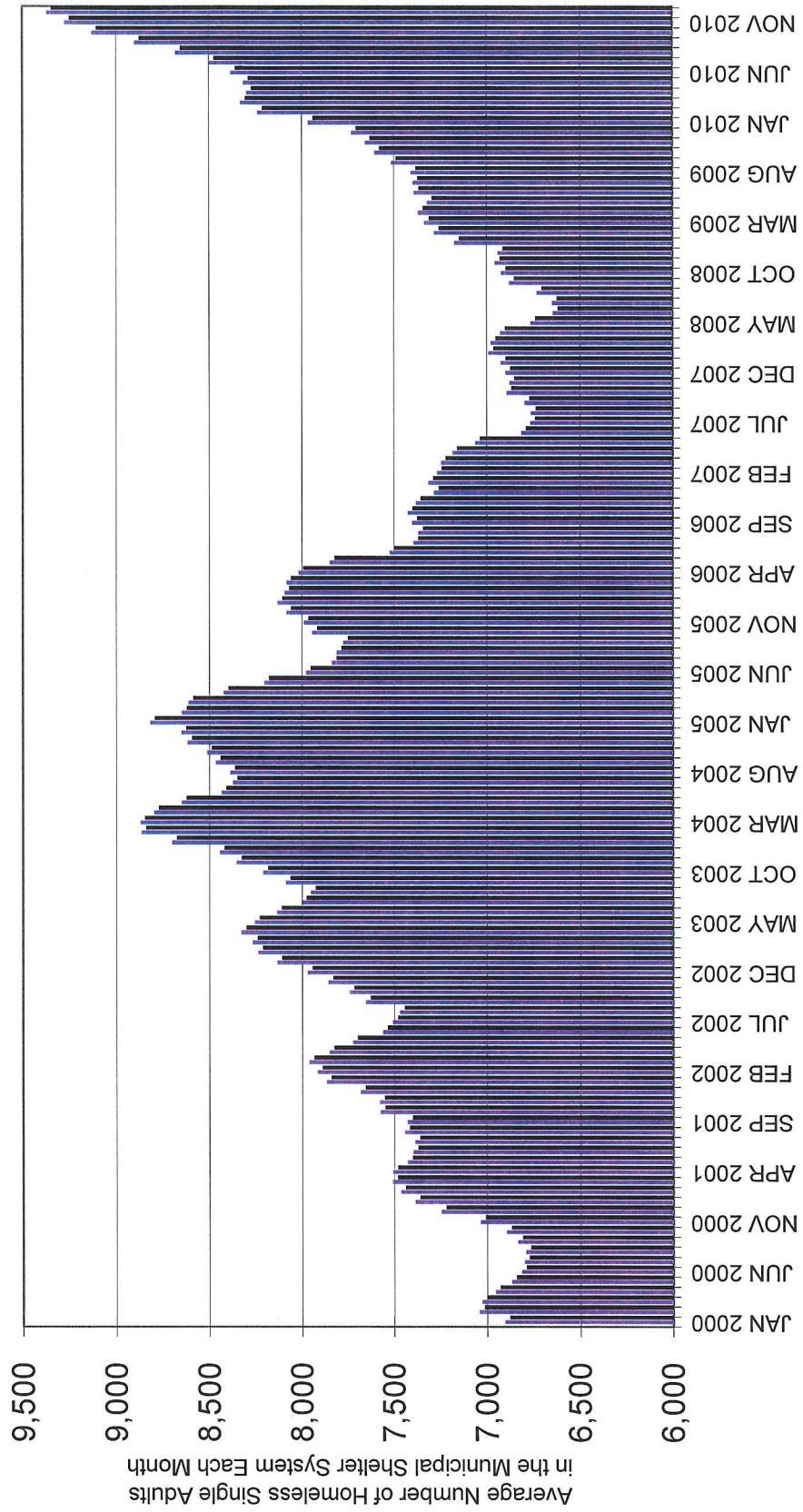
Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

New York City: Average Daily Census of Homeless Single Adults in the Municipal Shelter System, 1983-2010



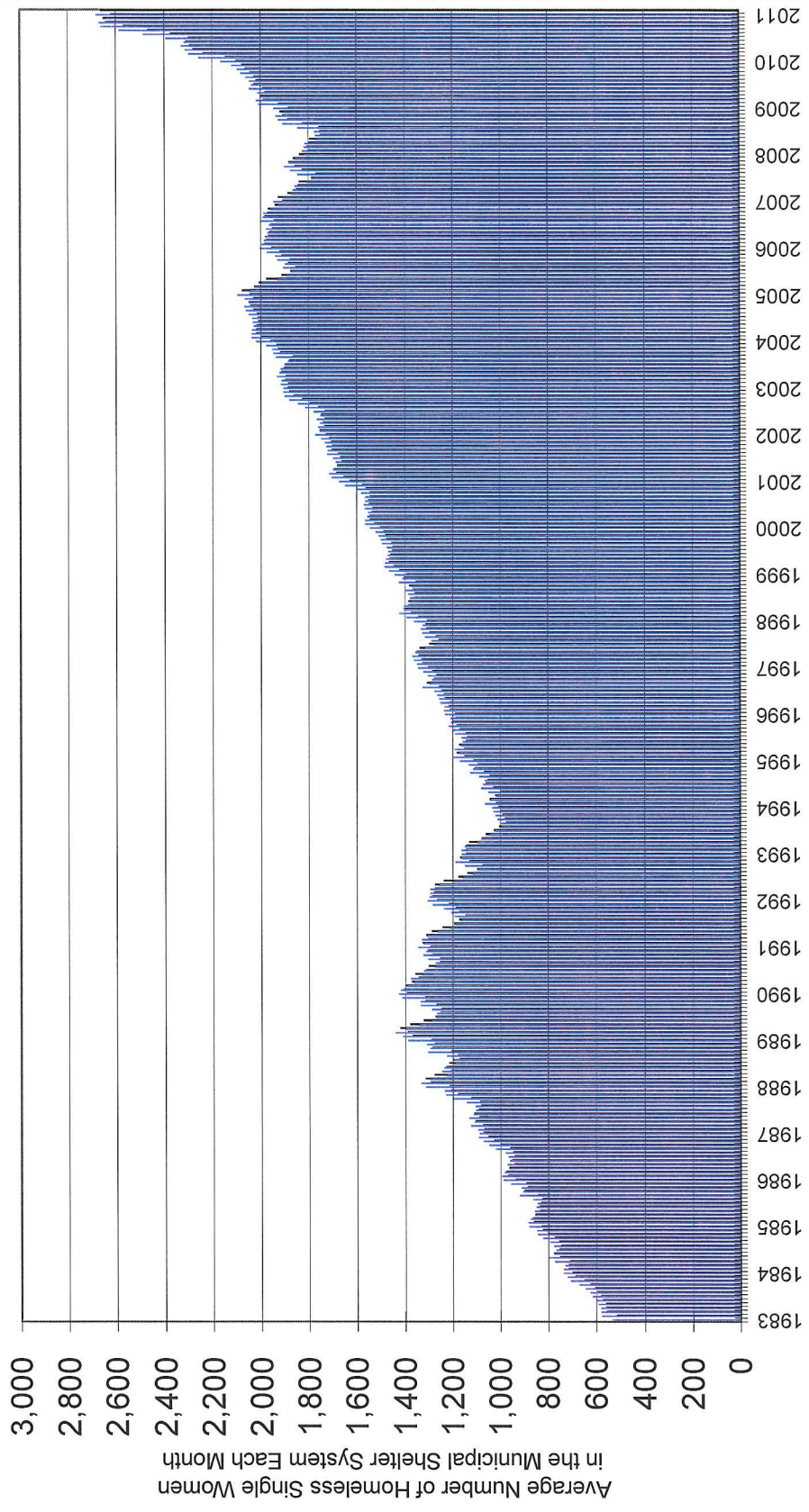
Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

New York City: Average Daily Census of Homeless Single Adults in the Municipal Shelter System, 2000-2010



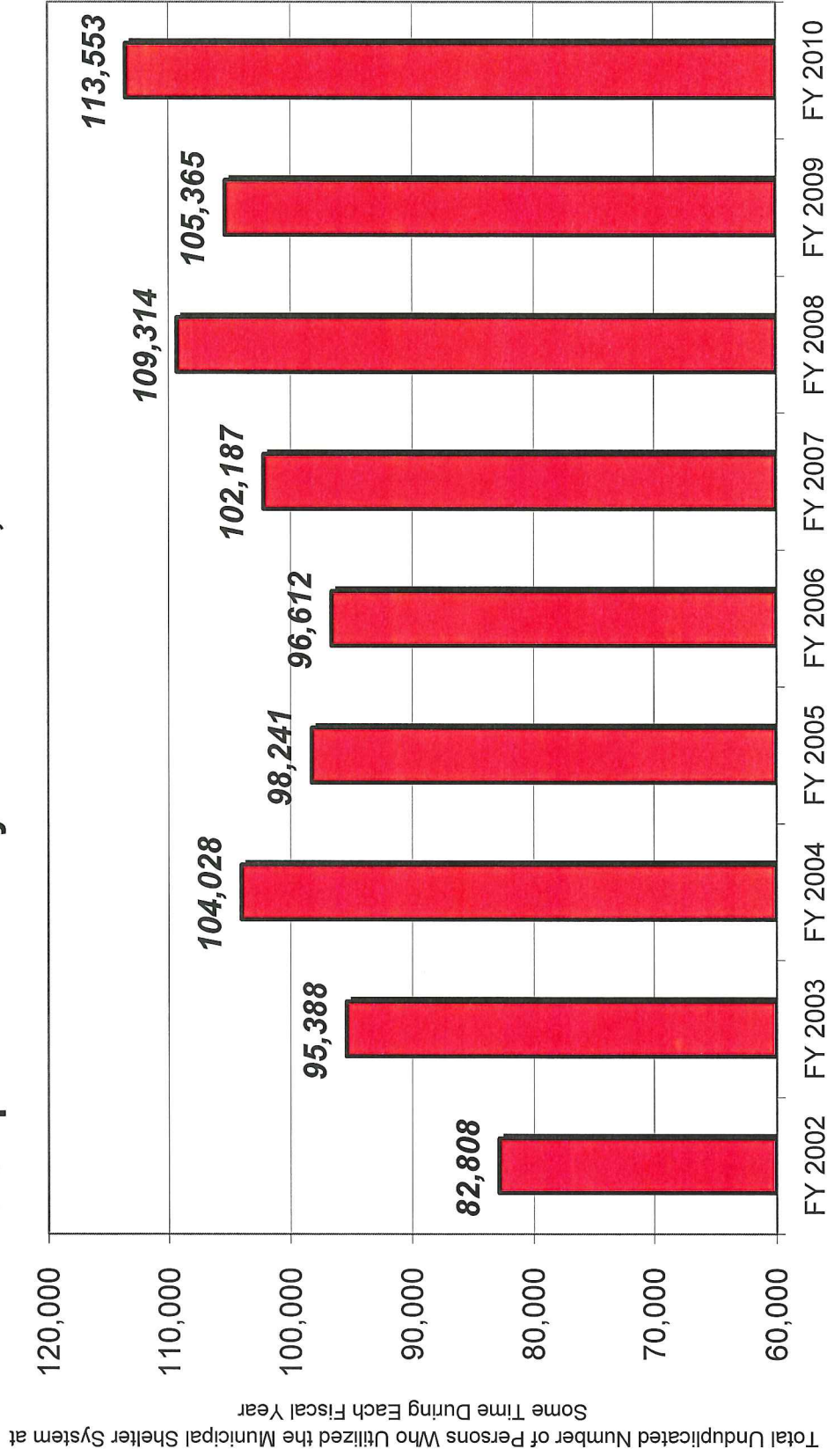
Source: New York City Department of Homeless Services, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

New York City: Average Daily Census of Homeless Single Women in the Municipal Shelter System, 1983-2011

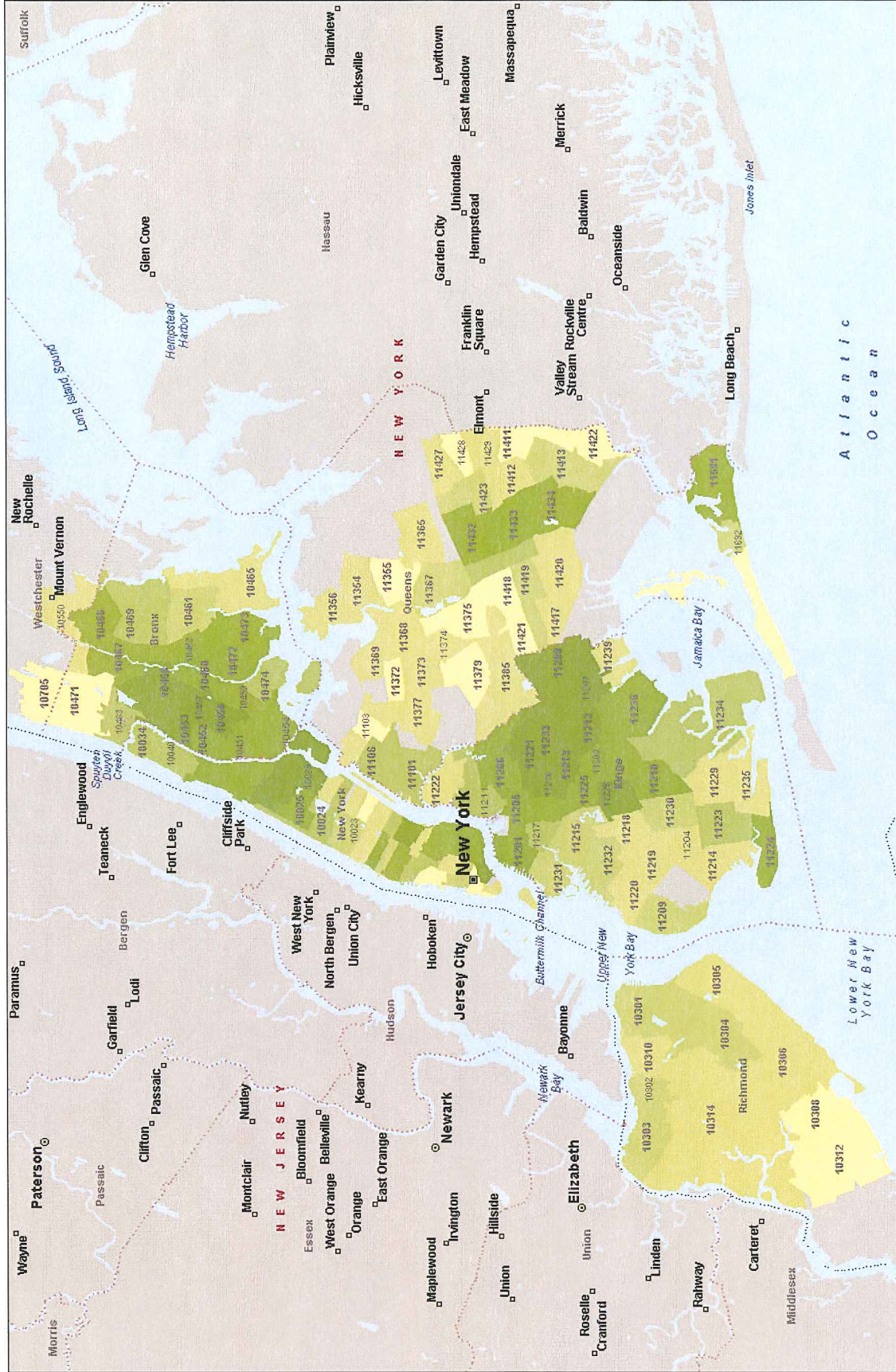


Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

NYC: Number of Different Homeless Adults and Children Who Slept in Shelter System Per Year, FY 2002-FY 2010



Source: NYC Department of Homeless Services, Critical Activities Reports



This map shows where new Coalition clients came from by zip code in 2010. The concentration is indicated by the shades of green, with yellow representing the lowest concentration, and dark green representing the highest concentration of 100 or more.