



Executive Officer Erik Geizer's Testimony

*Joint Legislative Hearing of Senate Finance and Assembly
Ways and Means Committees on FY 2021-22 State Budget*

February 5, 2021

I am Erik Geizer, Chief Executive Officer of The Arc New York, the largest non-profit provider of services for people with I/DD in New York state. I thank you for the opportunity to provide feedback on the proposed Executive Budget and its impact on our field and the people we support.

Any discussion of budget priorities today must begin with a candid accounting of the financial impact of COVID-19.

The population we serve is at extremely high risk of COVID-19. Studies published in collaboration with Syracuse University clearly illustrate that people with I/DD living in residential programs are two times as likely to contract COVID-19 than the general population, and four times as likely to die from infection.

Two times as likely to contract COVID-19. Four times as likely to die.

Yet, the state has taken little action to protect these vulnerable citizens. Providers have not received hazard pay for our dedicated frontline staff. We have not been designated a priority for access to PPE. Federal aid has been withheld from our sector. We have been hit with further cuts when we should have seen support.

Providers face an estimated loss of more than **327 million dollars** due to the pandemic in 2020 alone. Field-wide, we have spent more than **34 million dollars** to procure PPE, and **130 million dollars** on enhanced compensation to keep shifts filled during this crisis.

To date, the net impact of the COVID-19 pandemic on New York's voluntary providers is **over half a billion dollars**.

A 500 million dollar burden would be difficult to shoulder if our system was financially sound. But it is not.

We have lost an estimated **5 billion** in funding over the last decade. While costs escalated, provider organizations received only one cost-of-living adjustment in ten years – of just **0.02**

percent. This year is no different. We estimate another **89.7 million** will be lost to the system if the COLA is again deferred.

And now we are bombarded with new cuts.

The Department of Health announced the proposed elimination of bridge payments to cover the often-lengthy process of filling residential vacancies.

Proposed 50-percent cuts to retainer and therapeutic leave days and a cap on therapeutic leave days would cut another **230 million dollars** in services for people with I/DD, and force families to choose between spending time with their loved ones and preserving critical funding for their services.

We're grateful those cuts have been deferred until May, but they're still looming - only three months away.

Now, the Executive Budget proposes a further 1% cut in Medicaid. This cut would have an estimated **60 million dollar** annual impact on OPWDD providers. **This cut would be devastating. And this cut is not smart.** It would leave **tens of millions of dollars** in federal matching funds on the table – at a time when we should be maximizing every opportunity for federal aid.

We are pleased that a portion of the previous 20% withhold will be repaid, but a 5% reduction on non-Medicaid state aid funding now continues into 2022. This 5% withhold represents an annual loss of 15 million dollars in critical supports, including rent and food subsidies and family supports.

Collectively, these actions would cut 335 million dollars in supports for New Yorkers with I/DD.

Last year we testified before this committee that – due to a decade-long lack of investment in our system – a third of providers had been forced to reduce services or cut programs. Today we face 335 million dollars in new cuts and 500 million dollars in unreimbursed COVID costs.

How can nearly a billion dollars in losses result in anything but the dramatic erosion of services for New Yorkers with I/DD?

So what is our call to you?

- We ask that you **reverse all proposed cuts to services for New Yorkers with I/DD and reject the deferral of the COLA in this year's budget.**
- We propose that **\$25 million in federal COVID-19 relief funds be released to voluntary providers for the recruitment, training and retention of non-supervisory residential DSPs.**

- **We ask that you enact statutory protection to ensure all cuts to the I/DD system are restored if the requested federal funds are received by the state.** Currently, there is no such guarantee.

We are pleased to see robust support for telehealth and teleservices in the Executive Budget. Remote service delivery models promise to generate cost savings and enhance service quality and flexibility. We have proposed one amendment to further enhance the flexibility of teleservices.

We support OPWDD's Residential Program Management initiative, which both supports our charge to provide supports in the least restrictive setting and saves 22.7 million dollars in state share expenditures.

We recognize the challenges New York faces today are unprecedented, but this is not the time to cut funding for New York's most vulnerable citizens.

It is time to invest and transform. To partner with us to identify smart solutions that sustain quality services, generate savings and maximize federal funding. To build a smarter, stronger and sustainable system.

Thank you.