

**New York State Division of the Budget
Town Hall Hearing Testimony – November 27, 2007
Syracuse, NY**

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Good afternoon. I am Betty DeFazio, Corporate Director for Community Affairs & Public Policy from Planned Parenthood of the Rochester/Syracuse Region, Inc. (PPRSR). We are one of 12 Planned Parenthood Affiliates in New York State and as such we are part of the state's network of safety net healthcare providers who serve the ever-increasing number of uninsured and underinsured New Yorkers. Our affiliate offers a broad range of reproductive health services including family planning counseling and care, abortion options counseling and abortion services, breast and cervical cancer screening and testing, and treatment for sexually transmitted infections including HIV, as well as community-based education programs.

I am here today to report that unforeseen federal changes to New York's Medicaid waiver programs and years of under funding of family planning programs now seriously threaten New York State's publicly funded family planning program and family planning centers throughout the state. The

challenges our health centers are facing today are growing exponentially and new federal rules severely limit the services that can be provided under the Medicaid waivers.

PPRSR has 7 health centers located in 11 counties roughly running along the NYS Thruway corridor (west to Genesee and Orleans and east to Madison) placing us within the communities we serve. Family planning centers are important partners in improving health outcomes of low-income women and in reducing health care disparities.

We know our patients, they are our neighbors. We know their lifestyles and their families, and the communities in which they live; and, we are situated to meet their family planning needs. Family planning is cost-effective preventive health care and family planning health centers are eager to be more effective partners in reaching underserved communities.

Our current infrastructure is failing and without additional investment, family planning providers fear that we will be out of business and unable to be an integral partner in New York State's goals of patient centered health care.

Challenges of Safety Net Providers:

Family planning health centers are on the front lines of health care for low-income

women and families. Out of the 30,386 we serve annually, 26% of our patients live under 150% of the federal poverty level and 40% lack health insurance or have Medicaid.

Among the underserved are immigrants, refugees and New Americans. There is a growing recognition that it is essential to address challenges facing immigrant women to help decrease health care disparities. Cultural and language barriers to health care services remain huge obstacles for many refugees, immigrants and New Americans. Reproductive health care services are an especially sensitive area; making access in the face of these barriers even more difficult.

Family planning health care centers in New York State are working to reduce language and cultural barriers. Language assistance options, such as interpreters and language phone lines as well as translated documents are essential to offering cultural and linguistically comprehensive health care services, but are costly. Our affiliate of Planned Parenthood spends \$16,444 on providing language assistance.

New York's Medicaid waivers were supposed to ease some of the costs associated with providing services and increase the number of patients we were able to serve. But unforeseen administrative costs and changes on the federal level have resulted in these programs adding to the spiraling debt our affiliate faces rather than alleviating financial barriers and meeting reproductive health care needs of women. Our affiliate is currently \$455,000 into our line of credit and

expects to incur an additional \$20,000 in interest costs due largely to the quarterly payment structure the State's Department of Health has instituted.

Health care staff spends a significant amount of time enrolling patients into the federal Medicaid waiver programs, allowing patients who want to prevent an unintended pregnancy to obtain timely services. Unfortunately, our affiliate does not receive reimbursement for this additional staff time. As a result Planned Parenthood of the Rochester/Syracuse Region has had to spend an additional \$36,980 on staff training.

Now, new federal identification and citizenship documentation rules have significantly increased administrative expenses associated with enrolling patients into the family planning waiver programs. An increasing number of clients are unable to produce the documentation necessary to enroll in Medicaid and the family planning benefit program.

Cost of Health Care Services

Medical inflation rates in health care have soared. PPRSR has seen increases in contraceptive costs, lab tests and employee health insurance:

- Lab tests for our center have increased to 4 percent annually
- We've discontinued offering some of the newer, effective contraceptives due to cost: Mirena is approximately \$300 each and Implanon is approximately \$270 each. From 2005 to 2006, there was a 200% cost increase in Nuva-Ring

- Cost of providing health insurance for our staff is also increasing. Our health insurance costs have risen in 2005 to 2006 by \$30,000 and will increase in 2007 to 2008 by an estimated \$42,000.

These increases directly impact the patients we serve.

- **Contraceptive Choice:** Choosing a contraceptive method to best fit one's lifestyle is strongly correlated with compliance. Yet low income women do not have a choice because newer methods of contraception are too expensive for health centers to offer. (I already mentioned the costs of the newer methods above.)
- **Rapid HIV Testing:** Health care centers need access to rapid HIV testing for their clients. Getting people to agree to be tested and receive their results is the cornerstone of the fight against the spread and treatment of AIDS. Health care centers need to be able to provide rapid HIV testing so willing patients can be tested and receive results immediately. The cost of providing this test is prohibitive to many safety net providers. Family planning health centers can be effective partners with the State in our shared goal of having more people tested, maintaining people's negative status, and counseling people who test positive from engaging in risky behavior.
- **The thin-prep Pap smear:** This gold standard cancer screening test is too expensive for many affiliates to offer its patients.

There are enormous savings that come from preventing complications of untreated STIs, or from the early detection of breast and cervical cancer. When women are able to plan and space pregnancies, health outcomes are better and costs are lower. New York's statewide view of health care is transitioning to preventive patient centered care. Family planning health centers provide a model for this type of care, rooted in prevention.

As you plan the upcoming budget we ask that you recognize that it is more important than ever to increase New York State's support for family planning services.

Thank you for this opportunity to provide testimony today.

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