

HEALTH AND HUMAN SERVICES
VETERANS AND SENIORS COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE

OPERATING BUDGET

A Special Joint Meeting of the Health and Human Services Committee and the Veterans and Seniors Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on October 22, 2007, to discuss the matter of the 2007 Operating Budget.

MEMBERS PRESENT:

Legislator Steve Stern - Chair/Veterans and Seniors Committee
Legislator Eddington - Vice Chair/Veterans and Seniors Committee
Legislator Cameron Alden - Member/Veterans and Seniors Committee
Legislator Jay Schneiderman - Member/Veterans and Seniors Committee
Legislator John M. Kennedy - Member/Health and Human Services Committee
Legislator Lynne Nowick - Member/Health and Human Services Committee

ALSO IN ATTENDANCE:

Presiding Officer William Lindsay
John Ortiz - Senior Legislative Analyst/Budget Review Office
Diane Dono - Senior Legislative Analyst/Budget Review Office
Jill Moss - Assistant Legislative Analyst/Budget Review Office
Verna Donnan - Legislative Technician/Budget Review Office
DuWayne Gregory - Aide to Legislator Mystal
Barbara Lomoriello - Aide Presiding Officer Lindsay
Marge Acevedo - Aide to Presiding Officer Lindsay
Ben Zwirn - Assistant Deputy County Executive
Janet DeMarzo - Commissioner/Department of Social Services
Ed Hernandez - Deputy Commissioner/Department of Social Services
Patricia Clark - Director of Finance/Department of Social Services
Linda O'Donohoe - Assistant to the Commissioner/Department of Social Services
Dr. Chaudhry - Commissioner/Department of Health Services
Bruce Blower - Director/Handicapped Services
Holly Rhodes-Teague - Director/Office for the Aging
Len Marchese - Director of Management/Department of Health Services
Ken Knappe - Principal Analyst/Department of Health Services
Debra Alloncius - Legislative Director/AME
Thomas B. Williams - Cornell Cooperative Extension
Tim Jahn - Cornell Cooperative Extension
Pamela Johnston - VIBS
Joseph A. Harder - Chair of Liaison Committee to Health Centers

Michelle Santantonio - Long Island Housing Partnership
Steven Laskoe - South Brookhaven Health Advisory Committee
Anita Fleishman - Pederson-Krag Center
Phyllis Potts
Mary Therese Kaniecki

[MEETING WAS CALLED TO ORDER AT 1:39 P.M.]

CHAIRMAN STERN:

Welcome to the Joint Committee of the Veterans and Seniors and Health and Human Services Committee. I'm going to ask everybody to please rise, join us in the Pledge of Allegiance led by Legislator Kennedy.

(*Salutation*)

I ask everybody to please remain standing and join us in a moment of silence as we keep all of our very brave men and women fighting for our freedoms overseas in our thoughts and prayers.

(*Moment of Silence*)

VICE CHAIRMAN EDDINGTON:

I just wanted to start the meeting to let you know that my whole area, the Seventh Legislative district, particularly the Village of Patchogue, is very honored today, because Michael Murphy, the Navy Seal who defended our country with his life, is getting the Congressional Medal of Honor today as we speak, so I just want to keep him in our memories, too.

(*Moment of Silence*)

CHAIRMAN STERN:

We're going to begin with calling the cards in the public portion. First is Mary Therese Kaniecki.

MS. KANIECKI:

Do I have to go over here?

CHAIRMAN STERN:

Yep, right here at the podium. And you have three minutes. Good afternoon.

MS. KANIECKI:

Good afternoon. Is this working? Okeydoke. Good afternoon. My name is Mary Therese Kaniecki, a resident of Brookhaven Township, but I'm also a patient at the South Brookhaven Health Clinics, and very upset that for five consecutive years, we've been -- had our budget cut or maintained at a previous level. It's so bad now that we can't really even think of another cut. It's hurting our hours of operation.

It's almost unbelievable that we would be under the ax one more time. These health centers have been reduced to the point where staff is bare bones, there is not one extra person. In fact, there's many reductions as staff alone. Therefore, we also have a great reduction in services, less hours, less people served, and the people who can least stand it.

From now on, if this goes through, we will lose all our weekends, and our evening hours will be cut even more.

This is the one time that a lot of people need to have the clinics open, especially fathers, single mothers who must work. To maintain the funds for the clinics at the present piece of standard of operation is really not feasible. We must have some facsimile of an increase.

The reputation of the clinics in Suffolk County is known all over this country as the one place that was a shining star of service to its people, it's real people, and now we're going to take that away. And I'm afraid that our past glory is a victim of Steve Levy's urge to cut taxes. He can't let the caring part go away. He didn't promise that when he swore himself into office. And I'm wondering who is the real Steve Levy? He's certainly not the man I voted for. I hope that his real craving for cutting taxes and the fame he thinks he'll get from that won't result in a massive increase of ill people with serious illnesses, resistant types of illnesses. We'll all suffer from that once that starts

happening. I think Mr. Levy's reputation and our future is at serious risk here. I'm extremely worried, and most of the people I know who are going to the clinic feel the pinch already. It can't get much worse. Thank you for listening.

CHAIRMAN STERN:

Mary, thank you. Questions? Next is Phyllis Potts.

MS. POTTS:

Good afternoon.

CHAIRMAN STERN:

Good afternoon.

MS. POTTS:

My name is Phyllis Potts and I'm a resident of Brookhaven Township. I, too, am a patient at South Brookhaven Health Center, and many of my friends are.

The 2008 budget that the Executive has recommended for the health centers is a reduction from the 2007 to the amount of 1.2%. Considering that the health centers are part of Brookhaven Memorial Hospital Medical Center and have the same wage and salary programs, this is actually more than a 4% reduction.

In the past five years, the South Brookhaven Health Centers have reduced 53 positions from operations to meet the lack of funding provided by the County for delivery of health services. In 2004, the South Brookhaven Family Health Centers reduced access to the centers from 74 hours per week to 51 hours per week. We need these health centers to provide care for the community residents as myself.

This township has been identified as the fastest growing township in New York State, and many more community residents will need these services. A loss of funding will result in fewer staff, reduction in hours, and without the amount of staff, they can no longer staff the center for only 51 hours a week. They'll have to cut evenings, maybe weekends. This limited access is especially difficult for the working poor. I urge you to fund the health centers at a 3% increase, rather than reduction. This will allow the centers to continue at the current staffing and to operate evenings, and a decent amount of time during the week. After all, taxes is not the only issue here, people's health is.

There are so many of my neighbors who need a place like this. Many of them work two jobs. And it's really a shame that the poor are so often neglected. Thank you.

CHAIRMAN STERN:

Thank you, Phyllis. Joseph Harder.

DR. HARDER:

I speak not only for the -- our health centers in Brookhaven and Patchogue, but I'm speaking as Chair of the Liaison Committee for all the health centers. And I'm here, as someone said, to take off the gloves. I'm here to -- I'm not here and haven't been here for years to oversee the demise of the health center system, and I'm convinced that's underway. I'm convinced the locomotive is already on the tracks and speeding down. And how -- why do you think? Because I think there's an overall Levy plan.

First, the budgets have never been adequately funded for the health centers, it's always been a case of coming here to ask for the Legislature to restore funds. That I know, and I've been very appreciative of your efforts in that direction. Secondly, there's the selling of the -- the stripping of leadership, actually the stripping of leadership from the Division of Patient Care. Let me tell you, there's no one in the Division of Patient Care that's not convinced that there will no longer be a

Division of Patient Care in a year or two, and there's no one there that doesn't think that. The selling of the Suffolk Health Plan. SUNY's takeover of Coram as complete managing of that on a completely different basis. Nursing services are being cut, objectives are being very different. When you privatize an organization, you're going to make it for profit. What happens to the underinsured, the uninsured seems to be of no concern. Brentwood being demanded to double its services without any increase of funds, and being told that when they did double its production, that they would then be cut in half and see if they could do the same with half the staff; force the resignation of its administrator, a very, very good administrator who's leaving us.

And I think what is in place is the end of the health center networking system of community, County government and contract hospital working together. I think this is being planned.

The immigration issue is a big one, but it's being used as a smoke screen, because I've been to the centers, I don't see that there are immigrants crowding out other people who use it. So I think what it is, is the County's abandoning with Levy's plan its responsibility for health care or even for public health. In terms of even the immigrants, if they have diseases and they bring in resistant diseases or epidemics, if you're not taking care of them, it's everyone that will be exposed to those diseases and epidemics.

So what do I want the Legislators to do, to be brief? Well, I want you to restore some funds to all the health centers to show that you really value what they're doing, that you wish the health centers to survive. And secondly, I think you should push for public hearings on all of these changes, like creating a Department of Preventive Medicine to obviously replace the Division of Patient Care Service. Doesn't this call for public hearings? Quite unlike '95, where public hearings were held when just three health centers were threatened, now we're threatened with the privatization of all the health centers. So I think that there are things the Legislators can do, and I trust you and believe you that you will place the needs of the really needy in Suffolk County above any other ambition. Thank you.

CHAIRMAN STERN:

Thank you, Mr. Harder.

LEG. KENNEDY:

Mr. Chair.

CHAIRMAN STERN:

Legislator Kennedy.

LEG. KENNEDY:

Do we have an opportunity to question the speakers during this?

CHAIRMAN STERN:

We do.

LEG. KENNEDY:

Okay. Doctor.

DR. HARDER:

Oh, come back?

LEG. KENNEDY:

If you would, please. Just an observation and then a question. First of all, in the three years that I've been here and sat through these hearings, you consistently bring forward the needs of the health centers.

DR. HARDER:

Yes.

LEG. KENNEDY:

And I commend you on that. And I've seen you there at the Marilyn Shellabarger Center. But you also mention that you are a Liaison on the behalf of all of the clinics --

DR. HARDER:

Yes.

LEG. KENNEDY:

-- for us?

DR. HARDER:

Yes.

LEG. KENNEDY:

Okay.

DR. HARDER:

That's what Marilyn Shellabarger asked me to undertake when she left.

LEG. KENNEDY:

And I recall her leaving, as a matter of fact. And kudos to you, I guess, that you embrace that. So speak a little bit more, if you would, please, about what's going on with Stony Brook and the Elsie Owens Clinic, as opposed to the balance of our clinics. I don't quite understand the difference. Could you explain, please?

DR. HARDER:

Well, the management -- see, the Elsie Owens Center was a joint control by the County government, well -- and the Community Council, and the backup contract hospital was SUNY.

LEG. KENNEDY:

Okay.

DR. HARDER:

Now, that being changed, the backup hospital is taking over the total management of the Elsie Owens Health Center, it's no longer to be associated with the County.

LEG. KENNEDY:

And how is this to have occurred, Doctor? I mean, you mentioned before public hearings. I would imagine at any time such a drastic step is taken, we, as a governmental entity, don't we -- we have to conduct something beforehand to solicit the public input.

DR. HARDER:

I would think so.

LEG. KENNEDY:

Is that just --

DR. HARDER:

I would think so. This was what was not done. This was not done.

LEG. KENNEDY:

How did this occur, then, just by a stroke of pen in the budget or --

DR. HARDER:

People came down from Stony Brook and said the County had signed off and given them the total management responsibility.

MS. KANIECKI:

It's privatized.

DR. HARDER:

They privatized.

LEG. KENNEDY:

Okay. Bear with me one second, Doctor, because I'm going to ask BRO to comment on this as well, with the, you know, indulgence of the Chair. Can you comment at all, John?

MR. ORTIZ:

Sure. My opinion on it was that Stony Brook pretty much was running the health center. The County has no employees there. But the members from the Health Department might want to fill in more.

LEG. KENNEDY:

Again, this -- I'm merely a member here. At some point, Mr. Chair, if we have any representatives from the Health Department, if they might be able to enlighten us a little bit, I certainly would be interested to see how it is that we have one of our health clinics operating in such a drastically different fashion.

CHAIRMAN STERN:

Well, when representatives from the Health Department step up, you should have them --

LEG. KENNEDY:

I'll be more than happy to query them on that. Doctor, the other thing that mentioned, which I find is I think something that kind of gets at what you spoke about, which may be the ultimate demise of the clinics in total, is the proposed sale of the Suffolk Health Plan. Who uses the Suffolk Health Plan? How does the Suffolk Health Plan operate, Doctor? Are the residents there in the Shellabarger clinic?

DR. HARDER:

Oh, yes. The health center -- the Suffolk Health Plan actually attends our meetings of the Advisory Council, and wherever they're held, either Marilyn Shellabarger Center or in Patchogue. But what they do is provide us with patients that we do get funds from. So, to eliminate their contribution to us by selling them elsewhere means that there are some ten to fifteen thousand patients that will be reduced from our patient stream in the health centers.

LEG. KENNEDY:

What's the nature of these patients? I mean, do they use the clinics for just routine care, or do they have particular needs?

DR. HARDER:

Well, no. There's the -- the Suffolk Health Plan is in charge not only of patients that are awaiting clearance by Medicaid, Child Health Plus, adult Family Health Plus, and basically they're in charge of a lot of patients from whom we get funds. I can't go into it more deeply myself, I'm not too clear.

LEG. KENNEDY:

But that's fine. I think you bring out an important point, Doctor. In other words, that plan is a revenue source --

DR. HARDER:

Yes, it is.

LEG. KENNEDY:

-- for the clinics.

DR. HARDER:

Very definitely.

LEG. KENNEDY:

Okay. And so the sale would eliminate that revenue source.

DR. HARDER:

It would.

LEG. KENNEDY:

Okay. All right, Doctor, thank you.

LEG. ALDEN:

I have a question, too.

CHAIRMAN STERN:

Legislator Alden. Doctor. Dr. Harder.

DR. HARDER:

Oh, sorry.

LEG. ALDEN:

And this in your capacity as a member of the Advisory Panel. I represent, and I did represent more of them than I do today, but I represented the Bay Shore area.

DR. HARDER:

Yes.

LEG. ALDEN:

And as you know, there used to be a Bay Shore Health Center there, it serviced somewhere between 11,000 and 15,000 clients a year.

DR. HARDER:

I'm very well aware of it. We have a very loyal member of our Liaison Committee from -- you know, Mr. {VonNovack}.

LEG. ALDEN:

Okay. Is it your continuing recommendation that we reestablish a Bay Shore Health Center there

DR. HARDER:

Yes.

LEG. ALDEN:

Yes, okay, good. Thank you.

CHAIRMAN STERN:

Dr. Harder, thank you. Michelle Santantonio.

MS. SANTANTONIO:

Good afternoon. I have some materials that I would like to share with the committee. My name is Michelle Santantonio. I'm the Executive Director for the Long Island Housing Services. We're a unique private not-for-profit fair housing advocacy organization. We've been in existence, serving

Suffolk County since 1969. Our earlier efforts were to promote racial integration, and to try to develop some affordable housing. Unfortunately, some of our very vigorous efforts to promote affordable housing throughout the 1980's and into the very early '90's caused us a reputation that was somewhat negative. But here we are, almost now two decades later, and the public has come to the same page that we've been struggling from for all of these years. The need for affordable housing means higher density.

Long Island Housing Services helps people that suspect they've been victims of illegal denial, different treatment, harassment, interference, coercion, to deny them their rights under Federal, and State, and local civil rights and housing rights laws. We do a lot of that work. We've been doing that work for the County since 1969.

I came to the agency in 1990. I worked for thirteen-and-a-half years for the Suffolk County Human Rights Commission as an investigator, so I'm familiar with the government and of trying to promote fair housing rights and employment rights.

Long Island Housing Services provides a great number of services beyond investigations of discrimination. We counsel approximately sixteen hundred tenants and landlords a year related to disputes over tenancy, horrendous conditions of habitability, serious infestations, leaks, molds, illegal eviction actions. We get many referrals from the Police Department, from local Legislators' offices, whose constituents are being affected. Babylon alone, we served at least 425 tenants in this past year. In Brookhaven, the number is the greatest, approximately 475 tenants. I'm not talking about discrimination issues.

We've not, but twice, been included in Suffolk's general Operating Budget. In 2006 and 2007, for the first time ever, we received a grant of \$10,000, and with that grant, we produce the materials that I distributed today. We have a CD. We're now in the 21st Century, and our CD is a 12-minute, which somebody can look at in English and Spanish to review what their fair housing rights are and tenancy rights, and see what resources there are in Suffolk County.

I hope that you will take up the gauntlet and include Long Island Housing Services in the general Operating Budget once again, as we got nothing in 2007, and we desperately need your help. Thank you.

I didn't mention, I'm sorry, I know my time's up, but we also are doing predatory lending and foreclosure prevention counseling, and I'm sure the Legislators are very much aware of how the constituents have been affected by all of the abusive and scam loans. Thank you.

CHAIRMAN STERN:

Thank you.

LEG. SCHNEIDERMAN:

Quickly, can I ask --

CHAIRMAN STERN:

Legislator Schneiderman.

LEG. SCHNEIDERMAN:

Can I ask the presenter, have you seen the study rereleased from Rutgers University on the Suffolk County's Workforce Housing Needs Assessment?

MS. SANTANTONIO:

I'm afraid I have not, I'm sorry.

LEG. SCHNEIDERMAN:

I'm going to E-mail you one.

MS. SANTANTONIO:
Thank you very much.

LEG. SCHNEIDERMAN:
Okay. Thank you.

MS. SANTANTONIO:
Appreciate it.

CHAIRMAN STERN:
Steven Laskoe.

MR. LASKOE:
Good afternoon.

CHAIRMAN STERN:
Good afternoon.

MR. LASKOE:

My name is Steven Laskoe and I'm here representing the health centers, both as the Co-Chair of the South Brookhaven Health Advisory Council, and as Co-Liaison to the Health Department, County Health Department.

As you heard so eloquently put by our former speakers, the Health Centers and Public Health in the County are in a crisis state, and I think it's a crisis on a number of levels. One is a crisis of the ability to continue to provide a comprehensive and quality-based service, and the second is to whether they're going to exist and in what form. It's a little surprising, I've been working in the health and human service field for over 40 years, and I may look young, but I've been doing it for over 40 years. And when I started in the health field, I started as a psychiatric aide as a teen-ager on a closed unit at Hillside Hospital, and, at that time, caring was at the center of the health care system. If a person came into that facility as a dysfunctional, acutely psychotic nuclear engineer, then they were going to make every attempt to return that person to being a nonpsychotic nuclear engineer, which I think is a good idea, to have nonpsychotic nuclear engineers.

And I'm not trying to trivialize what we're talking about here, but you heard very clearly stated that the current budget, as proposed by the County Executive is a 1.2% decrease from the 2007 budget. You may hear that he's talking about it as actually being an increase by the maneuvering of funds in and out of the budget, so consequently, we don't have a clear picture of what are the apples and what are the bowling balls that we're talking about, so it would be nice to really have a clear picture of that. But the fact of the matter is that when you look -- when you talk about the real dollars that it requires to operate the health centers, I mean, it does result in a 4.7% decrease. The health centers are required to support those initiatives in the County, such as the living wage law, and they also have extant wage and salary agreements that they must support.

In no other industry have I ever seen someone from the outside who has no idea, truly, how to run a particular business come in and tell people what it requires to do that business. I think that there's a kind of dictatorial and Star Chamber approach to the way health is being administered on a County level by the County Executive. I would advocate at this point, rather than simply throwing rocks from the outside, that no one be throwing rocks, that what we do is decide, if there's going to be a public health system in the County, that we engage in a process of orderly transition.

If there is an attempt at this point, and I will address two issues that you asked for clarification on, if there is an attempt at this point to change the operational status, the operating structure of the public health centers, the clinics, as they're called, what that involves is a change of licensure. So,

when you talk about Stony Brook coming in, their licensure is under the New York State Department of Health. Their licensure would then be used to operate that facility, no longer the County's. As it relates to other facilities, that would be the same process.

The Suffolk Health Plan was both a boon and a, I guess, not a boon to the County in that it was an attempt on the part of the County to keep the funds from Medicaid in the County for those people who are going to be seen in the health centers. The health centers were restricted from participating with plans other than the Suffolk Health Plan, so it was really the strength of trade. Those people who came into the public health system through the Medicaid enrollment process were being assigned to plans. If they were choosing to come to the health centers, they had to choose the Suffolk Health Plan. So, right now, if you take away that, then you have no participation of other plans. Each health center would then have to establish themselves. You're creating chaos in the system by allowing that to go forward. That also would have to be approved by the Department of Health, any sale.

So what I'm looking for is an orderly transition, participatory process, and the willingness on the part of the County and the towns involved, as well as the health centers, to participate in a -- we'll call it a planning session or a paradigm planning session for a new public health system, if that's what's going to be taking place.

CHAIRMAN STERN:

Thank you. Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. For the speaker, how are you?

MR. LASKOE:

Good.

LEG. KENNEDY:

Good. Good to see you again.

MR. LASKOE:

Thank you.

LEG. KENNEDY:

I'm trying to understand the transition, as Dr. Harder, you heard my conversation with him, and I think we're starting to get at what the essence is here, and I'm going to throw something out to you. I am not skilled or knowledgeable in the health care system's operation from a licensure perspective, but I think what we're speaking about is an Article 28 license.

MR. LASKOE:

That's correct.

LEG. KENNEDY:

Okay. And so, then, by electing to now change the nature, the contractual nature for the operation of the Elsie Owens system is -- have we then modified our operations under our Article 28 health license without doing the necessary disclosure, or hearing, or involvement, is that what's --

MR. LASKOE:

Not as of yet. What it is, is there have been discussions, and my understanding is there's been an agreement between Stony Brook and the Health Department or the County, I'm not even sure at what level it's taken place. But I think it's all of this uncertainty in the way in which things have been done. The process I think is really the problem, because it creates fear, and paranoia, and resentments, and that's not what you want in a system, you know, whose outcome is supposed to

be the provision of a qualitative health and human service.

So you're absolutely right, the Article 28 is the licensure under which public health environments operate, which includes hospitals, clinics, diagnostic and treatment centers. The Office of Mental Health has a similar structure, it's called Article 31. I mean, we have those facilities in the County as well, but those are not part of what our discussion is about here. It's strictly the Article 28 license facilities, which currently operate under the County's Article 28 operating license.

LEG. KENNEDY:

And your recommendation would be what then in order to go ahead and get at this?

MR. LASKOE:

My recommendation would be, is that we -- what I would say is hurry up and slow down. We slow down and make it a consultative process, bring to the table those people who would be both affected, both within the community, as well as in the public and private sector, bring together those that would be involved in public health planning, such as the State University of New York at Stony Brook for one, who has a Public Health Masters and Doctoral program. Bring together the expertise that would be helpful in assisting the County Executive in making an intelligent and informed decision as to the way in which the public health system should be reorganized, if it's going to be. Thank you.

LEG. KENNEDY:

Thank you.

CHAIRMAN STERN:

Thank you. Anita.

MS. FLEISHMAN:

Good afternoon. My name is Anita Fleishman. I'm the Executive Director of Pederson-Krag Mental Health Center. We are an Article 31, and I am here to ask you for more money, specifically for two programs, our clinic treatment programs, of which we run three, one in Wyandanch, one in Huntington, one in Smithtown, and actually one soon we will be operating, hopefully, in Coram in the Elsie Owens old building on Route 112, which we've taken over.

A no-growth budget is equivalent to a cut. And I'm also here to dispel the myth that things can't get worse, because, believe me, things can get worse, and they are and they have been for the last many years. We have seen in our clinic an increase in emergency room visits, we have seen Stony Brook's CPEP, which is an emergency psychiatric emergency room. Their own diversion, I think in September they were on diversion 22 days out of the entire month. This is where the police take people from homes or agencies that have an acute psychiatric disturbance to an emergency room. The police usually have to stay there, so I'm sure you've heard in the past how it keeps our police officers off the roads and in our communities.

We have seen a tremendous increase in homeless and an increase in a lot of our clients who are being imprisoned. Last month -- this past month alone, we have declined to take applications for service from well over 100 people. Those people visit the emergency rooms, those people are hospitalized, and those people are not getting an application taken for our agency, because we stopped taking them six to eight weeks out, which means we're going to take the responsibility for people that are waiting -- going to wait about eight weeks for their first appointment. Of course, we take the necessary precautions and tell them, if the situation gets worse, to call us or to go to an emergency room.

We're not the only agency having this problem. This is the third year we're facing a no-growth budget. And again, these are -- I'm not here to bring about a humanistic response to a bunch of people not getting serviced out here, I am telling you that the Pederson-Krag Center Pederson-Krag Center is a huge agency with comprehensive programs. I cannot put this agency at risk by

continuing to provide the level of service required by us by contract with Suffolk County with a no-growth budget. That cannot happen for the third or fourth year where we're facing a \$400,000 deficit that we make up through fund-raising primarily, or through donations from United Way Townwide Fund, etcetera; that the playing field has to be leveled, and this is what I keep telling all of my management people. They cannot expect -- I cannot expect them to provide the same level of care that they've been providing, that we will have to make cuts, and those cuts resulted in numbers of people, it will result in a number of units, and it will result with an acuity of people with major mental health issues on the streets. So I'm asking for restoration of our post adoption program and about \$140,000 restored to our clinic budgets. Thank you.

CHAIRMAN STERN:

Thank you, Anita. Tim Jahn.

MR. JAHN:

Hello. My name is Tim Jahn. I'm the Program Director for the Family and Consumer Sciences Program at Cornell Cooperative Extension. And the first thing I'd like to say is I want to thank the Legislature last year for helping us restore funding for our Diabetes Self-Management Education Program, which we do in cooperation with patient care at the Department of Health, and we've been doing it for a number of years. And again, this year, part of that was not funded, so it's about a 30% reduction, so I'm requesting that the Legislature restore it. They've already -- the Budget Review has recommended that restoration.

I have some materials. One is just an update of what I handed out last year to the same committee about the program. As you know, diabetes is a major health problem, and, in fact, what we do with -- between diabetes self management and weight management, try to control overweight and obesity and what's referred to as diabetes, because the health complications are pretty severe if folks do not manage their diabetes or Type 2 diabetes, or if they're pre-diabetic managing their -- to maintain a healthy weight and to increase a healthy life-style. So I'd like to hand that out, a description of our program.

But in addition to what I brought this year is what I read from the RNs, the RDs and outreach workers, bilingual outreach workers in the program are a number of success stories, because we have two parts of the program, one is Medical Nutrition Therapy, which is individual consultation, as well as community group programs on weight management and diabetes self-management. So the goals are really to increase healthy life-style, and also, if they are diabetic, to help them manage their medications and as well as their nutrition and their activity levels to prevent the complications. And so I put together just a few of those success stories, because, in a lot of ways, they are more revealing than any other description I can do for the program. And, as you see some of them, what I see is that individuals are deeply affected by our registered nurses and registered dietitians who work in the health centers side by side with all the other health center workers. In fact, our registered dietitians that come through the Cornell Extension Program, they often help not only with patients, pre-diabetic and with diabetes, but also other high risk individuals, so they provide nutrition education and information for HIV infected individuals, pregnant women who might have -- be at risk for high risk pregnancies. So they support a lot of the other health center functions as well.

And basically it would mean, if the money is not restored, as you did restore last year, it would be about a 30% reduction, which essentially means a loss of a registered nurse, a registered dietitian, and a bilingual outreach worker for the program. About a third, you know, about a third of the program would be cut that way, which means we couldn't serve all the nine health centers that we've managed to be able to serve to this point.

And the other thing, too, it will also be a loss of Cornell's support of benefits, about \$50,000 in benefit support for these positions, which Cornell University and Cornell Cooperative Extension provide in kind to the total project. Thanks.

CHAIRMAN STERN:

Thank you. Tom.

MR. WILLIAMS:

Thanks. Tom Williams from Cornell. I don't have too much to add, really. As you probably know, the New York State Department of Health as estimated there are 51,000 Suffolk residents who have diabetes. It's the number six cause of death in the country and it's a serious, serious problem. I had mentioned last week that, in fact, there was an incident this year where someone was driving on the Expressway and had a diabetic attack and there was a serious accident. So we're concerned.

We're asking, and Budget Review has supported it. We've also talked with the Health Department, that we really need this restoration. We had hoped it would be part -- one piece of a budget, it was somehow split off and this piece was not recommended for funding. So we're asking for that to be back. And as Tim said, that we do get benefits from the State through Cornell for our staff and we would lose that 50,000, as well as on top of the 120,000 from the County. So we appreciate your support, and hope that it can be restored. Thanks very much.

CHAIRMAN STERN:

Thanks, Tom. Pamela Johnston.

MS. JOHNSTON:

Good afternoon, and thank you for the opportunity to speak to you. I'm Pamela Johnston from VIBS, and I am asking you to once again support us in the Omnibus Budget. Our -- your support made a huge difference last year. The extra funding that we receive from the Legislature sustained our extra programs. It -- the first and most important thing that it did is to help us to sustain our core services against inflation, and as Anita Fleishman has said and several of the speakers, level spending or one or two percent extra on a budget doesn't really sustain against inflation, and so you actually end up over the years having to decrease services when the need keeps growing.

The next thing that was really important about the money that we have received from the Legislature is it has helped enhance some really key programs that we began in the last five years or so. One is our partnership with Child Protective Services, where we jointly work with CPS in homes where a child has been abused and a spouse is being abused also. So that has increased our referrals and these cases can be very complicated. So, you know, over the last few years, the funding that you have provided us has helped in that area.

We also were able to work on expanding the same program this year, that's the Sexual Assault Nurse Examiner. We're looking to get into more hospitals. We have opened up a dialogue with Huntington Hospital and another hospital, and we were able to recruit more nurses this year, so that has been very helpful. We saw there were 205 exams of adult and child victims of sexual assault in the SANE centers, the existing SANE centers in 2006. Those centers are Good Samaritan Hospital, Mather Hospital, and Peconic Bay Medical Center.

So we -- another program that we started was the adult partnership with Adult Protective Services. We are providing services to the elderly. We modeled that on our successful CPS model and added the Police Department in the mix. That was funded by the United Way, but that funding ended, and so we've been able to continue that program.

So I won't take up too much of your time, but I appreciate all the support that you've given us over the years.

CHAIRMAN STERN:

Thank you. Director Blower.

DIRECTOR BLOWER:

Thank you, Mr. Chairman. Ladies and Gentlemen of the Joint Committee, we're here just to talk

about our proposed budget request for 2008. And I know you've been listening to requests for more money, but we're happy to say that we agree with Budget Review's recommendations on our budget. It is an increase, but I just wanted to go over briefly the reason for the increase.

Number one, we have a Neighborhood Aide who has been out on extending maternity leave since February, was inadvertently removed from the budget, and we have taken steps, and the County Executive's Office agreed, to put her back in. She's due to return actually in mid November. So that's where you see the permanent salaries, one additional Neighborhood Aide. It's really not an additional, it's an existing one.

The other issue, you can see that in two of our major programs, the SCAT Paratransit I.D. card eligibility that we do and issue the cards, that has jumped 39% in one year. And we also, our handicapped I.D. cards, which provides for reduced fees on the County buses, as well as reduced fees at County parks, that program alone jumped 77% in one year.

In order for us to help meet the increasing demands, the County Executive has recommended transferring a Community Service Aide, an existing one, to our staff from the Office of Minority Affairs. So that's about 7% of the increase in the salary lines, and we feel that that's reasonable to help us meet the ever increasing demand.

Again, I would agree wholeheartedly with Budget Review Office recommendations, and I'll be happy to answer any questions on the Office of Handicapped Services budget that you may have.

CHAIRMAN STERN:

Director Blower, thank you.

DIRECTOR BLOWER:

Thank you very much.

CHAIRMAN STERN:

Good to see you today. Holly.

MS. RHODES-TEAGUE:

I'd like to thank the committees for their support in the past. Your office has been very fortunate, because our budgets usually are pretty sound and you've always been very supportive of the seniors in Suffolk County.

This year, our budget, there has been a slight increase. Our nutrition program has increased substantially in terms of cost. In order to maintain the meal counts that we've had, we did have to increase the meal costs. They did increase by about 7% from last year to this year, so we are looking for an increase for those programs just to maintain the meals that we currently do, and that has to do with the cost of food, fuel, things like that that have gone up over the last couple of years.

The other program that is being increased is the EPIC Reimbursement Program that Suffolk County -- that Suffolk County funds 100%, and that program, again, its usage, we've brought up -- we're doing almost 19,000 claims a year right now. So that's a program that, you know, the commitment was made several years back to run that program, so we are doing that.

I don't know if you have any questions for me on the budget. Anything that you -- specific that anybody would like?

CHAIRMAN STERN:

Anything for Holly? No? Very good.

MS. RHODES-TEAGUE:

Thank you.

CHAIRMAN STERN:

Doing a great job. Thanks, Holly. Dr. Chaudhry.

P.O. LINDSAY:

Dr. Chaudhry, you make us nervous when you get up and three people get up behind you with reams of paper.

DR. CHAUDHRY:

We're just prepared to answer any questions that may come up. If I may, I'd just like to make a couple of comments.

Some of the speakers this morning spoke very -- this afternoon spoke very eloquently about the need to focus on care, and that is exactly what the leadership of this department is also focused on, and that is care. So it may appear that some of the things that are happening and some of our recommendations, some of the things that might be among the things we're thinking about thrust upon the Legislature, we've actually been thinking about them for quite sometime. For instance, the Suffolk Health Plan, all of you fairly recently became aware of it, but this is something that we have been methodically and carefully reviewing over almost the past year, both internally and with our consultants. Many of the decisions that we recommend have sound reasons we feel behind them, and we'd be happy to discuss them in depth, but the focus is on care, not just revenue and making sure that we don't lose too much money. Ultimately, the care of the people of this County is what Department of Health Services cares about.

LEG. ALDEN:

Good.

CHAIRMAN STERN:

Questions. Question, yep, Legislator Alden.

LEG. ALDEN:

Can you just tell us, then, what the reasoning is for the proposition to sell that --

DR. CHAUDHRY:

The Suffolk Health Plan? Sure.

LEG. ALDEN:

Yeah, thanks.

DR. CHAUDHRY:

The Suffolk Health Plan, I think, began in April of 1995, really, from our point of view, as a very noble experiment. At the time, managed care was just starting to make in-roads into the County and in the State, and the country, in fact, and so there was a lot of uncertainty, and it was felt that it was important to look out for the residents of this County by maybe having our own managed care plan, to put it succinctly. And so, as a noble experiment, it did work for quite sometime. What we now see is that as managed care has penetrated further, upwards of 30% on Long Island and elsewhere, we cannot compete any longer, and ultimately, the patients and the care that they get may suffer. And so our five major reasons, in looking at our internal discussions and in what our consultants have told us, our five -- there are many reasons why we're considering a sale of Suffolk Health Plan. Our five major reasons boil down to the following:

Diminishing enrollment, which is a fact; increased difficulty in competing. We are a very small managed care company competing against very large companies that have -- that don't have the same restrictions that we do in terms of boundaries. We are restricted to Suffolk County, and because larger managed care companies have economies of scale to their benefit, they can go more and compete better. We have increased regulatory burdens. We are limited by our -- the way we

assign doctors and specialists, in terms of how many doctors we can make available to our patients. Quality issues have also been raised, including patient satisfaction. Again, we do our best to provide the best quality of care in all of our settings, but it really becomes difficult when you're competing against larger health care companies. And, finally, increased administrative costs.

So what we project down the road is an increased reliance on the General Fund to support many of the operations of the Suffolk Health Plan. Ultimately, the care of the patients in the plan, there are roughly 15,000 patients in the plan, their care must be assured. And so many of the discussions we may have, and I'd be happy to discuss them, may be premature, because we do not have a buyer at this point, we do not have specifics yet in terms of how we're going to move forward. But one thing we will make sure is that the Suffolk County health centers are among the providers that our patients in the plan have access to and can utilize, because that's very important. Many of the patients have already developed relationships with the physicians in the health centers, and that's something that should be continued to the extent that it can. But for -- among the many reasons that I've indicated, it makes sense to consider selling the Suffolk Health Plan, if the right buyer comes along and the right terms are presented. And, of course, when that happens, we will present that to the Legislature for your approval. But, at this stage, some of the discussion is a little premature.

LEG. ALDEN:

Do you have any time frame, then, that you think that that could happen?

DR. CHAUDHRY:

Len Marchese is our Director of Management and Research.

MR. MARCHESE:

Yeah. We're hoping to put a book on the street relatively soon which will provide somewheres -- we would be able to close somewheres in the first or second quarter of 2008, if we were able to negotiate a successful deal.

COMMISSIONER CHAUDHRY:

We're in no particular rush as such. We want to make sure that any deal we finalize as we moved forward has been thought through and discussed by all the stakeholders.

LEG. ALDEN:

All right. Then that leads me to the obvious question. We're not in a rush, but we have to vote on the budget in a very short period of time. There's a substantial amount of revenue that's reflected in the budget from the sale. If you guys aren't in a rush and it doesn't materialize in '08, that's a major hole in the budget, or if you're wrong on the projections of how much you can --

MR. MARCHESE:

Well, we -- our consultants have given us pretty accurate numbers on estimates as to what the plan will, you know, fetch for -- you know, for a sale price. You know, they have very, you know, strong guidelines that they gave us, and we took the low side of those estimates, so we're pretty confident that we'll, you know, meet or exceed the estimated budget numbers on the sale.

LEG. ALDEN:

Okay, because I got to rely on you guys, and if you say -- I think it was about 16 million dollars in revenue --

MR. MARCHESE:

Correct.

LEG. ALDEN:

-- for next year's budget.

MR. MARCHESE:

That's correct.

LEG. ALDEN:

You're saying that at least that.

MR. MARCHESE:

Yeah.

COMMISSIONER CHAUDHRY:

In terms of timing, Legislator Alden, while we're in no rush, by all indications, especially the advice that we're getting from our consultant, we do anticipate that this sale will occur in 2008, and that's the basis of our recommendations in our budget.

LEG. ALDEN:

You heard -- and just one final thing and I'll turn it over to the Presiding Officer, but you heard the comments before, and one of them was hurry up and slow down and make sure no one gets hurt, basically. I think that was the primary thrust. That is going to be your primary thrust; is that not correct?

MR. MARCHESE:

Oh absolutely.

LEG. ALDEN:

Not just a generation of 16 million dollars, but --

MR. MARCHESE:

No.

LEG. ALDEN:

-- to make sure that we don't leave a whole segment of our class of citizen out there that is either unprotected, or now their coverage has been depleted, or in some way not enhanced, but just cut right out from under them.

COMMISSIONER CHAUDHRY:

Absolutely. Again, the care of the patients within the Suffolk Health Plan will be our primary goal to make sure that is sustained and maintained, and, hopefully, improved.

LEG. ALDEN:

Good.

VICE CHAIRMAN EDDINGTON:

Legislator Lindsay, do you have a question?

P.O. LINDSAY:

I just -- how many people do we have that participate? We have 15,000, but how many participate in the other HMOs that are operational in the County?

MR. MARCHESE:

You mean that are covered by the private plans? We are approximately 25% of the County, so --

P.O. LINDSAY:

Okay. So are we the largest HMO in the system?

MR. MARCHESE:

In Suffolk County, we are the largest HMO.

P.O. LINDSAY:

Okay.

MR. MARCHESE:

Just by about 1%, or something like that.

P.O. LINDSAY:

Okay.

MR. MARCHESE:

But not in terms of New York State. Most of the companies that operate in Suffolk County operate throughout New York State.

P.O. LINDSAY:

Right.

MR. MARCHESE:

So they're much, much larger in terms of membership. So where our membership is 15,000 members, some of the others might have 150, 200, 300,000 members.

DR. CHAUDHRY:

And what those larger companies translates into, also, in terms of patient care, is also greater access, greater access to primary care doctors, greater access to specialty physicians. That is currently the case.

P.O. LINDSAY:

Okay. And what happens if we don't get a buyer, do we dissolve the HMO?

MR. MARCHESE:

Well, there is an option, if the County so chose not to sell, to actually just stop operations, and our plan members would automatically be reassigned to the existing HMOs in the County. What that would leave you with, though, is no benefit from the sale price. You would get to keep our reserves and the money that we have already accrued in our fund balance, but you wouldn't get any profit on the sale.

P.O. LINDSAY:

But, I mean, does the department have a contingency plan in case it doesn't sell? Is that the contingency plan, just to dissolve it?

MR. MARCHESE:

Well, no, no. If we didn't sell, we would continue to -- I mean, if it was the will of the Legislature not to go ahead with the sale, then we would continue to operate the Suffolk Health Plan. I mean, that's obviously a policy decision that this body makes.

P.O. LINDSAY:

Before the Legislature approves a sale, we have to have a buyer.

MR. MARCHESE:

Yes.

P.O. LINDSAY:

Okay.

MR. MARCHESE:

The way I understand the process is once we obtain qualified bids from outside companies, we would then create a short list and negotiate the best terms available for the County, at which point we would then prepare a resolution to come back to this body for you to present the deal, and you would say the yay or nay. That's my understanding how the process works.

DR. CHAUDHRY:

It's certainly hard to predict the future, but, certainly, one option in any discussion is always maintain the status quo, but we would advocate that the status quo is something that's not sustaining years from now. Why not be proactive now, rather than wait for increasing General Fund dollars and increasing quality issues to continue?

VICE CHAIRMAN EDDINGTON:

Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. I have a series of areas that I want to question the Department on, but I'd like to stay on this area first, if we can. In the event that we do not sell, or elect not to sell or go forward, what about the general operations of the plan? We have a third party provider, I guess, that does some of the insurance forms, billing, Royal, is that them?

MR. MARCHESE:

Correct.

LEG. KENNEDY:

Okay. Do we have a contract with them?

MR. MARCHESE:

Currently, we have a contract through the end of the year, and we have a negotiate -- we would negotiate to continue on or after 12/31.

LEG. KENNEDY:

So, in other words, if we go through to, let's say, the latter part of November, deliberating where we go with the budget, we finally wind up with some kind of decision and that decision is not to sell, then we're looking at trying to negotiate a new contract with a third party provider in two weeks?

MR. MARCHESE:

No, no. We have an existing agreement with the current provider. In addition to that, we have previously issued an RFP to solicit proposals for an alternative third party administrator. So I think we would brush that document off and revisit it, and then go back to those two vendors and then negotiate with them as well.

LEG. KENNEDY:

Up to this point, how has the operations with Royal been, they've been satisfactory? Are they a satisfactory vendor or --

MR. MARCHESE:

They have been better. They've -- recently, operations have suffered somewhat, you know, with anticipation that perhaps we were selling the plan. We've had difficulty with some of the issues with Royal in terms of their administration of our contract.

LEG. KENNEDY:

Let's go to the actual marketing of the plan. Part of what I don't hear is -- I hear about a decision to sell, I hear about a reflection over the last year of looking at diminishing revenues. What about a decision to look at adequately staffing the system's marketers and trying to go ahead and work on enrollment and also recertification? I understand annual recertification has become an issue that tends to drive some of those negative evaluations that you receive from the Health Department, but

it's not that complicated a matter, is it?

MR. MARCHESE:

Enrollment is always an issue with us. As the Commissioner eluded to before, some of the quality measures that we encounter at the health centers lead to us not being -- either we were not allowed to be a facilitator to {roller}, or we're not on auto-assign. These all led to declining enrollments in the plan. Obviously, if we had more marketers and we continued to try to market, you could, but again, we have a captive audience where we are. We are only able to market to those who come to our health centers, where the other plans can increase enrollment, because they're marketing to the general community, have a much broader range of specialists, primary care physicians, locations, ease of access, so they have an easier time enrolling patients than -- members than we do. So we are challenged in enrolling them and only giving them the option of primary care doctors at our health centers.

LEG. KENNEDY:

How many doctors do we have certified into the plan now?

MR. MARCHESE:

Specialists or --

LEG. KENNEDY:

Physicians. If I was going to be in a plan and I got a chance to go to how many different --

MR. MARCHESE:

Primary care, I would say roughly, don't hold me to this, 100 primary care physicians.

COMMISSIONER CHAUDHRY:

About 100, yes.

LEG. KENNEDY:

How about specialists?

MR. MARCHESE:

That number would go, you know, like 500 or 1,000, I mean, you know.

LEG. KENNEDY:

So we could have -- so we could have 500 to 1,000 different licensed practitioners, from family care out to the whole gamut, that our patients can elect to go ahead and see outside of what they see in the clinics?

MR. MARCHESE:

For specialty care. You all have to see -- you know, you have to go to the primary care physician --

LEG. KENNEDY:

I understand.

MR. MARCHESE:

Which has to be at our health center, then they're referred out to a specialty network. Our primary specialty network is through Stony Brook University.

LEG. KENNEDY:

How much of the 16 million that's been tagged as revenue from this is from sale and how much is from fund balance?

MR. MARCHESE:

Approximately 10 million dollars is coming in from the fund balance and 6 million would be coming in from a projected revenue from the sale.

LEG. KENNEDY:

This plan is out on the street for 6 million dollars?

MR. MARCHESE:

Well, part of the -- part of selling the plan is to free up the fund balance. You cannot -- selling the plan, you just can't get fund balance. It's not just available to you. You have to actually liquidate the plan in order to get the fund balance out. There's a process that they have to go through.

LEG. KENNEDY:

It's a dedicated fund, correct?

MR. MARCHESE:

Correct.

LEG. KENNEDY:

And you would have to actually eliminate the purpose for the dedicated fund before the balance in the fund could be accessed.

MR. MARCHESE:

Correct.

LEG. KENNEDY:

But my question goes back to the marketing price -- well, let me make it even simpler than this. Has the Health Department actually put something out there in the health community at large that the Suffolk Health Plan is being offered for sale and we're seeking 6 million dollars for it?

MR. MARCHESE:

No, no. What we've done is we've engaged the services of an investment advisory firm and they'll be performing the RFP for us with -- basically marketing it to those companies that are in the market or are -- you know, are presently capable of bidding and providing us with the best price. It's not like everybody can just come in and bid on this, so it's not like advertising for some other commodity.

LEG. KENNEDY:

Who's the investment advisory firm?

MR. MARCHESE:

Shattuck Hammond Partners.

LEG. KENNEDY:

Okay. All right. I'm going to yield on this part of the question, Mr. Chair.

VICE CHAIRMAN EDDINGTON:

Legislator Schneiderman.

LEG. SCHNEIDERMAN:

So let me start with those 10 million dollars in reserve. So, obviously, the Suffolk Health Plan has been generating surpluses for sometime now. What's going on now, is it no longer generating a profit?

MR. MARCHESE:

Yeah. Well, it's -- because it's a small health plan, the past couple of years, all the indicators have

trended down. Suffolk Health Plan is -- actually had about an 18 million dollar fund balance within like three years ago. So the fund balance varies, depending on the operation and the profitability from year to year. And because of this --

LEG. SCHNEIDERMAN:

Do you have an average in terms of profitability?

MR. MARCHESE:

Well, again, last year, we lost a million dollars; the year before that, I think it was over a million dollars. This year, we were projecting a million dollar loss, but unfortunately, or, you know, however you look at it, a couple of the members died that were very costly sick patients that were in hospitals, so the costs have actually decreased recently, so that we're looking for, perhaps, a break-even this year. But because of the size of the plan and with the limited membership, any -- if you have adverse cases, it's very easy to swing the financial results of the operations of the health plan. So, if a half a dozen sick patients wound up needing extensive treatment in terms of transplants, or anything like that, we would suffer significant losses, and that's what swings this plan, because of the size.

LEG. ALDEN:

So a third party comes in looking at this, an HMO, and things -- losing money, making money, I'm not sure, but let's say it's about breaking even, so -- and you want them to pay 6 million dollars for it, or that's kind of what we're estimating here on the books, what are they going to do to make that profitable for them so they can pay back the money they borrow to buy it?

MR. MARCHESE:

Well, there's a couple of scenarios. When a company comes in and buys a health plan, if they're an existing insurance company in Suffolk County, New York State pays a rate for each individual life that perhaps their company is getting paid \$500 per life, where Suffolk County's rate is \$400 per life. So they would go into their existing rate structure, even though they were assuming our members. So based on their analysis of their rates versus their acquisition, the company, our rates, they would then make a business decision and determine what they would want to bid for the plan.

In addition, as we spoke before, there's numerous economies of scale when you have a large company. When you have a company that has 100,000, 200,000 members, acquiring 15,000 members, you don't have to add extra accountants, extra clerical staff, extra phone staff. So, it basically becomes just another added number, so that also frees up a profitability margin on them that we don't experience because of our size.

LEG. SCHNEIDERMAN:

What I'm concerned about is somebody's going to come in here and suddenly, maybe the reimbursement rates will go down, or maybe what -- do the individuals who are on this plan, do they have to pay to be in this plan? Is there like a yearly fee or --

MR. MARCHESE:

Depending on the product line, if they're in Child Health Plus, there is a sliding scale fee, but --

LEG. SCHNEIDERMAN:

So maybe that might go up.

MR. MARCHESE:

Well, most -- no. That would be -- that's all dependent on the State.

LEG. SCHNEIDERMAN:

See, is there a way, if we're going to put this out to bid, that we can guarantee, one, that, you know, the reimbursement rates to our clinics will stay the same, so we don't lose money there, and that the patients that are served, that they're not going to get hit with, you know, special, you

know, surcharges, and things like that, so this company can make some extra money?

MR. MARCHESE:

Because this is a product that's basically run from New York State, New York State has very strict guidelines on how everything is run. They -- we report to them regularly. They determine how much you make, how much you charge, the profitability margin by line. It's very, very highly regulated by the State of New York, so, yes. And, in fact, the negotiated deal that we would make with a vendor who purchased the plan would include a reimbursement rate to the health centers. What that rate is, I don't know. That would have to be -- that would have to be negotiated. But we would negotiate a rate, so that we would also become a primary care provider in their network.

LEG. SCHNEIDERMAN:

Is there anything that we can do to return Suffolk Health Plan to profitability? Can we expand? This is a not-for-profit HMO, that's kind of a rare thing out there? Can it be expanded? I hate to see a not-for-profit HMO go under, because that's something I think that could really help the public.

MR. MARCHESE:

Again, these patients would be absorbed immediately with or without the Suffolk Health Plan, because they're covered Medicaid enrollee patients, so they would be automatically enrolled in another plan, if the Suffolk Health Plan ceased to exist, or, if we were purchased, they would go into that plan. Again --

LEG. SCHNEIDERMAN:

Can we make it profitable is my question.

MR. MARCHESE:

Well, the question -- yeah. Because of our size, it's very hard administratively to run a plan with 15,000 members.

LEG. SCHNEIDERMAN:

Can we expand it? I mean, right now, we only provide services to those individuals who come through the health clinics, the County health clinics. Can we --

COMMISSIONER CHAUDHRY:

We do not believe we can expand it to the extent that would make it competitive with the other companies out there. The regulatory burdens are such, also, that they limit us, also.

The other thing that's worth mentioning is, in addition to all of us looking at the issue in terms of Legislature and the County Executive's Office and my Department, this has to be approved by the Department of Health and New York State, as well as the Department of Insurance, because they also want to make sure that the patients, the people who are affected by this are looked out for, and that's something we'll be doing as well.

LEG. SCHNEIDERMAN:

Thank you.

VICE CHAIRMAN EDDINGTON:

Commissioner, I just wanted to ask, to piggy-back on what Legislature Schneiderman said about expanding. Didn't our County Executive say that one way that we might be able to help reduce school taxes is by offering our plan to school districts to buy into? Isn't this the plan he was talking about?

MR. MARCHESE:

No, that was the Employee Medical Health Plan.

LEG. SCHNEIDERMAN:
EMHP.

VICE CHAIRMAN EDDINGTON:
Okay, great. Okay, thank you. Legislator Kennedy.

LEG. KENNEDY:
Just another follow-up, I guess, Doctor, on what you shared with us, which is the consents, I guess, and the approval that we would have to get from the State agencies. My understanding is that that's a fairly exhaustive, comprehensive and also time-consuming process. Is it realistic to expect that, even if we were to get somebody who was going to go ahead and offer what we're asking -- and it occurs to me there's a couple of other questions that I probably should be asking you that I don't know if I can even ask in this forum when it comes to price.

COMMISSIONER CHAUDHRY:
Well, you'll always have time later on to ask us, because a lot of this discussion is maybe premature. But, as far as your question directly is concerned, according to our consultants, this is something that should be doable within the year, within the next 12 months, actually, maybe even shorter time frame, because there is a need for larger insurance companies to expand the number of covered lives that they have. And I mean, that's a reality out there in the managed care world, and so I would have thought, also, that it might take quite sometime. But actually, according to every source that we have gone to, it actually is not as complicated as it appears.

MR. MARCHESE:
New York State is actually encouraging planned consolidation. They're basically giving incentives to plans to consolidate. They're reducing administrative reimbursements costs in an effort to consolidate plans in this market.

DR. CHAUDHRY:
And I've just been given information that once we have a buyer and we move forward, there's a 30 to 90 day review period for the Department of Health, in terms of looking at the specifics of such an offer. Also, keep in mind, we're the only county in New York State that has such a managed care plan, so this is not something that is the norm across the country or in the state. This is not something that everyone is seeking to do. We have had it and it's worked quite well for quite sometime, but it's reaching the point where we're predicting, based upon our analyses, that this is not going to be sustainable.

LEG. KENNEDY:
I hear what you're saying, Doctor, and I guess what I would say is that in some respects, I respectfully disagree in that by citing the fact that we've got an administrative burden, we've got an element of patient dissatisfaction. We here have just heard from many people who have come forward from the actual health clinics themselves lamenting the fact that for the fifth year they're here saying they're being underfunded and that there are systemic and inherent difficulties with those clinics. So, if we don't fund them and we don't staff them, it should be no surprise that our patients are frustrated that they wait two or three hours for a well baby care visit. So the fact that our Health Department now says there's negative evaluations should no surprise. I don't find that to be a credible basis to say we now have to divest ourselves of this plan because of negative comments from our patients. We created it, Doctor. We created it by not staffing these clinics.

DR. CHAUDHRY:
And all this -- actually, you're correct in that everything is tied in, just because we were -- it was brought to our attention that the quality scores are not as high as they should be. We're looking at quality across the board anyway. We have a new leadership team on board in the Department of Health. We're looking at -- I've gone to as many health centers as I've been able to in my six months so far and each health center has its strengths, each health center has its opportunities. Some of them relate to space, some of them do relate to, as you indicate, throughput time, waiting

time from the point they enter and the point they leave. And, so, I've been very -- I've been meeting with the community boards and I've been hearing lots of interesting ideas, interesting suggestions, and there are opportunities to improve efficiencies there.

So, just because someone tells us that there's an issue in quality and we're now selling the Suffolk Health Plan, that's not our only approach. We're still looking at quality across the board. We're with our hospital partners. We have partnerships through our eleven health centers, as you're aware, with seven hospitals, and, in our contract negotiations, we are working with each and every one of them to make sure that we both, as partners, do whatever we can to improve efficiency, improve waiting times, and patient satisfaction and overall quality.

LEG. KENNEDY:

I admire the fact that you're taking those efforts. And I'm going to yield to the Chair. I don't want to monopolize this part of the discussion. I am going to ask, through the Chair, though, that we come back and talk specifically about what's going on with the Elsie Owens Center now and the nature of that contract, but I'll yield to the Chair.

VICE CHAIRMAN EDDINGTON:

If there are no other questions, then thank you very much for your presentation.

DR. CHAUDHRY:

Thank you.

VICE CHAIRMAN EDDINGTON:

And then I'd like to call up Commissioner DeMarzo.

MS. DEMARZO:

Good afternoon. I come with the classic Power Point presentation, which we have given to you to look at. But we could also just open it to questions. I'll go quickly through the power point, which you have before you. I have just done the charts before you and I've given you multiple charts on one sheet, each sheet behind it, an individual chart.

I want to thank you for the opportunity to meet with the joint committee and to go over the Department of Social Service's budget. I know during this time you look at a lot of policy and financial issues, and I hope that my presentation will be helpful as you look at the Department of Social Service's budget.

The first chart in your package, what I tried to do was look at the various budgets that put together the '08 budget. We look at the 2007 adopted, the 2007 estimated, and the 2008 recommended, which is the one that you're working on presently. And when I look at the budget I presented to you, with both the expenditures and the revenues, because the Department of Social Services is the highest reimbursed department in the County government, overall, our program and staffing reimbursement levels exceed 50%.

As you'll see from the chart, the net cost for the 2008 budget is less than the 2007 adopted budget; it is almost one billion dollars less. But I just want to say that while this decreased -- there's a decrease in net cost, it doesn't necessarily correlate to a decrease in services. In fact, in 2008, we are projecting increases to both our expenditures and revenues. Our revenues are growing at a higher percentage than our expenditures, though. The reason for that in a number of areas, we're seeing program savings that have allowed us to offset costs in other areas, and we'll talk to them a little bit later.

The next chart I gave you was a way in which to look at the Department. In fact, the next two charts show you how the Department's expenditures fall across different areas. While we have a Medicaid cap in place, Medicaid still represents almost 42% of the overall budget of the Department of Social Services. But you'll see a number of our other program expenses are relatively stable. In

Family Assistance and Safety Net, we've actually seen, which are the two major welfare programs, we've actually seen some decreases, some stability and some decreases, decreases in the long run and stability at the present time. But this is a way to see the Department as all the services it provides, as well as its personnel services.

The next chart is a graphic representation of that, where you see that the two biggest components are the Medicaid and the personnel services of the department. There were a number of areas in which we've implemented some changes and achieved some successes, which have allowed us to provide quality services, but also have, in a number of situations, stabilized costs. In the Family and Children Services area, we've seen a lot of our major indicators going in the right direction. Our number of CPS reports are down year to year. The number of reports per workers are down. In fact, it's down to close to the State recommended level of 12. In August, for a brief moment, we hit 11 as average for each caseworker. And you'll see on the detailed charts the more specific numbers.

Our foster care placements are down to a decade low level. We have about 847 children that are now in our custody, when the number was quite higher a number of years ago. Our institutional placements are down, both for PINS and for children in foster care. But on the positive side, we see a number of good indicators. The number of families that we're working with has gone up in our Services cases. Our efforts of family reunification, returning children to home situations, is up, and our adoptions are up.

We're most proud of our Services caseload, which is our core program for working with families. We go in and we assess a family's strengths and weaknesses, and work with them to address some of the deficiencies and some of the service needs. We're currently working with about 5,000 parents and children at this time. And the good news is that a lot of these expansions in programs have been done by bringing down both the foster care caseload and the number of -- and the rate of State reimbursement. The State has given us 65% reimbursement for all of our preventive services.

Another area where we've seen a significant change over the last couple of years is the temporary assistance or welfare caseload. We've seen that caseload go down. Working with the Department of Labor, we've really turned around our employment program, and over the last year, we've helped fifteen hundred adult head of households secure permanent employment. And we've also worked with a number of disabled families secure SSI, over -- almost 200. So the cost savings in Medicaid -- I mean, the cost savings in the caseload, in 2003, we were paying 88 million dollars for all welfare benefits on a gross basis. This year, we expect to spend 84 million dollars. That's a 4 million dollar difference in gross expenditures. We've seen similar changes in our emergency housing, where we've moved families and singles into permanent housing, and with that, the cost of providing those services has gone down. Those initiatives and programs have allowed us to seek program savings, which allow us to stabilize a number of our other cost centers.

The other two areas I wanted to touch on was the DSS authorized staff. There's some changes between '07 and '08 in the budget. Eight positions are abolished and one position is transferred to the Department of Health. In addition, seven positions, should the sale of the Suffolk Health Plan go through, seven positions would be transferred to the Suffolk County Department of Social Services. They would be individuals who could work with people at -- who could help individuals navigate the DSS centers. They would be seven Neighborhood Aides that would be placed at the DSS centers to help a lot of the people that come in that find it difficult to navigate the bureaucratic processes.

The last thing I just want to point out is, and BRO has done a good detailed write-up on a number of technical amendments that we were requesting that the Legislature address in their omnibus, we're asking for an increase in a number of grant awards and grants, so that we don't have to do accepting resolutions next year. One is for the Child Care Council registration, one is for a Community Solutions for Transportation contract, and another one is for increases in cost of living to preventive service providers. We would ask for your favorable consideration of them.

And those are the highlights for the Department. I'm prepared to answer questions that you might have on the budget or the Department.

VICE CHAIRMAN EDDINGTON:

Okay. We'll start with Legislator Alden.

LEG. ALDEN:

Hi, Janet. How many positions do you have currently that are vacant?

COMMISSIONER DEMARZO:

The budget is -- the budget and the two -- we did two modifying resolutions this year, so the Department is authorized at a staff of sixteen hundred and seven positions. We have filled positions of fourteen hundred and thirty-two.

LEG. ALDEN:

How critical is having two hundred and some-odd positions not filled?

COMMISSIONER DEMARZO:

Well, a number of -- a number of the areas are filled over others. I mean, we are getting automatic backfill in the CPS area, which is -- which is a significant reason why we have the numbers. In some of the other areas, we have seen some backlogs and we have been working recently trying to get Medicaid positions approved, which I do expect shortly. So it really depends upon the specific area. I'm sure that you've heard from other -- from other Commissioners that during the pendency of the sales tax, a number of positions were not released, so there are some shortages in some areas at this time that we're waiting approval on.

LEG. ALDEN:

So basically there's a hiring freeze.

COMMISSIONER DEMARZO:

We haven't received as many positions as we once had, but we are getting regular refills on our CPS, we are getting regular refills on the Day-Care Payment Unit, and some of the units, we've received a few positions over the time, but there -- yes, with the sales tax, there's been less positions released.

LEG. ALDEN:

Okay. You brought up CPS and you started talking a little bit about it. How many unfilled positions are there in CPS right now?

COMMISSIONER DEMARZO:

Very little. CPS is the only -- besides day-care payments, which we've recently received approval to do automatic backfill, CPS positions, family and children, we have -- we have a -- because people leave, the issue isn't whether we have a vacancy, it's whether we have a SCIN to approve that position. So, basically, at this point, we have zero without vacancies. We just got six SCINs approved last week, that's 100%. They're not filled, but we have approval to either --

LEG. ALDEN:

To go up to 100%.

COMMISSIONER DEMARZO:

Right.

LEG. ALDEN:

And what will that do with the caseload, bring it down to -- I know the --

COMMISSIONER DEMARZO:

Well, I'm actually only talking, and I will do this for -- Debra Alloncius points out, I speak -- when I

speaking about caseload, very specifically about the investigative caseload, which is a very critical caseload. In the area of investigations, we were at 11 in August, 12 in September, and we're at 13 right now, because we had a little bit of a spike in reports, but we -- you know, overdues are way down. So we are doing very well. The State recommended level is 12.

LEG. ALDEN:

Day-care providers, now you're in the process of hiring people to fill the positions to process the payments and the paperwork?

COMMISSIONER DEMARZO:

The day-care providers, similar to CPS, if all the positions aren't filled at every specific moment, but if the position isn't filled, there's an authorized SCIN that has been released for that position.

LEG. ALDEN:

And when did that happen, within the last month, two months?

COMMISSIONER DEMARZO:

Yeah, within the last month or two, yes.

LEG. ALDEN:

And how many positions do you have that are vacant in that area?

COMMISSIONER DEMARZO:

We have -- we just had -- we had a Senior Account Clerk last week that was on board and she lasted four days and went back this Monday, so I'm not quite sure. I guess, as of today, she's not there, so I think we have the senior account -- it's like they're all in various states. So we had one -- we have one vacant.

MS. CLARK:

We had one Account Clerk position that started today. As the Commissioner explained, the Senior Account Clerk position started last week and has resigned, and we've just interviewed and appointed a Principal Account Clerk in that unit.

LEG. ALDEN:

So up until a short period of time ago, you were down three people or --

COMMISSIONER DEMARZO:

Yes. And, actually, the senior -- the accountant position is also vacant. We --

LEG. ALDEN:

So that's four.

COMMISSIONER DEMARZO:

Right. That's the supervisor we were talking on the -- yes.

LEG. ALDEN:

And that's been vacant for -- well, those four positions vacant for almost all -- well, all of '07, right, except for this recent, you know, hiring and the woman quitting.

COMMISSIONER DEMARZO:

We have -- I have a vacancy report for that unit with me, if you give me an opportunity to get it. It is here.

LEG. ALDEN:

That's okay.

COMMISSIONER DEMARZO:

Maybe it isn't here.

LEG. ALDEN:

You know, I can actually get it at a later time from you.

COMMISSIONER DEMARZO:

There has been -- consistently, there's been vacancies. One of the issues that people leave and -- here it is. Throughout '07, there has been a range of vacancies, and there was, over the pay periods, from a low of one pay period, we had zero vacancies, and then a number of pay periods, we had two to four vacancies.

LEG. ALDEN:

In that specific department?

COMMISSIONER DEMARZO:

In that unit, yes, in the Payment Units, in the -- what's it called, the services?

MS. CLARK:

The Accounting Unit.

COMMISSIONER DEMARZO:

The Accounting Unit, the Services Accounting Unit, yes.

LEG. ALDEN:

Now, what would it take to get the County in a position where they could pay in about 30 days?

COMMISSIONER DEMARZO:

Well, that's an issue that we've looked at regularly. You know, there's a variety of payments, full staffing, which we -- I guess there's a difference between full staffing and automatic backfill. We have automatic backfill right now. With turnover, you're always going to have --

LEG. ALDEN:

That only means, when somebody leaves, you can automatically replace them. That means that the vacant positions that are there remain vacant.

COMMISSIONER DEMARZO:

No, no, no, no. Those all have -- those three vacancies all have some level of approval, so we are in the process. But I just point out that somebody started last Monday.

LEG. ALDEN:

Right.

COMMISSIONER DEMARZO:

They agreed to take a promotion from DPW to our unit, and then they lasted four days and said they wanted to go back to --

LEG. ALDEN:

What gets us to the point where we can pay day-care providers in about 30 days?

COMMISSIONER DEMARZO:

I think we have to at least maintain the automatic backfill position we have now. We are -- I mean, I know this committee has heard about Kinder Track and Kinder Attend. We're going live with Kinder Attend pilot next week. I would say, at minimum, we need time to get Kinder Attend going, which has been -- it takes a lot of work. There's a learning curve associated with putting a new system in place. At minimum, we need to obtain automatic backfill, which is what we have now, and

let two months to let Kinder Attend move into full play.

LEG. ALDEN:

Okay. Then, just to shift gears a little bit, we're seeing a decrease in the homeless population. If the economy gets worse, do you have plans or do you have a projection that it will stay the same, it will decrease, it will go up, and do we have plans to accommodate?

COMMISSIONER DEMARZO:

We have -- one of the things -- we have sustained a decrease for a number of years. We have some vacancies in some of our existing shelter systems. We also have a drop-in center for our single population, which allows for some expanded growth. We also are looking at enhancing our Shelter Supplement Program, which is the monies that we pay to people to assist them, pay above the shelter allowance, trying to adjust that so it's more reflective of the rental rates that are out there now. So we have a number of pieces in place, we have some vacancies.

LEG. ALDEN:

So that's to help the providers, right?

COMMISSIONER DEMARZO:

Excuse me?

LEG. ALDEN:

That's to help the providers, because, right now, if they don't have beds filled, we don't pay them, right?

COMMISSIONER DEMARZO:

We have limited vacancy rate structure in our rate system, correct.

LEG. ALDEN:

Okay, yeah, because I like what we're doing actually now and we went away from that single shelter concept to the scattered sites. And I think I agree with that, but I think we're going to have to look at possibly helping some of the providers, make sure that the beds are there when we're going to need them, instead of just hanging them out there, because some of them are in precarious financial straits, actually.

COMMISSIONER DEMARZO:

We do understand that we -- you know, there's always the balance between how many vacancies you pay for and how many -- you know, how many dollars you spend and how many dollars you don't spend for the future. So we do have -- we are looking at it, we are -- we have a 92% vacancy rate, so we do have some built into it. I have heard from providers, that they would like more. And we also were trying to make sure that there's a distribution of homeless across the population, so nobody carries a disproportionate number of vacancies.

LEG. ALDEN:

Good. Thank you.

VICE CHAIRMAN EDDINGTON:

Legislator Schneiderman.

LEG. SCHNEIDERMAN:

Let me start with homelessness, since that's what you were just talking about. Commissioner, when you talk about the population, the homeless population decreasing, are you counting the other groups that also house the homeless, like Maureen's Haven, and other organizations like that, or just what the County is handling?

COMMISSIONER DEMARZO:

We do not count -- I mean, I know that the Nassau-Suffolk Coalition for the Homeless does an annual count on the homeless, which includes a much broader definition. When we speak about the homeless, we speak only of the homeless that seek services from the Department of Social Services.

LEG. SCHNEIDERMAN:

All right. So that number has gone down. But do you know a number County-wide in terms of homelessness; is it something that's down or something that's increasing?

COMMISSIONER DEMARZO:

I couldn't -- I will defer to Ed Hernandez, who's really like the lead homeless coordinator in the Department, if he could speak to that. He is the one that attends the consortium meetings and --

MR. HERNANDEZ:

Good afternoon. Homelessness is still an issue, but because of the collapse of the housing market, rents are more affordable. I mean, we're seeing that on a daily basis within our homeless system, that more people are moving out to permanent housing over the last year, so there are more resources available. I mean, they'll always be a level of homelessness that the County will sustain over time.

LEG. SCHNEIDERMAN:

So the number is decreasing, you think?

MR. HERNANDEZ:

Yes, there are more housing opportunities --

LEG. SCHNEIDERMAN:

County-wise.

MR. HERNANDEZ:

-- opportunities out there, because where in the past, when the houses --

LEG. SCHNEIDERMAN:

I know there's a lot of talk about a housing market slump, but, actually --

MR. HERNANDEZ:

Well, when the housing prices --

LEG. SCHNEIDERMAN:

I haven't seen rents going down, but you're saying that they are.

MR. HERNANDEZ:

The rents may not have gone down, but as people -- as the housing market went up and the prices went up, people were putting their houses up for sale. Now it takes longer to sell. People are backing off the profits in opening up those houses to rentals once again.

LEG. SCHNEIDERMAN:

All right. Well, I'm going to -- you could stay, Ed. I'm going to actually switch topics, though, to Medicaid recertification. This is something that's come up in the past. And I know in the past, there was a time when we weren't keeping up with State mandates in terms of getting people recertified, because we simply didn't have enough people to process the paperwork. Where are we on that issue now, Commissioner?

COMMISSIONER DEMARZO:

We still are not at the State mandated recertification time frames. Overall, we're at about, on the State reports, about 80 days for eligibility and recertification processes, and the State requests 30 and 45.

LEG. SCHNEIDERMAN:

Right. So that means there is a certain -- a month, a month or two,.
That these people are not certified, even though they're eligible.

COMMISSIONER DEMARZO:

That's the overall for both eligibility and recertification. We have been really focusing on making sure there's no drop-off in recertifications. So we're not timely, but we try to ensure that we don't -- we give recertifications priorities.

LEG. SCHNEIDERMAN:

Because this Legislature worked several years ago to put in place additional staff in your Department to close that gap, so that you wouldn't have the situation where people are laying money out of their pockets to pay for medical costs that they were entitled to be covered for. So that still is a problem, but I'm not clear how large --

COMMISSIONER DEMARZO:

Yes.

LEG. SCHNEIDERMAN:

Or how many more people you would need to close it.

COMMISSIONER DEMARZO:

Well, we had -- the Legislature did approve 50 new positions for the Division of Medicaid earlier this year, and the number of people in the Medicaid Division are up from the start of the year. However, the application and recertification process -- not sufficient enough to cover the application and recertification.

LEG. SCHNEIDERMAN:

So are we taking steps to close that hole?

COMMISSIONER DEMARZO:

Actually, we have a number of vacancies, and the County Exec -- I have just submitted, 32 and 12 -- 48 positions to the County Executive's Office. As you know, the Medicaid positions are 100% reimbursed by Federal and State dollars, so they are -- have indicated a willing -- a support for those positions.

LEG. SCHNEIDERMAN:

And when I look at your budget and it was -- you know, you had 260 million in '07. What's recommended for '08 is slightly less than that, it looks like about a million dollars less, almost a million dollars less. Now, I see that about 41% or so, if I recall, of your budget is Medicaid, and I know there's a cap in Medicaid of 4%. I know for awhile that was going up by 15% or so. I can't imagine it's not -- we're not at least hitting the cap of 4% in terms of increased Medicaid costs; is that fair to assume?

COMMISSIONER DEMARZO:

No. Are you asking are expenditures -- is the growth of Medicaid really exceeding 4%? You're saying that our --

LEG. SCHNEIDERMAN:

Yes.

COMMISSIONER DEMARZO:

-- our cap is 4%, but is the growth in Medicaid really exceeding 4%?

LEG. SCHNEIDERMAN:

Right. Are we hitting that 4% growth in Medicaid.

COMMISSIONER DEMARZO:

Yes, because we didn't have any savings, right? We didn't get any savings.

LEG. SCHNEIDERMAN:

Oh. So, therefore, within your budget, then, to keep the numbers relatively the same, or actually decrease, you've had to obviously make cuts. There must be something else that is shrinking to cover that. So I guess my question is, knowing that the County economy is, at least in the last quarter only, grew by about 1%, you know, the sales tax revenue, these clearly are, you know, challenging times in the County, that maybe more people who, particularly with the slide in housing, who now are qualifying for certain services, or in need of certain services that the County provides, I don't understand how you're going to be able to provide that level of service with less money to do it.

COMMISSIONER DEMARZO:

Well, the expenditures are going up, but the revenues are going up at a faster rate. When you look at the chart that shows the '07 adopted, we spent five -- we were expecting to spend 538.3 million dollars in the '07 adopted. We actually spent 523.4, and next year we're projecting to spend 547.7. So there's actually growth in the expenditure. What brings the budget to a net growth factor is that our revenues are going up at a faster rate than our expenditures, so they offset that increase in expenditures.

LEG. SCHNEIDERMAN:

And you're comfortable with that?

COMMISSIONER DEMARZO:

Well, I mean, you know, the question really becomes -- I mean, in my perfect world, in my perfect --

LEG. SCHNEIDERMAN:

I just -- you know, I just -- to be honest with you, I want to make sure that the quality of our services aren't diminished in a time when, you know, we're shrinking this budget. You guys, you're helping people at the bottom. I want to make sure that there aren't people who are left behind in the process.

COMMISSIONER DEMARZO:

We're providing our mandated services. I'd like to see the Medicaid numbers be a little bit more timely. But, you know, the question -- as far as our mandated services, we are essentially meeting them, maybe not as timely as we should be meeting them, so that is a problem, and I'm hoping that that will be rectified, you know, with continued staff, especially if the Federal and State Government gives us the full funding for that.

And then the services above that, the services that the Legislature traditionally speaks to are really often above the mandated core services. I mean, the question is do we want to provide just the State and Federal mandated services, or do we, as a County, want additional expenditures to provide more services? The budget that I have here before you today is really just to continue core mandated services, and some of those services have delays in meeting their time frames. But there is no expansion beyond some of those people, a lot of the Medicaid -- a lot of the programs that we provide have drop-offs, so ours is just to the core mandated. Beyond that, there is no --

LEG. SCHNEIDERMAN:

I mean, I had mentioned this one area where you said we're not quite meeting the State mandates, you've eluded to other areas. Can you be more specific, in what other areas the State mandates were not meeting --

COMMISSIONER DEMARZO:

Well, some of our --

LEG. SCHNEIDERMAN:

-- our requirements?

COMMISSIONER DEMARZO:

Some of our time frame issues, I mean, the most acute right now is the Medicaid area. In APS, you know, Ed has been overseeing the division. We've cleared up our backlog there. We only have two overdue cases.

LEG. SCHNEIDERMAN:

Which is APS again? What is it?

COMMISSIONER DEMARZO:

Adult Protective Services.

LEG. SCHNEIDERMAN:

Adult Protective Services, okay.

COMMISSIONER DEMARZO:

Some of our time frames, you know, our food stamp time frame recently shipped out, so we had to reallocate staff. Nothing's as acute as the Medicaid area right now.

LEG. SCHNEIDERMAN:

Okay. And is it mostly in the Medicaid in the recertification, or in the certification area as well?

COMMISSIONER DEMARZO:

Basically, it's in both the eligibility and the recertification. It's both the new applications, as well as the recertification.

LEG. SCHNEIDERMAN:

And it's just simply a staffing problem?

COMMISSIONER DEMARZO:

Yeah, the volume exceeds the staff levels.

LEG. SCHNEIDERMAN:

Okay. It's just getting the County Executive to release those positions -- those SCIN forms; is that right?

COMMISSIONER DEMARZO:

Well, we did make -- you know, we did get a big infusion earlier in the year when we got 50 of them, but the staff has attrited, and we now have 48 of them over for consideration.

LEG. SCHNEIDERMAN:

All right. Thank you.

VICE CHAIRMAN EDDINGTON:

Okay. Legislator Kennedy.

LEG. KENNEDY:

Thank you, Mr. Chair. Just a couple of questions, Commissioner. Similar to my colleagues, we've talked about the day-care issues, and Kinder Care is now being -- just give me a little bit of an idea of what's actually going to go on. What are the day-care providers going to experience, I guess,

with this coming out?

COMMISSIONER DEMARZO:

Well, there's -- Kinder Care has two components that we've purchased, one's called Kinder Track, which is really the case management payment function, and one is Kinder Attend, which is the electronic attendance reporting. We implemented Kinder Track, which is the case management payment, for August payments. The first month has been very, very difficult, because there's no history, so each and every payment had to be manually adjusted, so the efficiencies will not be realized from Kinder Track until next month. The Kinder Attend, we took 10% of the population and we are piloting the Kinder Attend. Ten percent of the caseload, which came out to six providers, are being -- are beginning the pilot. Next Monday night they'll be trained. On next Monday night, they will be able to enter in their October information, there'll be training sessions, then they go live for September and we'll go through -- but then they'll go live for their November payments. We expect to do, you know, additional roll-outs every month to make sure that there's support for everybody, we want to do it in roll-outs. So next week, we'll have 10%. Depending upon how successful, we don't know if we can go 20,30, 40, but that's our goal.

LEG. KENNEDY:

Good, excellent. That's a good job. Just a couple of other areas I want to touch on. One of them is CPS. I know we've talked a little bit about that. You and I have had some conversations where you've indicated that the case roll has come down, I guess, for our CPS workers?

COMMISSIONER DEMARZO:

For the investigation teams, yes.

LEG. KENNEDY:

What are we looking at now these days?

COMMISSIONER DEMARZO:

Well, the --

LEG. KENNEDY:

Just average, just, you know, ballpark.

COMMISSIONER DEMARZO:

There's a very detailed chart in here, and basically, in the month of August, you're looking at 11, then it went up to -- it's like 12, the other day it was 13.1.

LEG. KENNEDY:

Okay. One of the things I see in the BRO narrative here is that there is a retiree project that you have, a CPS retiree project, where we have retired case workers that are coming back on. And what are they doing, are they augmenting full-time CPS case workers? How are they functioning?

COMMISSIONER DEMARZO:

They function in a couple of areas. We had a real bad Fair Hearing backup in our CPS, so we assigned two of them there. Basically, they sign on, people that have 20, 30 years, and they do so many hours a week. They have seasonal schedules. Some of them we don't see in the summertime, but, yes, they work on cases. Sometimes they'll be assigned to a specific unit. They're really like a SWAT team. It's really where we peak out. So last year, Fair Hearings were really backed up. We were able to get a double calendar by the State and bring that way down. So it was an initiative actually of Legislator Fisher's when they -- the last early retirement came in, so it's been very successful, and we have expanded it over the years.

LEG. KENNEDY:

I see that there's a \$100,000 additional expansion recommended for '08, presumably in order to go

ahead and get that many more hours for the retirees. My experience with the retirees out in the Clerk's Office was it is an excellent way to access that institutional knowledge, which you don't find with a new hire, it takes many, many years. My concern is, is that a retiree is a retiree, and it's great to have them be focused on a crisis or a need, but if they supplant a long-term individual, then we're not managing well. Just assure me that they're going to continue to be focused only on what you have as these, I guess, hot pockets or fires or crisis areas.

COMMISSIONER DEMARZO:

Correct, they go in whenever there's a spike in a unit or spike in a workload, that's when they go in. They're not like -- they don't work a regular schedule, so, yes, that is our goal to continue to do it, so that they're only dealing with high-level workloads.

LEG. KENNEDY:

Okay. The only other area I have a question in is, I guess, and it goes to that food stamp conversation that we had had recently, as far as their renewals, I also see that you have a reduction in commodity distribution, although it was a relatively small amount of money in the first instance, and it looks like it's getting dropped significantly; what is that about?

COMMISSIONER DEMARZO:

I would assume -- Pat's going to answer that.

MS. CLARK:

One of the contracts for the Pronto Agency switched budget codes in the budget and it made a significant impact on the budget line that you're looking at, but there was really no negligible decrease in costs.

LEG. KENNEDY:

So the gross amount of money that's there for this for, I would imagine, providing for surplus food distribution or food vouchers is the same, it just moved into a different area; is that it?

COMMISSIONER DEMARZO:

Well -- and I think there's a secondary issue, and that is that a number of the items added by the Legislature in the omnibus process are for commodities distribution, so I don't know whether you're looking at the reduction in family and children, or if you're looking at the overall reduction between adopted and recommended, but we back out a lot of them. A lot of the Legislators -- yeah.

LEG. KENNEDY:

We all do.

COMMISSIONER DEMARZO:

Yeah.

LEG. KENNEDY:

We all put money in for soup kitchens.

COMMISSIONER DEMARZO:

Yeah, 3,000, 5,000, a lot of those are commodity distributions and they are not carried forward by the Department and the Executive.

LEG. KENNEDY:

Okay. Last question. Then tell me, and I'm working from the same page from whomever's here from BRO, I guess if Diane's here or whomever, I see that there's a substantial reduction in the Domestic Violence Project, 6017; is that correct. A \$233,000 reduction in that project, can you tell me about that?

COMMISSIONER DEMARZO:

I would think that it's -- because, if you look at the monies added, as Pam Johnston said earlier and a number of them, there's a lot of adds done at the Legislative process that are --

LEG. KENNEDY:

So that's reflecting our Legislative add-ons that are not included in the submitted or recommended '08?

MS. DONO:

That is correct.

LEG. KENNEDY:

Okay. All right. Thank you.

VICE CHAIRMAN EDDINGTON:

Legislator Lindsay.

P.O. LINDSAY:

Janet, it goes back to an old discussion we had earlier this year about the CPS workers. You guys had maintained that the caseload was 12, and we heard testimony from AME that it was 25, and I guess you're still maintaining that it's 12.

COMMISSIONER DEMARZO:

Actually, I had a brief conversation with Debra Alloncius from the union regarding that. What we've asked for, what we have gotten from the State is their report. We -- you know, we have rectified or we have reconciled our numbers with the State. The union has expressed concerns about the State's reporting system, but hasn't provided specific, you know, information. So I think that we are closer. I think that they agree that the numbers are down in investigations, but they --

P.O. LINDSAY:

So it's possible that the State is saying we have 12 cases per investigator, but yet we physically have investigators out in the field handling 25 cases?

COMMISSIONER DEMARZO:

When I speak about the caseload, we talk on average, so there are some workers that have two cases, but there are no -- and then there are some that used to have 26, 35, 40. There are no case workers now with over 21. Last month, there was one individual that had over 21, but this -- you know, but it was a variety of reasons. So we used to have a number of people that had very significant caseloads above 20. We now do not, in the Investigations Unit, do not have that number.

P.O. LINDSAY:

Someone that only has two, what is that, someone in training?

COMMISSIONER DEMARZO:

Correct, yes. When they start out, they can't carry a full caseload and when they --

P.O. LINDSAY:

Do we have a lot of trainees?

COMMISSIONER DEMARZO:

We have a lot of trainees, because there's been such turnover, and a person is a trainee for a year. So we do have a lot of trainees, because we've been getting so many positions filled, but we did start -- you know, we did start a trainee unit, so that trainees don't, you know --

P.O. LINDSAY:

How many positions did we fill in that unit this year?

COMMISSIONER DEMARZO:

In the CPS Unit, CPS Department? Actually, if I look -- if you give me another chance to stumble through my papers, I can answer that question. We keep a list of how many positions we request and how many are released over the course of the year, so I can tell you how many SCINs were submitted. I mean, on a general basis, they were all filled timely. Since last year -- okay. I'm going to try one more time to flip through the papers, if you'll bear with me. I give up. I can't answer that question. Oh, here it is. For the Family and Children's Division, there were 73 SCIN -- there were 73 positions released this year, and nine positions, where a position was approved, the person left and was automatic refill. So it's well over 80 individuals that were approved for hiring this year in the Family and Children's Unit. They're not all case workers, some of them are clerk typists. I don't have it broken out by function.

P.O. LINDSAY:

Okay.

VICE CHAIRMAN EDDINGTON:

Anyone else? No. Then I thank you for your presentation.

COMMISSIONER DEMARZO:

Thank you.

VICE CHAIRMAN EDDINGTON:

And if there's no other business, I'll close the meeting. Okay. Thank you very much.

[THE MEETING WAS ADJOURNED AT 2:33 P.M.]