

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEES ON FINANCE; HEALTH; MENTAL HEALTH,
DEVELOPMENTAL DISABILITY, ALCOHOLISM, DRUG ABUSE
AND DISABILITY SERVICES; AND DRUG ABUSE

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May 28, 2013
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HELD AT: Council Chambers
City Hall

B E F O R E:
DOMENIC M. RECCHIA, JR.
G. OLIVER KOPPELL
RUBEN WILLS
Chairpersons

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Council Member Fernando Cabrera
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A P P E A R A N C E S

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A P P E A R A N C E S (CONTINUED)

Barbara Sampson
Acting Chief Medical Examiner
Office of the Chief Medical Examiner

Barbara Butcher
Chief of Staff
Office of the Chief Medical Examiner

Jennifer Page
Assistant Commissioner of Finance
Office of the Chief Medical Examiner

Alan Aviles
President
New York City Health and Hospitals Corporation

LaRay Brown
Senior Vice President
New York City Health and Hospitals Corporation

Marlene Zurack
Chief Financial Officer
New York City Health and Hospitals Corporation

Tom Farley
Commissioner
New York City Department of Health and Mental Hygiene

Adam Karpati
Executive Deputy Commissioner for Mental Hygiene
New York City Department of Health and Mental Hygiene

Roger Platt
Assistant Commissioner for School Health
New York City Department of Health and Mental Hygiene
Chief Executive Officer for School Health
New York City Department of Education

Daniel Kass
Deputy Commissioner, Division of Environmental Health
New York City Department of Health and Mental Hygiene

2 CHAIRPERSON RECCHIA: Good morning
3 and welcome to the ninth day of the City Council
4 Hearing ... on the Mayor's Executive Budget. My
5 name is Domenic M. Recchia, Jr., I'm the Chair of
6 the Finance Committee. I'm joined by my
7 colleague, Oliver Koppell. The last time we met,
8 we heard from NYPD, District Attorneys, Special
9 Narcotics, and the Civilian Complaint Review
10 Board. Today the Finance Committee will be joined
11 by the Committee on Health, Chaired by my
12 colleague Maria del Carmen Arroyo, who's not here,
13 but we have Oliver Koppell (she's out sick today);
14 but the Committee on Mental Health, Developmental
15 Disability, Alcoholism, Drug Abuse and Disability
16 Services Chaired by my colleague, Council Member
17 Oliver Koppell, will step in; and also the
18 Subcommittee on Drug Abuse, Chaired by Ruben
19 Wills. We're here to hear from the Office of the
20 Chief Medical Examiner, the Health and Hospice
21 Corporation, and the Department of Health and
22 Mental Hygiene. Before we get started, I wanted
23 to remind everyone that the public will testify on
24 June 5th at 4:00 o'clock, the last day of the
25 budget hearings in this chamber. For members of

2 the public who wish to testify but cannot make it,
3 they could fax their testimony to (212) 788-7061.

4 Today, we begin our Executive Budget Hearing with
5 the Chief Medical Examiner, who's budget total is
6 \$57.8 million, which reflects a decrease of \$5.4
7 million from last year's adopted. I look forward
8 to hearing how this extensive budget affects the
9 Chief Medical Examiner's Office, particularly in
10 light of the \$774,000 in PEGs that this office
11 will sustain in FY'14. All right. We've been
12 joined by some more Council Members, Council
13 Member Eugene, Council Member Wills, Council
14 Member Oddo, Council Member Vincent Ignizio,
15 Council Member Lewis Fidler. Okay. You're on.

16 BARBARA SAMPSON: Good morning,
17 Chairman Recchia and the Members of the Health
18 Committee. I am Dr. Barbara Sampson, Acting Chief
19 Medical Examiner. Joining me today, to my left,
20 is Barbara Butcher, our Chief of Staff; and to my
21 right, are Arthur Aaronson, our Deputy
22 Commissioner for Administration; to my far left,
23 is Jennifer Page, our Assistant Commissioner of
24 Finance. Today, we are pleased to discuss Fiscal
25 Year 2014 Executive Budget for the Office of Chief

2 Medical Examiner. But first, we would like to
3 update you on some agency initiatives and
4 accomplishments. As you are aware, OCME hired a
5 consultant to help conduct an in-depth review of
6 management structure and quality assurance in the
7 DNA lab. As a result of the findings, we have
8 removed the management team and are conducting a
9 nationwide search for a new DNA director. We are
10 pleased to report that both the consultant's
11 report and the assessment of our scientific
12 oversight bodies stated that the science OCME
13 performs is stellar. No flaws were found in our
14 overall casework operations. We continue to seek
15 further areas for improvement, and are working on
16 systems changes that will reduce the possibility
17 of errors, ensure accountability, and provide
18 faster service for the criminal justice system.
19 OCME continues to analyze factors contributing to
20 criminalist attrition in the forensic biology
21 laboratory. We are currently benchmarking
22 salaries, step raises and benefits of other
23 comparable DNA labs in the nation. We will
24 utilize our findings to work with the Mayor's
25 Office of Management and Budget this summer to

1 explore all options to minimize criminalist
2 attrition. Our striving for excellence is of
3 course not limited to the DNA laboratory. The
4 Evidence Department will soon have a new system
5 wherein we will link the NYPD evidence tracking
6 software ensuring chain of custody and rapid
7 retrieval of cases. Great strides have also been
8 made in the forensic toxicology laboratory, toward
9 dramatically reducing the turnaround time required
10 for testing and generation of reports. These
11 reports are critically important to medical
12 examiners in determining cause and manner of
13 death. The turnaround time declined from over 70
14 days in November 2012 to under 30 days in April,
15 roughly a 60 percent reduction over a six month
16 period. This progress has a significant impact
17 for the criminal justice system, public health
18 officials, and family members in need of a death
19 certificate to settle the final affairs of their
20 loved one. Another major initiative has been the
21 establishment of a dedicated fingerprint unit
22 within the Forensic Pathology Department, focused
23 on improving our ability to efficiently identify
24 the missing or unidentified dead. Within the past
25

1 year, we have had the FBI train OCME mortuary
2 staff in fingerprinting techniques, and began
3 submitting these to both criminal and civilian
4 databases. Historically, OCME relied exclusively
5 on the NYPD for acquisition and submission of
6 fingerprints. But these searches were limited
7 only to criminal databases. Our access to
8 civilian records has exponentially increased our
9 chances of identifying an unknown decedent.
10 Additionally, the fingerprint unit staff have
11 specialized training in advanced techniques, which
12 have been highly successful. Not only have we
13 increased the number of person identified, but we
14 have reduced the number of cases ultimately
15 requiring DNA testing, which is far more
16 expensive. Of 230 initially unknown decedents
17 examined by OCME since February 2012, 56 percent
18 have been positively identified by fingerprints.
19 In the near future, we will convert to digital
20 technology, streamlining the process even further.
21 Using grant funds, we are also examining cold
22 cases with NYPD dating back to the early '90s with
23 good results to-date. Council is aware of OCME's
24 laboratory information management system for DNA,
25

2 which will next be implemented in histology and
3 toxicology. We have also rolled out a new case
4 management system, CMS, which will provide better
5 data for management and increase accuracy and
6 accountability. CMS also allows daily operations
7 to be scalable up to include a mass fatality
8 event, removing the need to learn infrequently
9 used systems in a crisis. CMS will eventually
10 bring automation to departments which have manual
11 processing, supporting new technologies such as
12 handheld devices, digital images for both x-ray
13 and photography, and document management
14 technology, as well as full internet capabilities
15 to allow remote access. We remain fully committed
16 to the ongoing efforts to recover and identify
17 every World Trade Center victim, and to that end,
18 we continue to conduct search and recovery
19 activities in collaboration with the New York City
20 Fire and Police Departments. On April 1, 2013, we
21 began Phase IV potential human remains sifting
22 operations at Fresh Kills in Staten Island using
23 its state-of-the-art mobile platform to examine
24 approximately 600 cubic yards of material
25 recovered from the World Trade Center site over

2 the last three years. Elected officials and
3 family members of the victims have had the
4 opportunity to visit the site and ask questions of
5 our forensic personnel. OCME continues its work
6 to identify as many victims of the World Trade
7 Center terrorist attacks as possible, making 35
8 new identifications and linking over 2,500
9 potential human remains to previously identified
10 victims since 2006. We will continue monitoring
11 operations at around--at and around the World
12 Trade Center site, investigating any newly
13 accessible areas and examining any recovered World
14 Trade Center material for potential human remains.
15 These monitoring efforts are expected to last into
16 2016 when the last construction project is
17 completed. OCME's proposed Fiscal Year 2014 non-
18 grant Executive Budget is projected at \$56.4
19 million, with \$42 million for personnel and \$14.5
20 million for other than personnel services. Our
21 ten year capital plan is \$60 million for various
22 projects including \$28 million for a new Bronx
23 mortuary facility, and \$11.7 million needed for
24 critical laboratory equipment replacements. As we
25 stated in our Preliminary Budget Testimony, OCME

2 maximizes grant funding in order to support agency
3 operations and has seen reductions to the federal
4 and state awards on which we now rely for
5 personnel. We recently lost four positions due to
6 eliminated or reduced grant funding, and absorbed
7 personnel onto the City tax levy payroll. OCME
8 will keep the Council informed on future funding
9 issues, as we are unsure how federal cutbacks will
10 impact future grant awards. This year, Council
11 has asked us to provide an agency organization
12 chart, and describe the function of each
13 department at OCME. You will find the
14 organization chart attached to this testimony on
15 the last page. I will describe for you the core
16 functions of the agency, as well as the support
17 functions. I'd like to begin with pathology,
18 which is listed in the fourth column from the
19 left, under Dr. Jason Graham, the Acting First
20 Deputy Chief Medical Examiner. The medical
21 examiners perform autopsies to determine cause and
22 manner of death in cases where the death is
23 sudden, violent or unexpected; or if the death
24 occurs in custody. The medical examiner's
25 responsibilities include, amongst other things,

2 writing and signing death certificates and autopsy
3 reports, and testifying in courts of law as to
4 their findings. Within Pathology are several
5 laboratories, including toxicology. Toxicology
6 performs testing on post-mortem samples to detect
7 both drugs of abuse and prescription medications
8 that were present in a person's system at the time
9 of death. This is critical in the determination
10 of cause and manner of death. Another lab is the
11 histology lab, that prepares glass slides of
12 pieces of tissues obtained at the autopsy. These
13 slides are reviewed by the medical examiners and
14 contribute to the determination of cause and
15 manner of death. Another laboratory is the
16 Molecular Genetics Laboratory, which performs
17 genetic testing on post-mortem samples, to detect
18 diseases that contribute to the cause of death.
19 Our investigators go to the scene of death to
20 examine the body and gather evidence to determine
21 whether a case falls within the OCME's
22 jurisdiction or not. They write reports for the
23 medical examiners to assist in cause and manner of
24 death determination. They also work with
25 physicians to investigate deaths occurring in

1
2 hospitals. Anthropology investigates deaths
3 wherein skeletal remains are found. Works to
4 determine identity from osseous evidence, that is
5 bone evidence, and does recovery of fragmented or
6 buried remains. Our Photography Department
7 documents evidence and photographs autopsies for
8 records and court purposes, and our Radiology Unit
9 uses x-ray to assist in cause and manner of death
10 as well as identification. Our identifications
11 unit, these personnel work with families to
12 identify decedents coming under our jurisdiction.
13 They find families when remains are unclaimed and
14 work with police, hospitals and other agencies to
15 identify unidentified or missing persons. They
16 manage the remains of the World Trade Center 9/11
17 victims and work with those families, as well.
18 The Forensic Biology Department, which is listed
19 as, from, in the sixth column from the left, on
20 the organizational chart, tests biologic evidence
21 for both forensic and identification purposes
22 using several DNA techniques, including high
23 sensitivity testing, the only public lab in the
24 United States qualified to do so. They work on
25 all manners of crimes, including sexual assaults,

2 homicides, property crimes, missing persons, and
3 identification of the victims of the World Trade
4 Center 9/11 attacks. In the fifth column from the
5 left is our Emergency Management Division, which
6 develops and maintains the agency's continuation
7 of operations plans and emergency action plans,
8 and responds to emergencies of any kind involving
9 fatalities. All personnel are trained and
10 certified in hazmat operations. They manage the
11 recovery and monitoring efforts at World Trade
12 Center, sifting through debris to find remains and
13 they direct all agency security operations. Our
14 Operations Unit, which is in the column all the
15 way to the right on the chart, manages the
16 mortuary functions for the City in all five
17 boroughs, as well as medical examiner cases,
18 transportation for decedents and personnel,
19 environmental sanitation and engineering services
20 for the maintenance of our six buildings. Our
21 Health and Safety Unit maintains employee safety
22 and ensures that hazardous wastes and chemicals
23 used in our work are properly stored and disposed
24 of. Information technology, which is the third
25 column from the left, develops software to manage

2 agency operations, especially for complex
3 laboratory functions and case investigation. They
4 work closely with DoITT to maintain databases and
5 communications. Our Legal Department, the second
6 column from the left, provides assistance with
7 contracts, legislation, litigation and advisement
8 on all legal affairs, including DNA related cases.
9 Within Administration, there are several support
10 departments. The Finance Division is responsible
11 for all components of fiscal management which
12 includes PS and OTPS budgets, capital grants and
13 audit, as well as accounts payable. Contracts and
14 Procurement do all agency RFPs and contracting
15 services, purchases agency supplies and equipment.
16 Also under this area is the Records Department,
17 which maintains all case records for OCME and
18 provides certified copies to families, attorneys,
19 district attorneys, and physicians, as needed.
20 Human Resources is responsible of course for
21 hiring, recruitment, payroll, employee development
22 and disciplinary actions. I thank the Council for
23 their continuing support during a time of great
24 change at OCME. Although change is difficult, it
25 is also an important opportunity to reorganize and

2 modernize OCME. And I intend to take full
3 advantage of this. I anticipate that with the new
4 technologies and equipment capital funds provide
5 us, and the ability to hire and retain the highly
6 educated, professional staff that a science based
7 agency like ours requires, OCME will continue to
8 serve the people of New York in the outstanding
9 manner they deserve. Thank you.

10 CHAIRPERSON RECCHIA: Okay. This
11 is the first time you've testified before my
12 committee.

13 BARBARA SAMPSON: I think it's the
14 second. [crosstalk]

15 CHAIRPERSON RECCHIA: Finance,
16 right.

17 BARBARA SAMPSON: Oh, in front of
18 you, absolutely, yes.

19 CHAIRPERSON RECCHIA: It was good,
20 but you left out numbers and stuff. So, first of
21 all, I'm going to start off by saying you went
22 through and you said that you had, you hired this
23 consultant to do this report.

24 BARBARA SAMPSON: Yes.

25 CHAIRPERSON RECCHIA: How much was

2 the report and who was the consultant?

3 BARBARA SAMPSON: Barbara Butcher
4 is our current head of the DNA Lab, and she's
5 worked most closely with the consultant.

6 BARBARA BUTCHER: The consultant
7 fee was \$55,000. And the, with Sorenson
8 Forensics.

9 CHAIRPERSON RECCHIA: What was that
10 again?

11 BARBARA BUTCHER: Sorenson
12 Forensics.

13 CHAIRPERSON RECCHIA: Okay. And
14 that was \$55,000 for that consultant job?

15 BARBARA BUTCHER: Yes, it was.

16 CHAIRPERSON RECCHIA: Was there
17 anything else attached to that contract?

18 BARBARA BUTCHER: No. Not to my
19 knowledge.

20 CHAIRPERSON RECCHIA: Any like
21 follow up work that they would do? Or be paid
22 for.

23 BARBARA BUTCHER: Oh, yes, I mean,
24 they did a report, yes, which we've provided to
25 Council.

2 CHAIRPERSON RECCHIA: Okay. And
3 that report was \$55,000.

4 BARBARA BUTCHER: Yes, it was.

5 CHAIRPERSON RECCHIA: Now, in that
6 report, it made recommendations, correct?

7 BARBARA BUTCHER: Yes, sir.

8 CHAIRPERSON RECCHIA: And in that
9 report in the recommendations it said to do
10 certain things. Did they tell you how much it was
11 going to cost to make those improvements?

12 BARBARA BUTCHER: No, they did not.
13 The changes that they recommended were in some
14 ways no cost, or net changes, in that they
15 recommended a completely new administration,
16 including a restructuring of the laboratory, the
17 operations, and we have a team structure right
18 now, which really doesn't work very well. So it's
19 a matter of changing the structure, the
20 administration and a lot of the old practices
21 that--

22 CHAIRPERSON RECCHIA: Okay, so you
23 could do that within your budget. I'm interested
24 in the finance end of it.

25 BARBARA BUTCHER: Yeah.

2 CHAIRPERSON RECCHIA: I'm
3 interested in the money. If you need more money,
4 you don't need more money, that's what I'm
5 interested in.

6 BARBARA BUTCHER: Yeah.

7 CHAIRPERSON RECCHIA: You know what
8 I mean? But anything for improvements is good.
9 So you could do everything within the budget that
10 you have now.

11 BARBARA BUTCHER: I believe so,
12 yes.

13 BARBARA SAMPSON: Absolutely.

14 CHAIRPERSON RECCHIA: Okay. I just
15 have one follow up question. You said that you
16 needed capital money? In the Preliminary Budget
17 testimony that I read.

18 [pause, background noise]

19 JENNIFER PAGE: That we need
20 capital money?

21 CHAIRPERSON RECCHIA: Yeah, you
22 have a request in, in this budget.

23 JENNIFER PAGE: We do have a
24 request in. It was the request from Councilwoman
25 Arroyo, that we present our next capital equipment

2 replacement need to the Council. That's for our
3 toxicology laboratory.

4 CHAIRPERSON RECCHIA: And how much
5 is that?

6 JENNIFER PAGE: That's
7 approximately \$5 million.

8 CHAIRPERSON RECCHIA: \$5 million.

9 JENNIFER PAGE: And Jeff Roden
10 [phonetic] has that proposal. All other
11 laboratories have been already funded by the
12 Administration.

13 CHAIRPERSON RECCHIA: And what type
14 of machine was that again?

15 JENNIFER PAGE: I'm sorry?

16 CHAIRPERSON RECCHIA: What type of
17 machinery?

18 JENNIFER PAGE: Various machinery.
19 Highly--

20 CHAIRPERSON RECCHIA: Various--

21 JENNIFER PAGE: --highly scientific
22 machinery for the toxicology lab.

23 CHAIRPERSON RECCHIA: And you said
24 that Council Member Arroyo told you to put that
25 request in?

2 JENNIFER PAGE: She did,
3 specifically, yes.

4 CHAIRPERSON RECCHIA: Okay. Have
5 you asked the Administration for these new
6 machines?

7 JENNIFER PAGE: We've asked the
8 Administration for all other requests for our
9 other three laboratories, they've been funded in
10 the amount of nearly \$15 million.

11 CHAIRPERSON RECCHIA: Okay. So you
12 need this \$5 million on top of the \$15 million
13 that you already received.

14 JENNIFER PAGE: That's correct,
15 yes.

16 CHAIRPERSON RECCHIA: Okay. All
17 right. Does any other Council Member have
18 questions? [background comment] Yep, sure. All
19 right, I recognize Council Member from the Bronx,
20 Oliver Koppell.

21 CHAIRPERSON KOPPELL: Just in
22 looking at your budget, it appears that for the
23 current fiscal year, the one we're in now, there
24 was substantial federal funds. Is that correct?

25 JENNIFER PAGE: That is correct.

2 CHAIRPERSON KOPPELL: And those are
3 no longer available. What were they for?

4 JENNIFER PAGE: We have--about 80
5 percent of our grants are federal. Most of those
6 are in the homeland security area. Those grants
7 are actually front loaded, so it's, it looks
8 misleading that they might've disappeared.
9 They'll be rolled into next fiscal year.

10 CHAIRPERSON KOPPELL: And what are
11 they for?

12 JENNIFER PAGE: They're for
13 emergency preparedness.

14 CHAIRPERSON KOPPELL: So, I don't
15 know, it's peculiar, looking at the numbers here
16 from our finance division, it suggests that the
17 executive plan for last year was for \$13 million
18 of federal funds, but you only got \$4 million. Is
19 that correct?

20 JENNIFER PAGE: Last year also
21 reflected a 2008 UASI award in the amount of \$6
22 million that we just closed out. So that funding
23 has decreased by about \$6 million.

24 CHAIRPERSON KOPPELL: So, I don't
25 quite understand these numbers. It said that the

2 executive plan was for \$13 million for this
3 current year. And then it says Adopted was for
4 \$4.3 million. So why is there that disparity?
5 What happened?

6 [pause, background noise]

7 JENNIFER PAGE: The adopted in 2003
8 is \$4.3 million--

9 CHAIRPERSON KOPPELL: '13, 2013.

10 JENNIFER PAGE: 2013 is \$4.3
11 million.

12 CHAIRPERSON KOPPELL: Right.

13 JENNIFER PAGE: Executive plan is
14 \$13 million.

15 CHAIRPERSON KOPPELL: So what
16 happened?

17 JENNIFER PAGE: I think it reflects
18 when, it reflects the grants that we get awarded
19 on a yearly basis. At adoption, our state grants
20 are not reflected, we get our awards in the fall.
21 For all - -

22 CHAIRPERSON KOPPELL: [interposing]
23 Yeah, but this is just, at least according to the
24 numbers that we have--

25 JENNIFER PAGE: All federal.

2 CHAIRPERSON KOPPELL: --it's just
3 federal money. So, what [laughs] what I'm trying
4 to figure out, it just--just doesn't--

5 JENNIFER PAGE: Yeah, adoption,
6 adoption when it occurs is before the roll, so as
7 I mentioned, all of our grants, especially our
8 federal grants, are front loaded. So, in FY'13,
9 that reflects that the FY'12 grants at adoption
10 were not rolled into FY'13. And so they're
11 reflected after the roll.

12 CHAIRPERSON KOPPELL: So, for this
13 year, it shows there's no anticipated federal
14 money, is that correct?

15 JENNIFER PAGE: Again, what's going
16 to happen this year is the same as last year, we
17 hope to realign this in the November Plan. So
18 that all of our grants are loaded in with the
19 fiscal years where we intend to expend them. But
20 yes, it does not look like we have federal
21 funding, but upon the roll in September, or the
22 end of July, we will be rolling the federal funds
23 that are unspent into FY'14.

24 CHAIRPERSON KOPPELL: So--

25 JENNIFER PAGE: So that--

2 CHAIRPERSON KOPPELL: So, right
3 now, we don't know what--Do you know how much
4 federal money you're going to get for next, for
5 this coming fiscal year, the '14 year?

6 JENNIFER PAGE: We anticipate that
7 what's currently loaded will roll the unused
8 moneys, but the federal funds for our DNA
9 laboratory that we rely on, we're not quite sure
10 what the amounts will be for the fall, we get the
11 award letters in the fall.

12 CHAIRPERSON KOPPELL: I mean, if
13 you look at this chart, it looks quite alarming,
14 'cause it looks like you're not going to get any
15 federal money at all. But you anti--you say you
16 actually have federal money that you're going to
17 reflect? You actually have federal money within
18 your--

19 JENNIFER PAGE: We have federal
20 funding right now.

21 CHAIRPERSON KOPPELL: - -

22 JENNIFER PAGE: [interposing] Our,
23 all of our UASI Homeland Security funding is in
24 that \$13 million, and will get rolled into next
25 year.

2 CHAIRPERSON KOPPELL: I see. But
3 it's not reflected right now.

4 JENNIFER PAGE: That's correct.
5 And we intend to fix that.

6 CHAIRPERSON KOPPELL: All right.
7 Well, I think that kind of explain--

8 JENNIFER PAGE: Yes, it is
9 misleading.

10 CHAIRPERSON KOPPELL: That sort of
11 explains it.

12 JENNIFER PAGE: Yeah.

13 CHAIRPERSON KOPPELL: But I guess
14 the staff can look into it. But--

15 JENNIFER PAGE: Yeah, we can--

16 CHAIRPERSON KOPPELL: --if you look
17 at just at the raw numbers, it looks quite
18 alarming.

19 JENNIFER PAGE: It does.

20 CHAIRPERSON KOPPELL: Looks like
21 you're going to have millions of dollars less for
22 the next year than you do for this year.

23 JENNIFER PAGE: And it's hard to
24 distinguish between Homeland Security and the
25 federal grants that support day-to-day operations,

2 as well, and that's something we can iron out with
3 the Council Finance Analyst.

4 CHAIRPERSON KOPPELL: Thank you.

5 CHAIRPERSON RECCHIA: Before we
6 adopt the budget, we will have a better idea of
7 exactly the numbers from the federal government.
8 In addition to that, we're working with our
9 counterparts in Washington to find out exactly
10 where we stand, what the numbers look like, you
11 know, especially with sequestration. We don't
12 know how it's going to affect us. We'll have
13 better numbers as we get closer to the adopted
14 budget. But it's always been the position of this
15 Council that we will make sure that the Office of
16 the Medical Examiner is always funded properly. A
17 few years ago, we put a lot of money in to help
18 you guys out, ladies and gentlemen out. We've
19 been joined by Council Member Dickens, Council
20 Member Debbie Rose, Council Member Jimmy Van
21 Bramer, and Council Member Darlene Mealy. I just
22 want to talk about, it's a little bit budget
23 related, but not--You shifted, there was a protest
24 yesterday, in front of your building. Okay, and
25 that's 'cause they felt like they weren't given

1 proper notice when you moved the operations.

2 Could you tell us why you moved the operations?

3 How much money? How it's going to benefit? And
4 was proper notice given to those families of the
5 9/11 victims?
6

7 BARBARA BUTCHER: Yes, just before
8 Sandy--

9 CHAIRPERSON RECCHIA: See, they
10 knew the hearing was today, that's how come they
11 had the protest yesterday. [laughter]

12 BARBARA BUTCHER: Yes, sir, that's-
13 -well. Just before Hurricane Sandy, in order to
14 ensure the safety of the victims' remains, we
15 moved them, as we have done in the past when
16 they're threatened by any storm. As you may be
17 aware, the Memorial Park Tent, where the remains
18 are kept, is right next to the East River, in an
19 evacuation zone, or a flood zone. So, we moved
20 the remains to the DNA building where they'd be
21 safe. And that was intended as a temporary move.
22 Unfortunately, Hurricane Sandy did considerable
23 damage to Memorial Park, knocking down trees onto
24 the frame of the structure, uprooting sidewalks,
25 doors, and knocking out the electrical system, and

2 the security systems, as well. So, it was our
3 intention to make the appropriate repairs to move
4 the remains back there. However, after numerous
5 consultations with DDC and engineering firms, as
6 well as FEMA, it has only recently been
7 established that we're not going to be able to
8 repair Memorial Park. But more to the point,
9 we're never going to be able to secure the remains
10 at Memorial Park. And that is of paramount
11 importance to us. The laboratory in the DNA where
12 we've--in the DNA building where we moved the
13 remains, we made a secure facility there with
14 electronic access to only three people, and those
15 are the people who are authorized to access the
16 remains. And there's electronic surveillance and
17 security facilities there. And they're kept in a
18 respectful, safe and manner that we can ensure.

19 CHAIRPERSON RECCHIA: And that's in
20 your building.

21 BARBARA BUTCHER: Yes, it is.

22 CHAIRPERSON RECCHIA: And the, you,
23 your intent to keep them in that building?

24 BARBARA BUTCHER: It was temporary,
25 but I think that's going to have to be the

2 decision. I really don't see how we can keep them
3 secure at Memorial Park. FEMA and the DDC have
4 decided that there's no way we can restore the
5 electricity to Memorial Park, and without that I
6 have no security.

7 CHAIRPERSON RECCHIA: And did
8 anyone contact the families? What did you do to
9 notify the 9/11 families?

10 BARBARA BUTCHER: Just last week,
11 when this decision was made, we made a, we worked
12 with Commissioner Parvizi, from Community Affairs,
13 and the Mayor's Office of Operations, in
14 particular, Deputy Mayor Holloway and his staff,
15 to craft a letter to the families to notify them
16 that it looks as if this is going to be the
17 permanent housing of the remains until such time
18 as they're moved to the memorial down at the site
19 of the original World Trade Center.

20 CHAIRPERSON RECCHIA: So eventually
21 they will be moved to the memorial--

22 BARBARA BUTCHER: Yes.

23 CHAIRPERSON RECCHIA: --the 9/11
24 memorial.

25 BARBARA BUTCHER: That's correct.

2 CHAIRPERSON RECCHIA: And so the
3 letter was sent out--so from Super Storm Sandy,
4 until last week when you sent the letter out--

5 BARBARA BUTCHER: I'm sorry, the
6 letter did not go out yet.

7 CHAIRPERSON RECCHIA: Oh, the
8 letter did not go out.

9 BARBARA BUTCHER: No.

10 CHAIRPERSON RECCHIA: Okay. So
11 let's take this back a little bit. So from 9/11,
12 from Super Storm Sandy, you moved the remains back
13 into the Medical Examiner's office, is that
14 correct?

15 BARBARA BUTCHER: Correct.

16 CHAIRPERSON RECCHIA: And from then
17 till this week, no one notified the families that
18 they were moved?

19 BARBARA BUTCHER: That's correct.

20 CHAIRPERSON RECCHIA: And ... so
21 now you're crafting a letter to notify these
22 families.

23 BARBARA BUTCHER: That's correct.

24 CHAIRPERSON RECCHIA: Okay. Then
25 they will eventually wind up in the 9/11 Memorial

2 being buried.

3 BARBARA BUTCHER: Yes, they will be
4 held at a repository there, which the Medical
5 Examiner is responsible for. They will not be
6 part of the actual memorial, but they're a
7 repository that we will take charge of.

8 CHAIRPERSON RECCHIA: Okay. And
9 how much is that? And the--

10 BARBARA BUTCHER: That's not part
11 of our budget, that's something that the Memorial
12 has raised the funds for.

13 CHAIRPERSON RECCHIA: So they're
14 going to pay for the depository?

15 BARBARA BUTCHER: Yes. And
16 additionally, I believe--

17 CHAIRPERSON RECCHIA: And who's
18 going to maintain that?

19 BARBARA BUTCHER: We are.

20 CHAIRPERSON RECCHIA: The Medical
21 Examiner's Office.

22 BARBARA BUTCHER: Yes, we're going
23 to maintain it - -

24 CHAIRPERSON RECCHIA: [interposing]
25 Okay. Do you have a--I mean, hearing this and

2 learning about this, it's a little bit disturbing
3 that no one contacted the families from Super
4 Storm Sandy till last week to tell them that the
5 remains were removed. And I just think that you
6 should take the necessary steps immediately. I
7 would strongly recommend a meeting with these
8 families, and discuss this with them. If you
9 like, you know, this Council could take the lead
10 in arranging that, because I just think that they
11 have the right to know where these remains are,
12 who's securing them. It sounds to me like they're
13 secure, sounds to me--

14 BARBARA BUTCHER: Yes.

15 CHAIRPERSON RECCHIA: --like
16 they'll be better secured inside a facility that
17 has the proper electronic security devices, and
18 only three people can get in. But this is a
19 concern to us, and I really recommend strongly
20 that you get the letter out and then follow it up
21 with a meeting. And see what their issues are.
22 And I'm sure that we could talk about it, and
23 hopefully come to some type of resolution. You
24 know, Commissioner Parvizi, she does a great job,
25 I'm a big supporter, you know, Nazli, she does a

2 great job. So, I will, maybe I will follow up
3 with her myself, follow up to see what we could
4 do. But I would strongly recommend that you send
5 that letter out ASAP, and then contact whoever you
6 have to contact in the 9/11 families, and see what
7 could be done.

8 BARBARA BUTCHER: We'll do so, yes.

9 CHAIRPERSON RECCHIA: We've been
10 joined by Council Melissa Mark Viverito, and
11 Council Member Crowley. Does any Council Member
12 have any questions? Oh, Rosie Mendez, sorry,
13 Rosie, I didn't see you. Okay. Does any other
14 Council Member have follow up questions? Yes.
15 Council Member Koppell and then Council Member--

16 CHAIRPERSON KOPPELL: I just want
17 to second what you said, Mr. Chairman, hearing
18 this just now, and I had seen some of the news
19 reports last night. The lack of sensitivity here
20 is significant. The fact is that the trauma of
21 losing a loved one, especially under the
22 circumstances of 9/11 and the fact that the
23 remains are extremely partial and for a lot of
24 people these remains are the only thing that, you
25 know, that connects them to the loved one. And I

1 would recommend to the Medical Examiner's Office
2 that absolutely nothing be done with respect to
3 these remains without notification of the family.
4 For a lot of people, you may not feel this way,
5 I'm not saying whether you do or you don't, but
6 for a lot of people, remains have a very special
7 meaning. If one saw the TV shows yesterday about
8 people visiting the gravesites of service people
9 who were killed, that, those gravesites, even
10 though obviously those people are no longer there,
11 those gravesites and the remains in those
12 gravesites are intensely important to those
13 people. And you may not feel that way, but they
14 feel that way, and so right after the Sandy Storm,
15 when you had to move the remains, a letter should
16 have gone out indicating, first of all something
17 good, you took care that the remains would be
18 protected; and also, what, where those remains
19 were, because it's so important to people. And I
20 think it would remiss of me, on behalf of this
21 Council, not to, frankly speaking, chastise you
22 and urge that there be someone in the office who
23 has some responsibility for these remains, to be
24 sure that anything that happens to them--for
25

1 instance, you're now in a building, and they're
2 going to be moved to a new place--before they're
3 moved, a letter should go out to those families,
4 if we know who they are, saying these remains are
5 now going to be moved. We want you to know
6 they're going to be moved. I mean, if you had a
7 loved one, or I think for someone, and they were
8 in a cemetery, and then the cemetery for one
9 reason or another had to remove the remains to
10 another cemetery, I don't think that anybody
11 wouldn't want to know that that was happening.
12 And for these people, these remains, though they
13 may be very fragmentary, have the same meaning.
14 And so I don't think anything should happen with
15 the remains without notification to the families,
16 where the families are known.

18 CHAIRPERSON RECCHIA: Okay. I
19 think we talked about this issue. You hear us
20 loud and clear, we're extremely disturbed about
21 this. Talking about 9/11, you increased your
22 spending by \$537,000 in 2013 for a sifting
23 operation of World Trade Center debris, which
24 began this April. Could you update this Committee
25 and has your office recovered any human remains

2 during its latest sifting operation? And how much
3 did it cost?

4 BARBARA BUTCHER: Yes, sir, the
5 total cost will approach \$600,000 to OCME. We
6 have, we're--

7 CHAIRPERSON RECCHIA: And that
8 money was already in '13.

9 BARBARA SAMPSON: Yes.

10 CHAIRPERSON RECCHIA: Okay, thank
11 you.

12 BARBARA SAMPSON: The, we are
13 nearing completion of the operation. We
14 anticipate that May 31st we'll be finished. We've
15 recovered 84 remains, or potential human remains,
16 to-date, from some 510 cubic yards of sifted
17 material.

18 CHAIRPERSON RECCHIA: Okay.

19 BARBARA SAMPSON: And--

20 CHAIRPERSON RECCHIA: And you're
21 going to be finished by this week?

22 BARBARA SAMPSON: Yes, May 31st,
23 yes.

24 CHAIRPERSON RECCHIA: Okay.
25 Should've made the hearing June 1st. Okay. Does

2 anybody else have any other questions? All right.
3 The \$5 million that you're asking from the City
4 Council, right, did you ask the Administration for
5 that \$5 million, also? Or you're just asking us?

6 JENNIFER PAGE: We did not ask the
7 Administration. Councilwoman Arroyo specifically
8 asked us to come to the, come to the Council with
9 that capital need.

10 CHAIRPERSON RECCHIA: Okay. All
11 right. Without seeing any further questions from
12 my colleagues, we will adjourn. You got off
13 pretty easy, pretty quick. Again, we will begin
14 with the Health and Hospitals Corporation. All
15 right, they were scheduled for 10:00 o'clock.
16 Okay. And we will begin as soon as the
17 Commissioner, Mr. Aviles, gets here. He'll be
18 here momentarily. Thank you very much.

19 BARBARA SAMPSON: Thank you.

20 [pause, background noise]

21 CHAIRPERSON RECCHIA: All right.
22 Testing, 1, 2. Everyone kindly find their seats.
23 We will begin. We have a big crowd for the Health
24 and Hospitals Corporation. [pause, background
25 noise] All right. We will now resume the City

2 Council hearing on the Mayor's Executive Budget
3 for 2014. The Committee, the Finance Committee
4 and the Committee on Health, have just heard from
5 the Chief Medical Examiner. We have now been
6 joined by the Committee on Mental Health,
7 Developmental Disability, Alcoholism, Drug Abuse
8 and Disability Services. I don't think that's
9 long enough, chaired by my colleague, Council
10 Member Oliver Koppell; and the Subcommittee on
11 Drug Abuse chaired by my Council Member Ruben
12 Wills, to hear from the Health and Hospitals
13 Corporation. In FY 2014, the Health and Hospitals
14 Corporation has a budget of \$7.15 billion. Out of
15 this budget, \$187 million is City tax levy. HHC
16 sees a few new actions in the Executive Budget,
17 including the restoration and baselining of \$1.3
18 million for the Sexual Assault Response Team,
19 which provides immediate state-of-the-art forensic
20 and counseling services to sexual assault victims,
21 and a decrease of the estimated operating deficit
22 of \$617 million, which is down by \$57 million from
23 the Preliminary Budget. I look forward to hearing
24 from the Health and Hospitals Corporation
25 President Alvin Aviles, to learn more about the

2 ways this Executive Budget affects HHC's budget,
3 particularly in light of the PEGs of \$800,000
4 reduction in the nurse career ladder program.
5 Oliver Koppell, would you like to make a
6 statement?

7 CHAIRPERSON KOPPELL: Well, I'm
8 going to make a statement on behalf of Maria
9 Carmen Arroyo, who couldn't be here today.
10 Apparently, she's not well, unfortunately couldn't
11 be here. This is her statement that I'm reading.
12 Good morning, welcome to the second round of
13 Executive Budget hearings. And she says the
14 following, "I'm delighted that the Administration
15 restored and baselined funding for HHC's Sexual
16 Assault Response Team, known as SART, for Fiscal
17 2014 and beyond. I cannot stress enough the
18 importance of SART, which provides state-of-the-
19 art services to sexual assault survivors. I'm
20 delighted that the Administration acknowledges the
21 value in keeping the program funded not only in
22 the upcoming fiscal year but beyond. The
23 Committee looks forward to a detailed discussion
24 of HHC's projected operating deficit of \$617
25 million for Fiscal 2014. HHC has experienced

2 substantial cuts that have placed the corporation
3 in a serious predicament. I expect that a good
4 portion of today's discussion will cover the many
5 challenges to HHC's long term financial
6 sustainability, as well as its capital priorities
7 and Council initiatives." That's a statement by
8 the Chairman, and I personally also want to thank
9 the President for being here today, and I look
10 forward to your testimony.

11 CHAIRPERSON RECCHIA: Okay.

12 Council Member Ruben Wills.

13 CHAIRPERSON WILLS: I forego my
14 opening statement. I just want to get into the
15 testimony from the President. Thank you.

16 CHAIRPERSON RECCHIA: Okay. We're
17 going to hear from you now, Mr. President. If
18 anybody would like, if any Council Member would
19 like to ask questions, please submit your name up
20 here. And go ahead.

21 ALAN AVILES: Good morning,
22 Chairpersons Koppell, Recchia and Wills, and
23 Members of the Health, Finance and Mental Health
24 Committees. I'm Alan Aviles, President of New
25 York City Health and Hospitals Corporation. I am

2 joined here by Senior Vice President LaRay Brown
3 to my right, and our Chief Financial Officer
4 Marlene Zurack to my left. Thank you once again
5 for the opportunity to discuss the Fiscal Year
6 2014 Executive Budget and HHC's financial plan.
7 As I've done at the past few meetings, I'll begin
8 this morning with the good news, and then give you
9 the other budget news that illustrates the
10 financial challenges we continue to face moving
11 forward. First, I'm pleased to say that \$1.3
12 million in funding for the sexual assault response
13 teams was included in the Fiscal Year 2014
14 Executive Budget and baselined for the out years.
15 HHC appreciates the strong advocacy by the Council
16 for this program. The most positive news,
17 however, is that earlier this month the Federal
18 Housing and Urban Development Secretary, Shaun
19 Donovan, announced the approval of New York City's
20 \$1.77 billion community development block grant,
21 disaster relief action plan. The plan includes
22 approximately \$183 million in funding, that will
23 reimburse HHC for maintaining operational
24 preparedness during the post-storm period. It is
25 possible that we may receive these funds in this

1
2 fiscal year; however, it is more likely that they
3 will reach HHC in FY'14. We continue to work with
4 OMB on the supporting details for the expeditious
5 receipt of the CDBG funds. As we work on these
6 details, we are simultaneously making claims to
7 FEMA for storm related, system wide damages. The
8 majority of these claims have been for cleanup,
9 temporary repairs, and the replacement of critical
10 mechanical and electrical equipment needed to
11 stabilize the facilities that were most severely
12 impacted. We are also developing reimbursement
13 claims for permanent repairs, replacement of
14 destroyed equipment and future hazard mitigation.
15 So far, we have only received \$62 million of the
16 first \$143 million in claims submitted and
17 approved. We have completed the first phase of
18 recovery from the storm by restoring services at
19 are most heavily damaged facilities: Belleview
20 Hospital Center, Coney Island Hospital, and the
21 Coler Campus of our long term care facility,
22 Coler-Goldwater, on Roosevelt Island. Belleview
23 Hospital fully reopened in February. Coney Island
24 Hospital began to receive inpatients in the middle
25 of January and has now restored most of its

2 services. We have approval from New York State
3 Department of Health to fully reopen the adult
4 emergency department at Coney, and anticipate
5 approval for full 911 receiving capacity for
6 pediatrics, obstetrics, and psychiatry, by the end
7 of June. Coler is now back on the ConEd grid and
8 patients who had to be relocated to Goldwater
9 during Sandy have been repatriated. However, the
10 Ida G. Israel Community Health Center and offsite
11 - - Care Center of Coney Island Hospital was
12 irreparably damaged by storm flooding. Coney
13 Island Hospital leadership conducted an exhaustive
14 search for a replacement site that would be
15 accessible to the community served by the health
16 center, have enough square footage to accommodate
17 the range of primary, behavioral health and dental
18 care which had been available, and be located in
19 the area that was less vulnerable to significant
20 future flooding. After exploring all available
21 options, 24,000 square feet of second floor space
22 at 2857 West 8th Street has been identified and
23 the Coney Island Hospital staff are working on a
24 lease arrangement with the landlord that includes
25 renovations in accordance with regulatory

1
2 programmatic specifications. The completion date
3 of these renovations has not been finalized. That
4 said, because the restoration of this community
5 health center services is so important, Coney
6 Island Hospital sought and has been afforded the
7 opportunity to use a New York City Department of
8 Housing Preservation and Development parcel on
9 Surf Avenue to install a temporary replacement
10 facility for the Ida G. Israel Center. The
11 temporary, prefabricated facility's design
12 specifications have been completed. Preparation
13 of the site will begin soon and the temporary
14 facility will be operational in five to six
15 months. In the interim, the community health
16 center staff continue to serve their patients at
17 the hospital. Beyond the work at these locations,
18 there's still much work to be done to complete
19 permanent repairs and to protect all of the HHC's
20 facilities against any future storms of the
21 magnitude of Sandy. Moving back to the budget
22 discussion, at our last budget hearing in March, I
23 stated that there were no new direct PEGs to HHC
24 in the City's Preliminary Budget, in light of our
25 dire fiscal situation. That continues to be the

1 case in the executive budget; however, we do have
2 an indirect PEG in the amount of \$216,000 from
3 DOHMH to our substance abuse programs. As in
4 prior years, there were some programs for which
5 funding was restored by the Council last year, but
6 for which it is not baselined in the Executive
7 Budget. Specifically, funding for our child
8 health clinics, HIV testing program and behavioral
9 health programs need to be restored. Last year,
10 the Council restored \$8.5 million in City tax levy
11 funding for these important programs.

12 Specifically to offset the operating losses at
13 HHC's child health clinics, \$5 million was
14 appropriated. These clinics provided primary care
15 services to more than 21,000 patients who made
16 more than 67,000 visits last year. In FY'14, the
17 child health clinic's operating expenditures are
18 projected to be approximately \$18 million. We
19 project that these clinics will have an operating
20 deficit of \$8.5 million in FY'14. Without a
21 restoration of funds by the Council to offset the
22 deficit, we'll be unable to maintain the current
23 levels of service. This deficit includes the
24 impact of changes in this year's State Budget
25

2 Agreement that curtailed the use of State public
3 health matching funds for these services. Our
4 very successful HIV testing expansion initiative
5 was funded by a \$2 million City Council
6 restoration last year. Through this nationally
7 recognized testing program, HHC facilities
8 identify undiagnosed HIV positive individuals and
9 link them to care. Our facilities tested nearly
10 200,000 individuals in Fiscal FY'12. Of the
11 individuals who tested positive, approximately 90
12 percent were successfully linked the appropriate
13 HIV medical care. The Council also provided \$1.4
14 million in funding for certain mental retardation
15 and developmental disabilities and behavioral
16 health programs. These funds support HHC's
17 developmental evaluation clinics and
18 transportation services, provided to some patients
19 who use our outpatient mental health programs.
20 Developmental evaluation services are currently
21 provided at Morrisania Diagnostic and Treatment
22 Center, Renaissance Diagnostic and Treatment
23 Center and Kings County Hospital Center. The
24 transportation support programs are offered at
25 Coney Island Hospital and the East New York

2 Diagnostic and Treatment Center. Without Council
3 funding, there is no other source of funding to
4 continue to operate these programs. Turning to
5 HHC's financial plan, we are projecting a \$617
6 million gap in FY'14. We have several strategies
7 to close this gap. These include: completing the
8 actions detailed in our four year, cost
9 containment and restructuring plan; working with
10 the State and federal agencies to obtain a premium
11 increase for our health plan, MetroPlus; working
12 with New York State to accelerate disproportionate
13 share that is Dish payments, and obtaining ongoing
14 City support to match these Dish payments. We're
15 also focused on obtaining increased Medicare Dish
16 funding as a result of changes in federal rules,
17 which will direct Dish funding more equitably to
18 hospitals serving uninsured patients; obtaining
19 additional federal funding for public hospital
20 innovation programs through an 11:15 Medicaid
21 waiver that New York State is seeking from the
22 Federal Centers for Medicare and Medicaid
23 Services. And finally, rolling our projected cash
24 balance of \$358 million from FY'13 to FY'14. As
25 I've mentioned at previous hearings, HHC's four

1 year cost containment restructuring plan sought to
2 close a \$1 billion budget gap by \$600 million and
3 to do so in part by reducing the size of our
4 workforce by 3,700 FTEs. As we near the end of
5 the third year of our four year plan, we have
6 essentially achieved our workforce reduction goal
7 one year ahead of schedule. We also have realized
8 our target of \$600 million in savings by July 1,
9 2013. Notably, we have achieved all of this while
10 retaining most of our service capacity and
11 minimizing the effect on direct patient services.
12 Even as we continue on the final phase of the plan
13 laid out four years ago, we must contend with
14 another looming billion dollar gap. Our financial
15 outlook worsens considerably in the out years with
16 gaps that increase from \$940 million in FY'15 to
17 \$1.3 billion in FY'17. The possibility exists
18 that the strategies I mentioned will not result in
19 the budgeted targets for next fiscal year or in
20 the out years. In the event that there are
21 remaining gaps that need to be closed, it would be
22 necessary for HHC to pursue another round of cost
23 containing initiatives beyond what is now in our
24 financial plan. I am not prepared to announce any
25

1
2 specific plans today; however, I need to alert you
3 to this very real possibility. Looking ahead, we
4 will certainly have to grapple with new state and
5 federal cuts that will further increase our out
6 year budget challenges. For example, since I
7 testified before you in March, HHC's Medicaid
8 reimbursement and Article 6 public health funding
9 was cut by more than \$54 million in the last state
10 budget. In total, HHC has now lost more than \$554
11 million in annualized Medicaid funding as a result
12 of the State Budget actions over the past five
13 years. On any given day in Washington, D.C.,
14 there are dozens of spending reduction proposals
15 that portend billions more in cuts to the Medicaid
16 and Medicare programs. Federal budget
17 sequestration actions resulted in a two percent
18 Medicare cut, which equates to roughly \$18 million
19 less in annual payments for HHC services, and we
20 lost another \$2 million from federal grant funded
21 programs. Just last month, the President released
22 his federal Fiscal Year 2014 budget, in which he
23 proposed to extend the reductions in Medicaid Dish
24 funding and to make substantial changes in
25 Medicare reimbursement for long term care. Our

2 analysis shows that if his spending plan were
3 adopted, HHC would lose an additional \$156 million
4 in Medicare reimbursements over the next ten
5 years, as well as an estimated \$421 million if the
6 Medicaid Dish cuts were extended to federal Fiscal
7 Year 2023. To remind the Committee Members, HHC
8 will see drastic reductions in Medicaid Dish
9 funding that are scheduled to begin later this
10 year, as part of the Affordable Care Act, unless
11 statutory changes are put in place to delay
12 implementation. As it stands now, on October 1,
13 2013, our financial plan assumes that we will
14 experience a five percent cut or \$56 million to
15 our current level of Medicaid Dish funding. This
16 cut increases to \$576 million in federal Fiscal
17 Year 2019, before decreasing slightly to a \$471
18 million reduction each year in federal Fiscal
19 Years 2020 through 2022. The Medicaid Dish cuts
20 currently in law through federal Fiscal year 2022,
21 if proportionately imposed on HHC will result in a
22 total estimated loss of \$2.7 billion to HHC.
23 Funding to HHC is also at risk if new cuts are
24 made as part of congressional deals to raise the
25 federal debt ceiling later this year or to offset

2 the federal budget sequestration. Before I
3 conclude, let me provide a brief update on our
4 capital program. We are at or near completion on
5 several major modernization projects on Staten
6 Island. We are grateful that the Council
7 allocated \$2.5 million in FY'13 for the diagnostic
8 and treatment center that will be constructed at
9 155 Vanderbilt Avenue. The project will go to bid
10 this summer and construction will begin this fall.
11 The state-of-the-art, 21,000 square foot facility
12 will be completed in 2015. Pediatric and adult
13 primary care and specialty services, as well as
14 mental health services, will be provided at the
15 new center. We look forward to working with
16 Council Member Debbie Rose to obtain additional
17 resources for this much needed project. In
18 Queens, we opened a geriatric center at Queens
19 Hospital Center, to address the growing healthcare
20 needs of elderly residents of the borough. The
21 new, 4,400 square foot outpatient care center is
22 now nearly double its original size. It is
23 staffed by board certified geriatric specialists,
24 nurses and social workers who provide quality
25 comprehensive and senior friendly primary care and

1 specialty services in a more comfortable and
2 modern space. This new center also features an
3 activity room and six oversized exam rooms that
4 better accommodate wheelchairs and special
5 equipment. The \$4 million center was funded
6 through a grant for the New York State Department
7 of Health. At Harlem Hospital, we expect work to
8 be complete on the hospital's new emergency
9 department later this summer. Similarly, we are
10 in the final phase of the emergency department
11 renovation at Lincoln Medical and Mental Health
12 Center. We estimate that work will be completed
13 by the end of this year. Work is underway at the
14 Henry J. Carter Specialty Hospital and Nursing
15 Facility, which is being constructed on the
16 grounds of the former North General Hospital.
17 This site will be the new home of the residents
18 and patients from Goldwater Specialty Hospital
19 nursing facility currently located on Roosevelt
20 Island. This new Harlem based, long term care
21 hospital and skilled nursing facility, consisting
22 of nearly 400,000 square feet of combined new and
23 renovated space, will be completed in the fall of
24 this year. Gouverneur Healthcare Services in
25

2 Lower Manhattan completed the first phase of its
3 major modernization at the end of 2011. The
4 balance of the project, which includes a
5 renovated, state-of-the-art skilled nursing
6 facility with an additional 85 beds, will be
7 completed in the spring of 2014. This concludes
8 my written testimony. I now look forward to
9 listening to your comments and answering your
10 questions.

11 CHAIRPERSON RECCHIA: Okay, Dr.

12 President Aviles, we've been joined by Council
13 Member Reyna, Council Member James, Council Member
14 Vallone. My colleagues have questions. I will
15 just start off by saying, as the Councilman for
16 Coney Island, I want to thank you and your staff
17 and the Executive Director, Artie Wagner, and the
18 head doctor. You just did a spectacular job, and
19 I just want you to know that your staff at Cornell
20 Hospital should be recognized, during Super Storm
21 Sandy, in the job that they did. And it is well
22 recognized but we have to get it up and going.
23 And I know everyone's working hard. The only
24 question I have for you, I have questions. I'm
25 going to let all my colleagues go first. But the

2 question I have for you is, and pertaining to the
3 pediatric facility at Cornell Hospital, when will
4 that be open? Why hasn't it been opened yet? And
5 is the funding in place?

6 ALAN AVILES: The funding is in
7 place, it should be FEMA reimbursable, ultimately.
8 The pediatric emergency department was part of the
9 complex of emergency services on the first floor
10 that was severely damaged by the flooding, the
11 first floor of the hospital. That is being
12 completed, now is some work in the pediatric
13 inpatient unit, but we certainly expect that to be
14 back in service by later next month.

15 CHAIRPERSON RECCHIA: By the end of
16 June.

17 ALAN AVILES: Yes.

18 CHAIRPERSON RECCHIA: Okay.

19 ALAN AVILES: And by the way,
20 Council Member, let me just also thank you for
21 your strong support throughout this ordeal. We
22 very appreciate, very much appreciate how active
23 and present you have been in support of Coney
24 Island Hospital.

25 CHAIRPERSON RECCHIA: Yeah. No, I

2 agree with you, we have to get things moving. And
3 we are. My next question, and then--it is very
4 simple. In the last hearings, you testified that
5 many of your clinics, you were applying for
6 federally qualified status. Where are we with
7 those clinics? Is the application pending? Has
8 any application been approved for any of your
9 clinics to be federally qualified?

10 ALAN AVILES: It is one application
11 that will cover all of the current diagnostic and
12 treatment centers, and give us an opportunity to
13 fold other primary care sites into that
14 organization going forward. That one application
15 has now been submitted to HRSA and is pending. We
16 are hopeful that it will be approved in the next
17 couple of months.

18 CHAIRPERSON RECCHIA: So--

19 ALAN AVILES: Hope springs eternal.
20 I'm looking at my colleague LaRay Brown, who's
21 rolling her eyes, suggesting that perhaps we've
22 heard something from HRSA that may lead us to have
23 a little bit more delay than we had originally
24 anticipated.

25 CHAIRPERSON RECCHIA: So, none of

2 the clinics are approved yet for the federally
3 qualified.

4 LARAY BROWN: Right. I was only
5 rolling my eyes because we have--because we've not
6 heard anything yet from HRSA. The approval
7 process can take anywhere from 12 to 18 months,
8 and we were hoping that because of who we are and
9 because the federal government has put a priority
10 on expanding primary care capacity, that they
11 would act sooner. That doesn't appear to be the
12 case, they appear to be going through their usual
13 bureaucratic process of review.

14 CHAIRPERSON RECCHIA: All right.
15 So, we have some clinics, like for example on
16 Staten Island we have a clinic.

17 LARAY BROWN: Right.

18 CHAIRPERSON RECCHIA: Right? Who
19 funds that right now?

20 LARAY BROWN: HHC is still--we
21 have, in fact, two small family health centers on
22 Staten Island, and we have a third that will be up
23 and running in 2015. Those are currently funded
24 under HHC's base budget. And of course through
25 patient revenues. We're hoping that when we get

2 the designation from the federal government, we
3 will be able to roll in the 155 Vanderbilt site
4 under the rubric of the Family Qualified Health
5 Center status.

6 CHAIRPERSON RECCHIA: That's the
7 new one that's going to open in 2015?

8 LARAY BROWN: Yes.

9 CHAIRPERSON RECCHIA: And the money
10 ... And so how much do you put into each one of
11 those clinics every year? How much is it budgeted
12 for next year at each one of these clinics?

13 LARAY BROWN: Yes, we are, and I
14 can get you the specific dollar amounts after the
15 hearing. What the budgets are for each of those
16 small clinics. I think you also know that HHC has
17 been very much involved in the creation and the
18 support for a independent community health center,
19 the Richmond Community Health Center, which is not
20 run by HHC, but we were involved in the planning
21 and the submission of the application for that to
22 be an initiated. And that's a clinic that is, has
23 an independent board of directors.

24 CHAIRPERSON RECCHIA: And that is a
25 federally qualified--

2 LARAY BROWN: And that is a
3 federally qualified health center.

4 CHAIRPERSON RECCHIA: Right, but
5 that has nothing to do with HHC.

6 LARAY BROWN: No, it does not.
7 It's not operated by HHC. As I like to say, we
8 just birthed it, and then we've worked with the
9 board, the independent board, and the other
10 community based organizations and hospitals in
11 Staten Island, to support it.

12 CHAIRPERSON RECCHIA: All right.
13 But what I'm asking is how much is budgeted for
14 each one of these clinics?

15 LARAY BROWN: I'll get you that
16 information.

17 ALAN AVILES: And let me, and--

18 CHAIRPERSON RECCHIA: Well, I--

19 ALAN AVILES: I think part of what
20 you may be getting at I can answer this way, which
21 is that we're projecting that once we achieve
22 federally qualified health center status for these
23 diagnostic treatment centers, we'll realize about
24 \$30 million in enhanced revenue and--

25 CHAIRPERSON RECCHIA: No, I

2 understand, I know all about it, you know what I
3 mean, we've been working on this. My question is,
4 you know, when was the application submitted?

5 LARAY BROWN: The application was
6 submitted on December 29, 2012.

7 CHAIRPERSON RECCHIA: Okay. Has
8 the funding for these two health centers on Staten
9 Island, have they decreased or increased?

10 LARAY BROWN: The--over the years--

11 CHAIRPERSON RECCHIA: No, no, from
12 last year to this year.

13 LARAY BROWN: I'll get you the--

14 CHAIRPERSON RECCHIA: From '13 to
15 '14.

16 LARAY BROWN: Sure, I'll get you
17 the exact number. The funding has in fact
18 increased because we have actually expanded
19 services in terms of staffing for those two, the
20 Stapleton Child Health Clinic, or Family Health
21 Center, and the Mariners Harbor Family Health
22 Center. Those are the two small clinics that HHC
23 operates. And in addition, Council Member, you
24 may know that we actually operate a mobile medical
25 office on Staten Island, which goes to four

2 different locations throughout the borough.

3 CHAIRPERSON RECCHIA: And that's
4 pretty crowded, correct?

5 LARAY BROWN: There--

6 CHAIRPERSON RECCHIA: The mobile
7 center?

8 LARAY BROWN: The mobile clinic is
9 being very well utilized now, particularly since
10 Sandy, as you can well imagine. As well as the
11 two child--I say child health, because it used to
12 be Child Health Clinics; they're now family health
13 centers--they're both pretty well utilized, as
14 well, particularly the Mariner's Harbor location.

15 CHAIRPERSON RECCHIA: Okay. I'll
16 pick it up, I want to get some information. We'll
17 go with Council Member Wills has a question.

18 CHAIRPERSON WILLS: Yes, good
19 morning. I only have two quick questions. On
20 your testimony on page five, last paragraph, going
21 into page six, you said that the, to offset the
22 operating losses at HHC's child health clinics, \$5
23 million was appropriated. These clinics provide
24 primary care services to 21,000 patients. Then
25 you go on to say that the operating expenditures

2 are projected to be approximately \$18 million, and
3 an \$8.5 million deficit for FY'14. The deficit
4 for FY'13 was the \$5 million that was
5 appropriated? Was that the entire deficit?

6 ALAN AVILES: At that time, it was
7 close to the deficit. There's a bit more of a gap
8 this year largely because we're not getting the
9 full effect of the Article 6 matching dollars that
10 we got in prior budget years, and that's a result
11 of a change in state law that occurred in this
12 most recent state budget.

13 CHAIRPERSON WILLS: Are there any
14 other trending issues that deal or impact this
15 budget deficit, such as the loss of jobs and
16 people bringing more of their children into the
17 clinics, and different things like that?

18 ALAN AVILES: The volume has
19 remained relatively stable, and some clinics it
20 actually has trended downward. So, that budget is
21 adequate for the volume of patients that are being
22 seen.

23 CHAIRPERSON WILLS: Okay. I wanted
24 to thank you for the work that you guys are doing
25 out in Queens, with the psychiatric and geriatric

2 centers. But there is a question that I would be
3 remiss if I didn't ask. In 2009, Queens was
4 under-bedded, we were about 1.7 per thousand
5 residents. Since that we've had three hospital
6 closures, so I'm sure we're under that, one point,
7 maybe .1. Do you have--is there a--is there
8 something in place that HHC is dealing with, or
9 trying to put a program or initiative in place to
10 deal with the under-bedding in hospitals in, for
11 hospital beds in Queens? And if there is, do you
12 have a budget for that?

13 ALAN AVILES: Well, let me answer
14 that this way. First of all, in the wake of those
15 closings, we did increase the number of beds both
16 at Elmhurst Hospital and Queens Hospital Center.
17 So, that helped to some extent towards the bed
18 capacity. Going forward, what we are really
19 focusing on is creating more capacity within both
20 of those facilities by focusing on avoidable
21 admissions and preventable readmissions. And
22 we've been relatively successful on both fronts,
23 and that is effectively opening up beds that would
24 otherwise be occupied. And that is helping us to
25 meet the demand. That said, particularly Elmhurst

2 Hospital continues to be very, very busy, and that
3 will be a continuing struggle to some extent. But
4 both those hospitals were fully budgeted for their
5 inpatient capacity.

6 CHAIRPERSON WILLS: So, - -
7 admissions and readmissions.

8 ALAN AVILES: Readmissions, yeah.

9 CHAIRPERSON WILLS: What does that
10 count, how do you - -

11 ALAN AVILES: [interposing] Well,
12 for example, in terms of some patients who might
13 be admitted for ambulatory care sensitive
14 conditions like asthma, or for congestive heart
15 failure, to the extent that we provide more robust
16 primary ambulatory care, we can avoid having those
17 patients wind up in the hospital and being
18 admitted. For, similarly, for readmissions, we
19 have begun programs both, at both hospitals at, in
20 Queens, as well across the rest of our system,
21 where we have care managers who are in the
22 emergency department who help to assess patients
23 who may be borderline in terms of possible
24 admission and ensure that they will get very quick
25 follow up in an ambulatory care setting, so that

2 they are not admitted just for fear that they
3 might not get the ambulatory care that they need
4 quickly enough. So again, patients with
5 conditions like congestive heart failure, patients
6 who come in who may be suffering from asthma who
7 are now observed for a period of time, in the ED
8 are given a very quick follow up appointment.
9 These are patients who might otherwise have been
10 admitted in the past, so those sort of strategies
11 are being used in order to free up beds for other
12 patients who need admission.

13 CHAIRPERSON WILLS: So, St.

14 Vincent's is being absorbed by Elmhurst and I
15 guess Queens would be absorbing the loss of Mary
16 Immaculate. But that takes care of the north and
17 eastern part of Queens. Southeast Queens, with
18 the closure on the Peninsula that we just had,
19 what are we doing as far as that area? Okay, I
20 know Jamaica was already, especially the emergency
21 room, is already inundated with the loss of Mary
22 Immaculate. So is there a plan in place for that?

23 ALAN AVILES: Well, Queens Hospital
24 Center has seen some limited increase in volume.
25 Some of that is coming from those zip codes.

2 [background comment] Yeah. And that's part of
3 the reason why the additional beds were added at
4 Queens Hospital Center, to give them additional
5 capacity to address that volume.

6 CHAIRPERSON WILLS: So, the
7 additional beds at Queens Hospital Center, they
8 were added before the closure on the Peninsula.
9 Do you expect that the--no, they weren't added
10 before? I thought that was done--

11 ALAN AVILES: Well, that, they, the
12 decision to add them was made before, but that was
13 informed in part by what we saw developing, and
14 certainly the precarious situation of Peninsula
15 had been evident for quite some time.

16 CHAIRPERSON WILLS: Okay, so for
17 right now, we're dealing with the avoidable
18 admissions or readmissions, but we don't have a
19 plan in place to add additional beds for Queens or
20 for Southeast Queens?

21 ALAN AVILES: At the moment, we are
22 not planning additional beds. Again, we are
23 focusing on trying to ensure that we're providing
24 as much ambulatory care capacity as possible, in
25 order to keep patients from needing admissions.

2 Across the City and across our system, we're
3 beginning to see a slight downward trend in
4 inpatient admissions. So, I think at this point
5 it wouldn't necessarily be prudent to be adding
6 additional inpatient capacity where that capacity
7 may not in fact be necessary if this trend
8 continues.

9 CHAIRPERSON WILLS: Okay, again, I
10 want to thank you for the work that you guys are
11 doing out in Queens.

12 ALAN AVILES: Thank you.

13 CHAIRPERSON WILLS: I yield.

14 CHAIRPERSON KOPPELL: Chairman had
15 to go out for a moment. Want to welcome Council
16 Member Greenfield and Council Member Koslowitz,
17 who are here. And the next person on the list to
18 question is Council Member Crowley. Oh, she's not
19 here? James, Council Member James.

20 COUNCIL MEMBER JAMES: Thank you.
21 First, let me thank you, Mr. Aviles, for restoring
22 and baselining the sexual assault response team.
23 That's an initiative that was particularly
24 sensitive to women throughout the City of New York
25 and to all concerned people. So I really want to

1
2 thank you. I want to ask you a little bit about
3 your mental hygiene contracts. As you know,
4 there's been an increase in individuals who are
5 suffering from mental illness that we are
6 witnessing on our streets and in our subways.
7 Significant number of them are, have a number of
8 challenges in their life, and so the--I question
9 why we are achieving savings by a reduction in
10 funding to HHC for substance abuse and for mental
11 health contracts at a time when we are seeing an
12 increase in individuals with challenges?

13 ALAN AVILES: Well, we have seen,
14 as you know, the reductions in funding for our
15 developmental evaluation centers repeatedly, in
16 that they have not been baselined. Fortunately,
17 the Council has restored that funding the past and
18 we hope it will do so again. Apart from that, the
19 reductions on the mental health side have been
20 modest. There is the pass-through of \$219,000
21 from DOHMH. Given our present fiscal situation,
22 any cut in funding is problematic, obviously. But
23 in the context of our mental health programs,
24 which are enormous part of our total budget, we
25 provide almost 40 percent of all the inpatient

2 psychiatric care throughout the entire City. We
3 will cope with that \$219,000 cut without affecting
4 services in a significant way.

5 COUNCIL MEMBER JAMES: Well, I
6 noticed that in the Executive budget, there's a
7 rollover of \$116 million in medical malpractice
8 payments from Fiscal 2013 and 2014. In addition
9 to that, I noticed that in the "other than
10 personal services" there is also, is a rollover,
11 \$114 million from 2013 to Fiscal 2014. And the
12 question that I ask is, I understand why you are
13 rolling it over, but the question is whether or
14 not some funds from those two accounts can be set
15 aside to provide these vital services. Since it
16 is relatively modest, as you indicated.

17 LARAY BROWN: We're actually
18 delaying payments to the City to the next year,
19 because our cash situation was so dire this year.
20 So that does not represent an opportunity, that
21 actually represents a challenge, what you're
22 reading. The corporation, when we had to close
23 Coney Island Hospital and Belleview Hospital, we
24 lost a significant amount of revenue and we
25 maintained a significant amount of expenses to

2 stay ready. And so in consideration for that, the
3 City worked with us so that we would have enough
4 cash to get through the crisis. So accordingly,
5 and I don't know if you were aware of this, HHC
6 pays the City for the debt service on City funded
7 projects, all the projects that you bring to the
8 corporation, the corporation pays the City the
9 debt service; as well, the corporation, pays the
10 City for malpractice claims. This year, because
11 of the dire cash circumstance created by the
12 storm, we're not making those payments till next
13 year. And that's what you're referencing.

14 COUNCIL MEMBER JAMES: So how many
15 claims are outstanding?

16 LARAY BROWN: You just referenced
17 \$116 million in malpractice claims.

18 COUNCIL MEMBER JAMES: And does
19 that represent the entire amount, the \$116 is
20 owed?

21 LARAY BROWN: Yes. For this year,
22 for this year so far.

23 COUNCIL MEMBER JAMES: Thank you.
24 And \$114 in other than personal services doesn't
25 represent malpractice claims?

2 LARAY BROWN: No.

3 COUNCIL MEMBER JAMES: What does
4 that represent?

5 LARAY BROWN: Debt service.

6 COUNCIL MEMBER JAMES: That's debt
7 service. The entire \$114 million?

8 LARAY BROWN: Yes. That's--if
9 you're reading from the rollover.

10 COUNCIL MEMBER JAMES: Right.

11 LARAY BROWN: I'm not sure you have
12 your own technical documents, but yes.

13 COUNCIL MEMBER JAMES: And do you
14 anticipate, as a result of reimbursement from the
15 federal government on Sandy relief, how much do
16 you anticipate receiving from the federal
17 government?

18 LARAY BROWN: \$183 million. Even
19 though our expenses were in excess of that.

20 COUNCIL MEMBER JAMES: And in
21 regards to the application that has been submitted
22 to the federal government with regards to
23 medicated waiver, how much funds do you anticipate
24 receiving?

25 LARAY BROWN: In the plan, we have

2 included \$250 million. For the waiver. That
3 would be next year.

4 COUNCIL MEMBER JAMES: And if you
5 in fact you receive the entire amount of \$250
6 million, that will be appropriated for what
7 purpose?

8 LARAY BROWN: To close our current
9 budget gap of \$617 million.

10 COUNCIL MEMBER JAMES: So you're
11 still in the hole.

12 LARAY BROWN: That's correct.

13 COUNCIL MEMBER JAMES: Now, more
14 specifically, let me ask you a little bit about
15 two initiatives that I was involved in authoring,
16 and that is the infant mortality initiative, as
17 well as the asthma initiative. Why is it that the
18 Department of Health has chosen not to baseline
19 those two initiatives with that, which as you
20 know, there's been an increase in infant mortality
21 and asthma rates continue to alarm the members of
22 the City Council.

23 ALAN AVILES: That may be in the
24 DOHMH budget, not in the HHC budget, if I'm not
25 mistaken.

2 CHAIRPERSON KOPPELL: We'll have,
3 we'll hear, be hearing from them shortly.

4 COUNCIL MEMBER JAMES: Is there any
5 funds in your budget with respect to Cumberland
6 Diagnostic Center?

7 ALAN AVILES: With regard to?

8 COUNCIL MEMBER JAMES: Cumberland
9 Diagnostic--

10 ALAN AVILES: Oh, yes, of courses.

11 COUNCIL MEMBER JAMES: And what
12 specifically will be funded in Cumberland
13 Diagnostic? As you know, there's been some
14 concern in the Borough of Brooklyn with regards to
15 the state of healthcare. We're concerned about
16 the possibility of some mergers and possible
17 closures. You know we were able to save Long
18 Island College Hospital, but we are concerned
19 about Brooklyn Hospital and the merger of Brooklyn
20 Ho--the possible merger of Brooklyn Hospital and
21 Interfaith, we're concerned about Brookdale. And
22 now I specifically and concerned about Cumberland
23 Diagnostic, which serves the residents of Fort
24 Greene public housing, and Fort Greene in General.
25 What specifically in the budget was directed

2 towards Cumberland Diagnostic?

3 ALAN AVILES: Cumberland was fully
4 budgeted at approximately the same level it was
5 budgeted last year, with minor increases just to
6 cover some increases in PS costs because of fringe
7 benefit increases.

8 COUNCIL MEMBER JAMES: So it's
9 pretty much held harmless?

10 ALAN AVILES: Yes.

11 COUNCIL MEMBER JAMES: Thank you.
12 Thank you, Mr. Chair.

13 CHAIRPERSON KOPPELL: Thank you.
14 Council Member Crowley.

15 COUNCIL MEMBER CROWLEY: Thank you,
16 Chair. Good morning, I have a question as it
17 relates to an organization called Damian Family
18 Care Center. Is there funds in your budget for
19 that? For what I believe is closer to \$39 million
20 contract to provide care?

21 ALAN AVILES: No, I believe you're
22 referring to a contract that DOHMH has entered
23 into in connection with correctional health
24 services, that's not HHC.

25 COUNCIL MEMBER CROWLEY: It

2 wouldn't be under DOH? I thought it was
3 Department of Health, no?

4 ALAN AVILES: It is under
5 Department of Health, not HHC.

6 COUNCIL MEMBER CROWLEY: So then,
7 that's the next--

8 ALAN AVILES: Next hearing, yes.

9 COUNCIL MEMBER CROWLEY: Okay, all
10 right, thank you.

11 CHAIRPERSON RECCHIA: Okay.
12 Council Member Dickens, then be followed by
13 Council Member Rose.

14 COUNCIL MEMBER DICKENS: Thank you,
15 thank you, Chairs, and good afternoon, and thank
16 you for all that you do, Mr. Aviles, and of course
17 LaRay Brown, for your dedication and your hard
18 work. But when I was listening to this budget, I
19 felt like I was going to come to tears. The first
20 think I want to ask, had I want to be sure that
21 I've got this straight, in--back in March, you,
22 according to your testimony on page five, there
23 were no direct PEGs to HHC in the Preliminary
24 Budget, and still that is the case in the
25 Executive Budget, is that correct?

2 ALAN AVILES: That's correct, yes.

3 LARAY BROWN: Correct.

4 COUNCIL MEMBER DICKENS: However,
5 there is an indirect PEG through DOHMH.

6 ALAN AVILES: Yes.

7 COUNCIL MEMBER DICKENS: For the
8 substance abuse, which also will include a
9 reduction for mental health services, is that
10 correct?

11 ALAN AVILES: No, the four mental
12 health services, I think you're referring to the
13 failure to baseline that amount, the behavioral
14 health funding--

15 COUNCIL MEMBER DICKENS: Yes.

16 ALAN AVILES: --that the Council
17 restored last year.

18 COUNCIL MEMBER DICKENS: Yes,
19 because I'm very concerned about that mental
20 health services, because every year we seem to cut
21 into those programs that are so badly needed in
22 our schools, by our youth, and by our families and
23 adults. So, I am very, very concerned about the
24 cuts that has occurred to the mental health. And
25 let me ask you specifically about, at Harlem

2 Hospital. We may change this and I thank you so
3 much for the Mural Pavilion, which is fabulous, by
4 the way. I want to go back and ask about the roof
5 there, though, from Sandy. But we made some
6 changes from 118th Street in order to save money
7 in the budget, so that we closed programs down at
8 118th Street. Is that right, LaRay? Mm-hmm.

9 LARAY BROWN: Yes, there were some
10 modifications on the 108th Street program with the
11 closure or move/relocation--

12 COUNCIL MEMBER DICKENS: Yes.

13 LARAY BROWN: --from 125th Street,
14 yes.

15 COUNCIL MEMBER DICKENS: Has the
16 offices now, the renaissance offices on 125th
17 Street, has that lease now been closed out?

18 LARAY BROWN: Yes, ma'am.

19 COUNCIL MEMBER DICKENS: So,
20 there's a cost savings there in that we're no
21 longer paying rent at that location.

22 LARAY BROWN: Right, it just, it
23 merely reduced the money we lost, right? So, it
24 reduced the deficit, and it was helpful for us to
25 relocate.

2 COUNCIL MEMBER DICKENS: All right.

3 Now, let me ask you, because there was some
4 damage--was the damage to the roof of Sandy at the
5 Mural Pavilion? Or was it at the original MLK
6 Pavilion?

7 ALAN AVILES: I think it was
8 actually at the Mural Pavilion.

9 COUNCIL MEMBER DICKENS: It was at
10 the Mural Pavilion.

11 ALAN AVILES: Yes.

12 COUNCIL MEMBER DICKENS: Because,
13 you know, in Harlem, we didn't sustain a lot of
14 damage, so it was so surprising to a new pavilion
15 that there would be damage to the roof. But as
16 you know, as the Council, we also passed
17 legislation in order to see to it that that was
18 funded. Did, were--

19 ALAN AVILES: Yes, we're grateful
20 for that funding, it may well be that the, that it
21 will be covered at least in part, if not in whole,
22 by a warranty from the manufacturer. We're still
23 exploring that.

24 COUNCIL MEMBER DICKENS: All right,
25 now, I wanted to ask you about the nursing career

2 ladder program. What exactly did that do?
3 Because there's a reduction of \$800,00 in that, is
4 that correct?

5 LARAY BROWN: This, this was a
6 program funded by the Center for Economic
7 Opportunity. Through this program, we had given
8 scholarships to RNs, operated at a joint program
9 between Long Island University College and Kings
10 County. The program, the CEO program, decided
11 that it was not a cost effective intervention,
12 since it was so expensive to get the students
13 through the entire program, and they had other
14 uses for the money, so it was a CEO decision to
15 close the program.

16 COUNCIL MEMBER DICKENS: So that
17 program was not result--was that program to
18 encourage people to become nurses or was this for
19 existing nurses?

20 LARAY BROWN: It was actually a
21 scholarship for students who fit the criteria set
22 by the Center for Economic Opportunity, so there
23 were certain income/family size thresholds, and
24 the scholarship afforded the full four year RN
25 program for those students. So it was, the per

2 student cost was very expensive, and the CEO
3 program decided that they had better uses for the
4 money, so that program was cancelled, the funding.

5 COUNCIL MEMBER DICKENS:

6 Considering the cost of nursing degrees, you did
7 not think that that would encourage people to,
8 young people to become nurses, to give them the
9 assistance that they so badly need? Particularly
10 in light of the fact that Senator Gillibrand is
11 putting forth legislation in order to assist
12 students with the cost of college, because it's so
13 high?

14 ALAN AVILES: We agree, it was a
15 wonderful program, and we were glad that at least
16 a number of individuals benefited from it. And as
17 a result, they have made commitments to working in
18 HHC upon graduation; however, that was funded from
19 an external source and we currently do not have
20 the funds to continue the program, once that
21 funding was ended.

22 COUNCIL MEMBER DICKENS: Now, the
23 \$1.7 million in rental subsidy for lease cost, is
24 that office for HHC? What office space is that?

25 ALAN AVILES: I'm sorry, say that

2 again.

3 COUNCIL MEMBER DICKENS: The \$1.7
4 million rental subsidy for lease costs, that was
5 in the executive budget.

6 LARAY BROWN: Yes. So, HHC has
7 office space in one of the City office buildings.

8 COUNCIL MEMBER DICKENS: And where
9 is that?

10 LARAY BROWN: One of the City
11 office buildings, 345 Broadway, and the City has a
12 project with that building, and so HHC needed to
13 find alternate office space and the City is
14 funding that cost. So, HHC is essentially moving
15 folks from 346 Broadway to private office space
16 and the City is paying for that.

17 COUNCIL MEMBER DICKENS: And is
18 that going to result in a reduction to, for rents?

19 LARAY BROWN: There is, I think
20 that the City is getting a large cash payment in,
21 for the sale of 346 Broadway. So that's the
22 benefit and the cost of the rents.

23 COUNCIL MEMBER DICKENS: All right.
24 And the--and for the Dish payments, what is the
25 amount of the Dish payments that you're expecting?

2 And is the matching, is that coming from the
3 federal government or what? And what's that
4 dollar amount?

5 ALAN AVILES: Every year, we
6 receive several hundred millions of dollars in
7 Dish payments. Most of the match for the Dish
8 payments comes from the City. And we also have
9 in-state law provision called Dish Max, which
10 means to the extent that the state's total
11 allocation of Dish is not otherwise full
12 encumbered, that HHC has the ability to draw down
13 that additional Dish, assuming that the City
14 provides the match to do so.

15 COUNCIL MEMBER DICKENS: Now, that
16 has nothing to do with the Medicare Dish funding
17 that the federal--

18 ALAN AVILES: Medicare Dish funding
19 is different, Medicare Dish funding actually comes
20 through the Medicare rates. And as part of the
21 Affordable Care Act, not only was Medicaid Dish
22 funding cut, but Medicare Dish funding was also
23 cut. The difference is, for Medicare Dish, only
24 75 percent of the current Dish was affected; a
25 portion of that 75 percent was cut, but the

2 balance was redistributed based upon uncompensated
3 care. And because HHC provides so much
4 uncompensated care, that actually will provide us
5 with a net benefit, meaning we will get somewhat
6 more Medicare Dish this next year, and in some of
7 the out years, than we did in previous years. It
8 helps to offset in the early years some of the
9 Medicaid Dish cuts that we are going to see;
10 however, in the out years, the Medicaid Dish cuts
11 really dwarf the Medicare Dish benefit.

12 COUNCIL MEMBER DICKENS: So this
13 makes it somewhat more equitable? And is that
14 going to be ongoing? Or is this a onetime--

15 ALAN AVILES: It does continue.
16 But it does slowly get reduced in size, in part
17 because as more Americans become, who are
18 uninsured now, become insured under the coverage
19 provisions of the Affordable Care Act, the
20 Medicare Dish cut becomes larger and larger. So
21 the residual pool for redistribution becomes
22 smaller and our share of that redistribution will
23 become smaller.

24 COUNCIL MEMBER DICKENS: And the
25 increase in the health plan for Metro Plus, the

2 premium increase, what is that percentage? And
3 what is the percentage of us getting it?

4 LARAY BROWN: So, the--you're
5 referring to what we call the Metro Plus
6 enhancement payment, that's part of our gap
7 closing program. We're, we originally, we were
8 given a \$200 million payment from the State, which
9 was 50 percent City and 50 percent federal. That
10 has since been reduced to about \$80 million, and
11 we'd like to see it restored to at least the
12 original \$200 million. It represents a
13 methodology change that we're asking the State to
14 ask its actuary to research.

15 COUNCIL MEMBER DICKENS: All right,
16 and my last question is about North General
17 Hospital. Number one, have you finalized with the
18 employees there, the staffing at, that was
19 originally at North General, where they would
20 work, how they would be employed, whether that
21 would be--have you put in a budget, put them
22 within the budget, between the new facility that
23 is being built and the facility that's going to
24 be, that you built the housing facility that you
25 built over at Metropolitan Hospital? Has that

2 been done, by the way? Is that finished?

3 ALAN AVILES: It's in progress, it
4 won't be completed until later in 2014.

5 COUNCIL MEMBER DICKENS: But North
6 General is--

7 ALAN AVILES: The, both the
8 renovation of the old North General Hospital and
9 the construction of the skilled nursing facility
10 on that campus, are proceeding on the original
11 timeline, will be completed by later this summer,
12 and we will expect that we can make the transfer
13 of the patients and residents from the Goldwater
14 facility to both of those facilities by the end of
15 this calendar year.

16 COUNCIL MEMBER DICKENS: Now, the
17 new housing that will be finished--

18 ALAN AVILES: Yes.

19 COUNCIL MEMBER DICKENS: --at the
20 Metropolitan Hospital site--

21 ALAN AVILES: Yes.

22 COUNCIL MEMBER DICKENS: --will
23 that be, is that large enough to accommodate the
24 patients that will be transferred from Goldwater?

25 ALAN AVILES: It is sized to

2 accommodate the patients who are eligible for that
3 type of community based housing, who are currently
4 at Goldwater. These are low acuity patients.
5 However, that, because that supportive housing
6 will not be completed by the end of this calendar
7 year, those patients will temporarily be relocated
8 to the Coler campus, until the supportive housing
9 facility is complete.

10 COUNCIL MEMBER DICKENS: Were the
11 funds already put in the budget for that--

12 ALAN AVILES: Yes.

13 COUNCIL MEMBER DICKENS: --or is
14 that going to impact upon the budget?

15 ALAN AVILES: No, no, that's
16 already a funded project.

17 COUNCIL MEMBER DICKENS: And
18 lastly, prefab, and I'm going back now to Coney
19 Island Hospital, prefab construction is now being
20 accepted widely in New York City; whereas, in
21 other states, it's been done. And it is
22 considered to usually be cost effective. Is that
23 something that we should consider HHC doing as we
24 have to expand our facilities, pre-fab
25 construction?

2 ALAN AVILES: Well, I think in
3 general, pre-fab construction in the context of
4 healthcare facilities is generally viewed as a
5 temporary solution, a temporary, you know, could
6 be a number of years. But in terms of an
7 investment in capital dollars, for facilities that
8 receive very heavy use over an extended period of
9 time, I don't know that we're yet at the point
10 where pre-fab facilities really meet that goal.

11 COUNCIL MEMBER DICKENS: All right,
12 because I know it is for residential, so that's
13 why I was just asking if that was something that
14 we could consider at HHC. All right, well thank
15 you so very much, and again thank you for the work
16 that you've done, and thank you for the Mural
17 Pavilion where we in Harlem are very, very pleased
18 with it. It is absolutely beautiful and fabulous.

19 ALAN AVILES: Thank you.

20 LARAY BROWN: Thank you.

21 COUNCIL MEMBER DICKENS: Thank you,
22 Chairs.

23 CHAIRPERSON RECCHIA: Thank you.
24 Okay, we've been joined by Council Member Joel
25 Rivera, Council Member Cabrera. We have Debbie

2 Rose to be followed by Melissa Mark-Viverito. If
3 any other Council Member would like to ask a
4 question, please give us your name. Thank you.

5 Debbie Rose.

6 COUNCIL MEMBER ROSE: Good morning.

7 ALAN AVILES: Good morning.

8 COUNCIL MEMBER ROSE: It seems like
9 a lot of people are thanking you today, so I just
10 want to join the list. We are really excited
11 about the DNT, and the construction starting this
12 fall. You know, and I want to thank the Chairman
13 and LaRay for having, continuing to have good
14 faith discussions about continuing some interim
15 funding to the community health center of
16 Richmond, for FY'14. And I'm excited about those
17 ongoing talks. And I was just wondering, though,
18 if you have a sense of the timeline for the
19 payment of the Fiscal, FY'13, \$500,000 allocation?
20 For the community health resources.

21 [pause, background comments]

22 LARAY BROWN: So, as you know,
23 Council Member, we are still talking about what
24 that ultimate dollar amount would be. With that
25 said--

2 COUNCIL MEMBER ROSE: That--I
3 thought that was for FY'14.

4 LARAY BROWN: It was for FY'13.

5 COUNCIL MEMBER ROSE: The ongoing
6 conversations about FY'13?

7 LARAY BROWN: The conversations
8 we're having about the \$500,000 is--

9 COUNCIL MEMBER ROSE: For '13.

10 LARAY BROWN: --for '13.

11 COUNCIL MEMBER ROSE: Yes, yes.

12 LARAY BROWN: And so, as you know,
13 we haven't completed those conversations. But
14 what we've completed is that it would be for at
15 least \$250,000. And for that dollar amount, the
16 community health center can submit their reports
17 in terms of what their operating deficit are,
18 deficit is, and what their performance is. And
19 when we finalize the conversations, then they
20 could submit the requests for the remaining
21 amount.

22 COUNCIL MEMBER ROSE: LaRay, I
23 thought that the \$500,000 had already been
24 allocated for FY'13 and we were talking about the
25 \$250,000 for FY'14 for--until the new DNT Center

2 came online.

3 LARAY BROWN: We can--

4 COUNCIL MEMBER ROSE: Which was--

5 LARAY BROWN: Spring of--

6 COUNCIL MEMBER ROSE: Because we're
7 not going to have services until '15. And so, we--
8 -the \$500,000 had already been allocated, I didn't
9 think that was a conversation, I thought we were
10 talking about FY'14 for the \$250,000.

11 LARAY BROWN: I can confirm this
12 after the meeting, but my understanding is
13 slightly different than yours. But let me follow
14 up with you afterwards.

15 COUNCIL MEMBER ROSE: Okay.

16 CHAIRPERSON RECCHIA: Let me
17 interrupt. I have one question. How much did you
18 give last year to the community health center?

19 LARAY BROWN: It was \$500,000.

20 CHAIRPERSON RECCHIA: Last year.

21 LARAY BROWN: Yeah.

22 CHAIRPERSON RECCHIA: In '12.

23 LARAY BROWN: Yeah.

24 CHAIRPERSON RECCHIA: And now--

25 LARAY BROWN: Since the inception

2 of the community health center of Richmond, HHC
3 has provided a subsidy of up to, of, again, thus
4 far, about of about \$11 million. The agreement
5 that we made when this program was first started
6 in the, when the actual application went in to the
7 federal government, was that HHC would provide a
8 subsidy for an interim period of time, but for
9 less than five years. And that was what we went
10 into the federal application, that was what the
11 Board of Directors of that organization
12 understood. That time has basically come to an
13 end. Although we're having conversations with the
14 Council.

15 CHAIRPERSON RECCHIA: No, no, I
16 understand it came to an end, but it says nothing
17 less than five years, but it doesn't say not more
18 than years.

19 LARAY BROWN: No, it--

20 CHAIRPERSON RECCHIA: Okay. That's
21 what I--I just wanted to keep that clear.

22 LARAY BROWN: --it said--it said,
23 "up to," and we've exceeded the up to.

24 CHAIRPERSON RECCHIA: You know,
25 this is--the fact that we're in '13 right now, and

2 we're having a debate about how much money should
3 be in that budget, there should be no debate.
4 That money should be there. And that money should
5 be in this year's budget already. The fact that
6 Council Member Rose thought the money was already
7 in the budget, and she was negotiating for '14,
8 and you say "No, '13 is not even concluded yet,"
9 that's extremely disturbing to me, considering
10 that this shouldn't even be a problem,
11 considering that there's no Health and Hospitals
12 Corporation hospital facility on Staten Island.
13 And the fact that I'm sitting here and I'm saying
14 to myself, '13 is over in two months, in a month,
15 and we're still fighting over how much money's
16 going to be in this year's budget, is extremely
17 disturbing to me.

18 LARAY BROWN: Well, we're not
19 fighting.

20 CHAIRPERSON RECCHIA: Well, no, no,
21 no, I'm not fighting.

22 LARAY BROWN: [laughs]

23 CHAIRPERSON RECCHIA: But it's not
24 resolved yet, because I'm over here worrying about
25 next year's budget, and if you're going to put the

2 \$500,000 in next year's budget, so--

3 LARAY BROWN: Well, let me--

4 CHAIRPERSON RECCHIA: How do we
5 resolve this?

6 LARAY BROWN: We resolve it by me
7 confirming, 'cause I didn't bring that information
8 with me, whether the difference is for Fiscal Year
9 '13 or '14. I could be corrected and it could be
10 '14. But the issue still remains, and that is
11 that we are engaged in the discussion about the
12 diminution of HHC's direct support for a non-HHC
13 entity, when at the time when HHC is having its
14 own fiscal challenges, and when that community
15 health center was apprised, over a year ago, that
16 the support that HHC was providing would come to
17 an end. So we're still having these conversations
18 with them.

19 CHAIRPERSON RECCHIA: But, but
20 that's your--

21 LARAY BROWN: This is not--let me--

22 CHAIRPERSON RECCHIA: But that's
23 what you're saying, it's going to come to an end,
24 but what I'm saying, nowhere is it written into
25 the agreement--

2 ALAN AVILES: Just to put this--

3 CHAIRPERSON RECCHIA: --when it can
4 come to an end.

5 ALAN AVILES: Just to put this in
6 context, Council Member, I mean, obviously there
7 are many community health centers in New York
8 City. We have never supported--

9 LARAY BROWN: Funded.

10 ALAN AVILES: --any of them with
11 HHC assets in the past, we - -

12 CHAIRPERSON RECCHIA: [interposing]
13 And you don't have, and it's correct, Mr.,
14 President Aviles, that you do not have enough
15 health facilities on Staten Island, also.

16 ALAN AVILES: Which is--

17 CHAIRPERSON RECCHIA: We're not
18 talking about Brooklyn--

19 ALAN AVILES: We agree with you.

20 CHAIRPERSON RECCHIA: No, no, I'm
21 just saying, we are talking about Staten Island
22 here.

23 ALAN AVILES: We--

24 CHAIRPERSON RECCHIA: The people of
25 Staten Island feel left out. On the borough,

2 they've, the number one issue any time I go to
3 speak out there, it comes out the Health and
4 Hospitals Corporation. So this is not any place
5 else, this is Staten Island, that doesn't have a
6 hospital. They--if this clinic goes out, what are
7 you going to do?

8 ALAN AVILES: I don't know that
9 this clinic is going to go out.

10 LARAY BROWN: Yes.

11 ALAN AVILES: Federally qualified
12 health centers generally have a budgeting,
13 including the 330 grants they get for the federal
14 government, to support their services. But we
15 hear what you're saying, and it's precisely for
16 the reason you've just stated that we have made
17 this exception and invested \$11 million in this
18 community health center. And Council Member Rose
19 has been a very ardent advocate for continuing
20 that. And--

21 CHAIRPERSON RECCHIA: God bless
22 her, because she's much more calmer than I am.

23 ALAN AVILES: Yes, I know.

24 CHAIRPERSON RECCHIA: Can I ask you
25 something? You said \$11 million. \$11 million

2 from when?

3 LARAY BROWN: From, from 2005.

4 CHAIRPERSON RECCHIA: So, we're
5 about to do 2014.

6 LARAY BROWN: Exactly.

7 CHAIRPERSON RECCHIA: So when you
8 say like \$11 million, okay, that's like a million
9 a year, okay. When you break it down a million a
10 year--

11 ALAN AVILES: It included capital
12 dollars that, that would not have--

13 LARAY BROWN: Yeah.

14 ALAN AVILES: --but for which they
15 would not have been able to--

16 LARAY BROWN: Right.

17 ALAN AVILES: --expand. This
18 community health center wouldn't exist without the
19 support that HHC has given it over this period of
20 time.

21 CHAIRPERSON RECCHIA: And that's
22 the reason--Listen--

23 ALAN AVILES: We do consider it to
24 be an essential community institution. The only
25 issue is how we transition so that they can be

2 self-supporting. We hear what the Council Member
3 is saying, as my colleague said, we're a little
4 unclear as to the status of those discussions, for
5 Fiscal Year '13. We know there's \$250,000 already
6 in our budget for that, whether or not these talks
7 have led to already be increased to \$500,000,
8 we're going to have to get back to you on that.

9 COUNCIL MEMBER ROSE: I just think,
10 we need to clear up the question of FY'13. It was
11 the understanding that they had \$500,000 for
12 FY'13, and that we were having conversations about
13 FY'14, because they were zeroed out. They were
14 totally zeroed out. So, we've been, and again, I
15 thank, you know, I thank you for engaging in these
16 conversations with us for the funding, for--and
17 again, it's my understanding it was FY'14, because
18 you had zeroed them out for FY'14. And we agreed
19 that when the diagnostic and treatment center came
20 online, that then, of course, your resources would
21 be utilized for your facility and that HHC would
22 have a significant presence in the primary care
23 area. So, and diagnostic and treatment. So, I'm
24 really just trying to get this clear, because they
25 were depending on the \$500,000 for FY'13. And we

2 have talked about--

3 LARAY BROWN: If you give--If you
4 give me a second, I will email my assistant and
5 double check whether it's '15, whether it's '13 or
6 '14. So.

7 CHAIRPERSON RECCHIA: Okay, so
8 we'll go onto the next Council Member, then we'll
9 come back to Council Member Debbie Rose. Council
10 Member Melissa Mark-Viverito.

11 COUNCIL MEMBER MARK-VIVERITO:
12 Thank you, Mr. Chair. I want to just clarify, I
13 think I had heard it kind of addressed somewhat in
14 the questioning of Council Member Dickens, but
15 just looking at the briefing paper that we
16 received, when you talk about the capital budget,
17 and you talk about the \$285 million that's
18 included in the City's plan for consolidation and
19 relocation of the Coler-Goldwater, is that
20 including, does that, any aspect of that \$285
21 million include the supportive housing on 99th
22 Street?

23 LARAY BROWN: No, no.

24 ALAN AVILES: No.

25 COUNCIL MEMBER MARK-VIVERITO:

2 Okay. Now, would those projects of that type,
3 where you're having the supportive housing, you
4 know, and you have a relationship with that
5 project, are you factoring any of the economics of
6 that, whether it's on the expense side, capital
7 side? Are you projecting revenue for HHC from
8 that project?

9 LARAY BROWN: This is not funded
10 through HHC's budget. That housing program is
11 funded through a combination of tax credit funds,
12 other federal dollars, and significantly state
13 funds. So, it's, the capital was fully funded.
14 And the ongoing revenue to pay for the finances of
15 that program, or that housing, is supported
16 through rental. And so--rental revenues--and the--
17 --and then supplemented by Section 202 funding.
18 So, it's a project based Section 202 funded
19 program. Because of course, the residents in this
20 program are low income, so the difference between
21 what rent they pay and the cost of ongoing
22 operation of the housing, is a federal HUD
23 subsidy.

24 COUNCIL MEMBER MARK-VIVERITO: And
25 a project down the line that you see happening on

2 the Draper Hall site, would be a similar
3 situation?

4 LARAY BROWN: It'll be similar
5 inasmuch as it will include tax credit financing,
6 it will, they're seeking financing support from
7 the state MRT housing funding, and they would also
8 be presuming there would be some kind of rental
9 subsidy.

10 COUNCIL MEMBER MARK-VIVERITO:

11 Okay, and then the other question I had was with
12 regards to the EMS site, the EMS base--

13 LARAY BROWN: Yeah.

14 COUNCIL MEMBER MARK-VIVERITO:

15 LARAY BROWN: --was there. When we
16 had the budget hearing, the Preliminary--I asked
17 the question to the FDNY and they indicated they
18 had \$700,000 in their budget on the capital side,
19 to help bring that base back online. So I just
20 wanted to understand the status of that.

21 LARAY BROWN: Swell, I of course
22 can't speak to the status of their bringing it
23 back online, but what I do know is that there, it
24 is our intention and our wish that Station 10 be
25 back online as quickly as possible. They will

2 coexist in Draper Hall, even with the development
3 of the housing, and that's very important to
4 Metropolitan Hospital, and of course to the
5 community. The--our FDNY partners are essentially
6 using those funds to segregate the utilities and
7 to repair because of the Sandy, what happened with
8 Sandy, but also to be able to segregate the
9 utilities so that when the housing gets developed,
10 they won't, you know, it won't be interdependent.

11 COUNCIL MEMBER MARK-VIVERITO:

12 Right, so then long term, there is going to be
13 housing built in Draper Hall. In the meantime,
14 it's offline because of Sandy.

15 LARAY BROWN: Right.

16 COUNCIL MEMBER MARK-VIVERITO:

17 Separate from the conversation about the EMT base.
18 But are you looking to bring back Draper Hall
19 online and bring back the people that were living
20 there, or make it available?

21 LARAY BROWN: No, as you know, the
22 people, the medical students and others who were
23 living there, at, eventually they would've had to
24 relocate because of the development of the housing
25 for the senior and supportive housing. So,

2 there's no intention that they would come back,
3 inasmuch as they've relocated, because of the
4 storm.

5 COUNCIL MEMBER MARK-VIVERITO: And
6 so that building will be left empty and vacant
7 until you build the housing.

8 LARAY BROWN: Well, if the
9 developer of the housing has anything to do with
10 it, they're going to start. They want to start as
11 soon as possible. So, it will be vacant only so
12 much so that, or until they can finalize their
13 financing, which they're working very hard on
14 right now, and begin the construction.

15 COUNCIL MEMBER MARK-VIVERITO: And
16 I know that we, you had talked in, we'll have a
17 separate meeting--

18 LARAY BROWN: Yes.

19 COUNCIL MEMBER MARK-VIVERITO: --a
20 little more in detail on that project. And then
21 the last question is, do you have anything
22 projected? I heard all the different projects, of
23 all the different sites, do you have any capital
24 upgrades projected for Metropolitan Hospital in
25 any which way?

2 ALAN AVILES: Not beyond what is in
3 there now, with the exception of their boilers,
4 which need to be upgraded and are being included
5 in the capital plan.

6 COUNCIL MEMBER MARK-VIVERITO: And
7 that's in this capital plan. What's the amount on
8 that?

9 ALAN AVILES: Say it.

10 LARAY BROWN: HHC is financing that
11 using NYPA funding, so it's not in the City
12 capital budget, but it's in the HHC capital
13 budget. The Metropolitan boiler replacement.

14 COUNCIL MEMBER MARK-VIVERITO: And
15 what's the amount? Just curious.

16 LARAY BROWN: I think it's around
17 \$60 million. \$32, I'm sorry, \$32 million.

18 COUNCIL MEMBER MARK-VIVERITO: \$32
19 million.

20 LARAY BROWN: It's combined with
21 another hospital project.

22 COUNCIL MEMBER MARK-VIVERITO:
23 Okay. I think those are my questions for now.
24 Thank you, Mr. Chair.

25 CHAIRPERSON RECCHIA: Thank you.

2 Does any other Council Member have any questions.

3 All right, we're going to go back to--you have the
4 answer to Council Member Debbie Rose?

5 LARAY BROWN: Yes. Oh [laughs]
6 sorry. She was correct, our discussions are about
7 next year. And so we're talking about the rest of
8 2013 and what--

9 CHAIRPERSON RECCHIA: So, this
10 \$500,00 in this year--

11 LARAY BROWN: For 2013.

12 CHAIRPERSON RECCHIA: Okay.

13 LARAY BROWN: We've--

14 CHAIRPERSON RECCHIA: Go ahead,
15 finish.

16 LARAY BROWN: Thank you. We've
17 reimbursed or paid out \$200--about \$220-\$225,000.
18 We have another payment to make, including
19 hopefully their, they will finalize all the
20 capital, the outstanding capital. So, for the
21 \$500,000. So, you're correct, it was, it's \$200,
22 it's the 2014 year that we're talking about. And
23 as we sit now, our position is that for 2014 we're
24 at \$250.

25 CHAIRPERSON RECCHIA: So next year,

2 you're only putting in \$250,000, not \$500,000?

3 LARAY BROWN: I emphasize, as we
4 sit now, our position is that we're at \$250,000.
5 That comes from, again, a starting point and the
6 Center having been notified that the Fiscal Year
7 '13 was the last year of our support.

8 CHAIRPERSON RECCHIA: So you, you
9 sent them a letter stating that '13 would be their
10 last year of support?

11 LARAY BROWN: Yes, we did.

12 CHAIRPERSON RECCHIA: And when did
13 that letter go out?

14 LARAY BROWN: It went out at the
15 end--I think it was around December. I know it
16 was toward the end of calendar year, of this past
17 calendar year, December/January. But we've been
18 speaking with the director of the community health
19 center and Council Member Rose, and representative
20 on our Board, about this since then.

21 CHAIRPERSON RECCHIA: Well, this is
22 disturbing that next year, considering this area
23 was hit hard with Sandy, considering we're just
24 getting up and running, that you would do this in
25 a year like this, it's extremely disturbing. You

2 know, you know. I just strongly urge you to pull
3 back that letter and strongly reconsider that,
4 considering we've just been hit with Sandy,
5 services are needed more than ever. Everything's
6 getting up and going, and to pull out in December,
7 it's extremely disturbing that you would do this.
8 I strongly disagree with you on this, and we will
9 bring this up to Mr. Page at the hearing. And we
10 want to know how you could do this to these people
11 right after a storm hit the borough so bad. I am
12 extremely disturbed at that, that you would do
13 this right after Sandy, considering Staten Island
14 University Hospital is just coming back,
15 considering Rumsey is just overburdened, these
16 clinics are more than filled, and over capacity,
17 and that you would pull out and say you would do
18 this right now.

19 ALAN AVILES: Council Member, we
20 hear you, but obviously, as you know, we have a
21 deficit of \$617 million, there is much more need
22 than there are dollars for us to meet. And this
23 is one instance, there are many instances, where
24 we're trying to balance limited dollars with a
25 great deal of legitimate and significant need.

2 CHAIRPERSON RECCHIA: I hear you
3 loud and clear.

4 ALAN AVILES: And we are still in
5 conversations with Council Member Rose and we will
6 continue those in good faith.

7 CHAIRPERSON RECCHIA: Well--

8 LARAY BROWN: You know, at the end
9 of the day, we have to decide what we're not going
10 to fund, if we're transferring dollars. It's not--
11 -

12 CHAIRPERSON RECCHIA: But you know
13 what?

14 ALAN AVILES: --like we can just--

15 CHAIRPERSON RECCHIA: I as the
16 Finance Chairman, I study these budget, I work on
17 it, this weekend I worked on preparing for today's
18 hearing, I looked over your budget, and it's
19 disturbing. When I look and see what's going on,
20 and for \$500,000 a borough that has no Health and
21 Hospitals corporation hospital on the borough,
22 you're pulling out \$500,000. When I look at--I'm
23 not mentioning other areas and other boroughs and
24 what's going on. If you can't find the \$500,000,
25 I could give you a lot of recommendations that I

2 saw in your budget. I could give you, if you
3 want, I have no problem writing it out, where you
4 could fine \$500,000 for the borough that has no
5 Health and Hospitals facility on there. And I
6 think you should pull it back, especially after
7 the borough got his with Sandy. Council Member
8 Rose?

9 COUNCIL MEMBER ROSE: All I can say
10 is ditto. Thank you, Council Member.

11 CHAIRPERSON KOPPELL: Does any
12 other Council Members have any questions.

13 CHAIRPERSON KOPPELL: I--

14 CHAIRPERSON RECCHIA: Sure.

15 CHAIRPERSON KOPPELL: I'd just like
16 to mention, I notice you pointed out the
17 supplemental funds that we in the Council have
18 provided in the area of mental health, and also
19 addiction services. And we've pushed to restore
20 those each year, and have restored them each year,
21 and I certainly expect and would mention to my
22 colleague, Inez Dickens, who mentioned this, that
23 we will push to restore them. But also, and I
24 realize when you come to these hearings, you know,
25 you're constrained somewhat by the fact that your

2 budget is reviewed with the administration, but
3 since my particular responsibility is both Chair
4 of the Mental Health Committee, and we also have
5 jurisdiction over alcoholism and drug abuse, if
6 there are specific priorities that you feel
7 because of your deficit that are urgent, that you
8 inform us of that. We under--and because I know
9 that within the deliberations of the Council over
10 the next weeks, I will be advocating for
11 additional funds in those areas. And if you feel,
12 understanding that you've presented your budget,
13 but that there are areas of special need beyond
14 the restorations that we've done in the past,
15 which we will push for again and hopefully be
16 able to do, please inform us of that.

17 ALAN AVILES: Thank you, Council
18 Member, for that.

19 CHAIRPERSON KOPPELL: Thank you. I
20 mean, I do recognize that you are providing a very
21 significant share of the mental health services in
22 this City, and it's an urgent priority. I mean,
23 each time someone with mental health problems
24 commits one of these acts of derangement, you
25 know, people say, "Well, what are you doing about

2 that?" And I want to make sure we're doing
3 everything we can possibly do to avoid those
4 problems, and also to help the people who need the
5 help. So, tell us what you think you need and
6 we'll push to see whether we can get it.

7 CHAIRPERSON RECCHIA: I just want
8 to change the conversation a little bit to
9 electronic medical records. How is you
10 implementing--can you give us an update on the
11 status of implementing the whole program? Where
12 we are.

13 ALAN AVILES: So, this is a
14 contract that was signed at the beginning of the
15 year, so we're approaching the six month mark. As
16 you can imagine, in a system as large as HHC, this
17 is a very complex and protracted implementation.
18 We have brought on board about 100 IT staff who
19 are being specially trained in the implementation
20 of this new electronic medical record. We are
21 convening a large number of workgroups involving
22 many hundreds of our staff, at several points over
23 the summer, so that they can go through all of the
24 detail on the workflow and configuration of that
25 medical record system for each of the discreet

2 functional areas of HHC. We are shooting for the
3 first full implementation at the 18 month mark.

4 And we anticipate that full--

5 CHAIRPERSON RECCHIA: So 18 months,
6 when would that be?

7 ALAN AVILES: That'll be next,
8 middle of next summer. And we anticipate full
9 implementation--

10 CHAIRPERSON RECCHIA: So, August of
11 '14.

12 ALAN AVILES: Correct. And we
13 anticipate full implementation will take about
14 five full years.

15 CHAIRPERSON RECCHIA: And how much
16 is the cost of this contract?

17 ALAN AVILES: The [background
18 comment] the next cost is just over \$300 million.

19 CHAIRPERSON RECCHIA: That's for
20 the full implementation?

21 ALAN AVILES: That is the cost of
22 the contract, the implementation obviously
23 involves other PS costs for all the personnel who
24 are involved, for implementing it, as well as new
25 hardware costs. [background comment]

2 CHAIRPERSON RECCHIA: And that was
3 \$300,000 or \$300,000 plus?

4 ALAN AVILES: \$300 million--

5 CHAIRPERSON RECCHIA: I mean \$300
6 million.

7 ALAN AVILES: --contract. Full
8 implementation costs exceeds, over 15 years,
9 exceeds \$1 billion. But then that, but that has
10 to be netted against the current cost of running
11 our antiquated EMR, which is in the neighborhood
12 of \$700-800 million.

13 CHAIRPERSON RECCHIA: So, with this
14 program, with the medical records, is there a
15 separate contract for service? Once the program
16 is implemented, is there a separate contract for
17 servicing?

18 ALAN AVILES: There are supporting
19 contracts to assist us with the implementation of
20 the system.

21 CHAIRPERSON RECCHIA: And--

22 ALAN AVILES: Following that, we
23 will maintain the system largely with our own
24 workforce, but we always have a certain number of
25 outside consulting services that help us with--

2 CHAIRPERSON RECCHIA: Okay.

3 ALAN AVILES: --maintain a complex
4 environment.

5 CHAIRPERSON RECCHIA: So the \$300
6 million is in addition to the support contracts.

7 ALAN AVILES: Say again.

8 CHAIRPERSON RECCHIA: The \$300
9 million is in addition to the support contract.

10 ALAN AVILES: Yes.

11 CHAIRPERSON RECCHIA: How much are
12 the support contracts?

13 ALAN AVILES: We'd have to get you
14 that exact number. Do you have it?

15 MARLENE ZURACK: Council Member
16 Recchia, realize that this is a very complex
17 project, and I think by way of background, you
18 have to realize two other factors. We are
19 installing the epic electronic medical record, to
20 replace and electronic medical record we have now.
21 So, had we not done this epic project, we would be
22 continuing with our old vendor. So, to some
23 extent the savings for not continuing with our old
24 vendor, offset the costs of the epic contract. In
25 addition, we are getting funding from the federal

2 government for HIT, that required that, us to
3 upgrade to a system that had better functionality
4 than our old electronic medical record. Over the
5 15 year life, we had estimated that the net
6 additional cost of this project over 15 years was
7 less than \$150 million. That was the net
8 additional costs. Now the epic product, we are
9 buying a perpetual license, so there is no ongoing
10 maintenance, as you're referring to, but there are
11 certain third party software purchases that go
12 with this, and hardware, because we have to host
13 the data. So, all told, the project is \$1.3
14 billion over 15 years, that's offset with some
15 federal funding. It was funded partially with
16 City capital dollars, there were \$219 million, in
17 the City capital budget. As well, there are
18 savings from expiring old software system that we
19 don't need anymore.

20 CHAIRPERSON RECCHIA: Okay. I'll
21 go back to my question. The President testified
22 that \$300 million for the implementation of the
23 program, then he testified there were other
24 outside support contracts. How much support
25 contracts, in addition to this \$300 million?

2 MARLENE ZURACK: Okay, I could go
3 through the whole budget with you, if you want,
4 there's a lot of line items, or I could give it to
5 you later, it's up to you. We really have about
6 15 items here.

7 CHAIRPERSON RECCHIA: Well, I mean,
8 you know, this--

9 MARLENE ZURACK: It's not that
10 simple, it can't be boiled down into that simple--

11 CHAIRPERSON RECCHIA: Well, how
12 many--well, how many outside contracts are there?

13 MARLENE ZURACK: There may be
14 several hundred. 'Cause there are certain pieces
15 of software that you need to make this product
16 work. And I would suggest now we're getting into
17 way too much detail, and I would defer--

18 CHAIRPERSON RECCHIA: You know
19 what? This is a budget hearing.

20 ALAN AVILES: But--

21 CHAIRPERSON RECCHIA: Let me just
22 finish.

23 ALAN AVILES: Yeah.

24 CHAIRPERSON RECCHIA: This is a
25 budget hearing. We expect, when you come before

2 this Committee, to know what we're going to talk
3 about. It's very simple, you're implementing a
4 new thing. We're ready to talk about numbers.
5 We're asking a very, you know, supporting
6 contracts. Now you tell me there's many
7 contracts.

8 MARLENE ZURACK: I'll go through
9 it.

10 CHAIRPERSON RECCHIA: Well, you
11 know what, since you brought that up, how many
12 outside contracts are there?

13 MARLENE ZURACK: I don't have that
14 - - I have the budget--

15 CHAIRPERSON RECCHIA: See, let's
16 stop right there. You come before this Committee
17 unprepared. You come before this Committee and
18 say you don't know. You know what? Before I go
19 testify somewhere, I know how many contracts. So
20 maybe we should adjourn today and come back
21 tomorrow morning, when you're prepared to answer
22 this. Is that what you would like to do? I'll
23 adjourn till tomorrow morning.

24 ALAN AVILES: We can give you as
25 much detail as we - -

2 CHAIRPERSON RECCHIA: [interposing]

3 But I want to know why you're not prepared to
4 testify to these questions today.

5 ALAN AVILES: Council Member--

6 CHAIRPERSON RECCHIA: It's very
7 simple.

8 ALAN AVILES: Council Member, if
9 you would like to have a short adjournment, I will
10 ask our corporate chief information officer to
11 come here who can give you as much detail as you
12 desire. As Mr. - - was pointing out, when you
13 implement an electronic medical record like ours,
14 in a system as large as ours, there are literally
15 thousands of interfaces that are among the things
16 you have to deal with. Those are all proprietary
17 to different vendors, different equipment, and you
18 have to contract with those individuals to help
19 you with those interfaces. That's a part--anybody
20 doing this has that.

21 CHAIRPERSON RECCHIA: We--

22 ALAN AVILES: If you want that
23 level of granular detail, we can provide it.

24 CHAIRPERSON RECCHIA: We
25 understanding that.

2 ALAN AVILES: But we don't have
3 that at the top of our heads.

4 CHAIRPERSON RECCHIA: Well, you
5 come here to testify, and you testify there's \$300
6 million to implement. And then you said there's
7 support contracts.

8 ALAN AVILES: I didn't - -

9 CHAIRPERSON RECCHIA: [interposing]
10 I want to know how many support contracts are
11 there?

12 ALAN AVILES: We can get you that
13 information. As Ms. Zurack said, if you're asking
14 us every contracted entity that will touch the
15 implementation of our new electronic medical
16 record, that may be hundreds of individual - -

17 CHAIRPERSON RECCHIA: [interposing]
18 Well, we would like to know how many support
19 contracts there are. Let me ask you another
20 question. What is the total amount for the
21 support contracts?

22 MARLENE ZURACK: So, I apologize, I
23 have this in a particular format, and I'm not
24 trying to not answer your question, and I'm not--

25 CHAIRPERSON RECCHIA: Okay.

2 MARLENE ZURACK: --I'm not without
3 information here. We have, within, we have a
4 split between what's capital and what's not
5 capital.

6 CHAIRPERSON RECCHIA: All right.

7 MARLENE ZURACK: And realize the
8 City is funding the capital portion, which is \$219
9 million. The rest is coming from the HHC
10 operating budget. The capital portion in total is
11 \$250 million--

12 CHAIRPERSON RECCHIA: \$250?

13 MARLENE ZURACK: \$250 million is
14 for capital eligible items.

15 CHAIRPERSON RECCHIA: Right. How
16 about the--

17 MARLENE ZURACK: The City is
18 funding \$219 million. Of that, the City is
19 funding \$219 million through the capital budget.
20 Of that \$250 million, software represents \$61
21 million. Hardware represents \$67 million. Those
22 hardware purchases will be through a variety of
23 vendors, and they haven't been bid yet. So we
24 really don't know how many.

25 CHAIRPERSON RECCHIA: Okay.

2 MARLENE ZURACK: Yeah.

3 CHAIRPERSON RECCHIA: On the
4 hospital's HHC operating budget, how much is that
5 number?

6 MARLENE ZURACK: Okay, the total
7 cost of the project is one billion, 363--

8 CHAIRPERSON RECCHIA: How much?

9 MARLENE ZURACK: \$1 billion--

10 CHAIRPERSON RECCHIA: No, no, I
11 know that, but you just said that the capital part
12 of the support contracts is \$250 million.

13 MARLENE ZURACK: Right.

14 CHAIRPERSON RECCHIA: Okay? When
15 I'm there, and then you said, then there's another
16 part which is operating.

17 MARLENE ZURACK: Yes, I'm going to
18 go through it.

19 CHAIRPERSON RECCHIA: How much is
20 that?

21 MARLENE ZURACK: Okay. So there's
22 \$626 million for what we call "other than personal
23 services," and then there's another \$488 million
24 for staff and space related to the staff. So in
25 the total project budget, we're including the

2 staff that we would be hiring to maintain this
3 particular product. So, of the \$250 million
4 approximately, that we will have in capital
5 dollars, \$219 comes from the City; so the
6 additional \$30 million is coming from HHC from our
7 own bond proceeds. In terms of the OTPS dollars,
8 which really are what you're quite familiar with,
9 which are the software, hardware and interface and
10 implementation consulting fees, we've got \$626
11 million. Realize, all these costs are taken over
12 15 years, so please divide by 15. And I actually
13 have an annual schedule, if you'd like that. The
14 software portion of the OTPS recurring is \$256
15 million; the hardware is \$90 million; the
16 interface budget is \$140 million; and the services
17 needed to implement is \$138 million. Now, we
18 have, we had gone through a very extensive
19 procurement to identify epic as the product that
20 we were purchasing, and that was a piece of all of
21 these contracts. But in additional to the epic
22 piece, there is a lot of hardware purchases and
23 interface purchases. Realize that for example the
24 electronic medical record has to be interfaced
25 with every piece of biomedical equipment operated

2 at all the hospitals, and each one of those
3 interfaces to those equipment will have to be bid
4 out. That's why we're saying it's something that
5 may not even be known at this point.

6 CHAIRPERSON RECCHIA: We will send
7 you a letter asking for an outline, broken down
8 and follow it up. I don't want to take up anyone
9 else's time. But you know, we just need to know
10 this information. It's important to us,
11 especially when we go and negotiate the budget,
12 and you know, and Mark Page is saying we have to
13 put more money into HHC. We say, "Why?" and so
14 forth. And we just need to know, these are things
15 we need to know. Does any other Council Member
16 have any questions. [background comment] Yes, I
17 recognize Council Member from Brooklyn, Tish
18 James.

19 COUNCIL MEMBER JAMES: Thank--does
20 HHC have an advertising budget? And if so, what
21 is the amount of that budget line?

22 ALAN AVILES: So this is small,
23 relatively.

24 COUNCIL MEMBER JAMES: How much is
25 it?

2 ALAN AVILES: How much?

3 [background comments] We, well--We'll have to get
4 you that number. We don't do traditional paid
5 advertising and marketing as other hospitals do,
6 but we do do outreach, some of which those occur
7 through local community periodicals, so we can get
8 you that number.

9 COUNCIL MEMBER JAMES: Thank you.

10 ALAN AVILES: But it's a very
11 modest number.

12 COUNCIL MEMBER JAMES: Thank you.

13 CHAIRPERSON RECCHIA: Okay. We've
14 also been joined by Council Member Julissa
15 Ferreras. Okay, does any other Council Member
16 have any questions? All right, we're at that
17 time. We'll take a two minute recess. Thank you,
18 Mr. President.

19 ALAN AVILES: Thank you.

20 CHAIRPERSON RECCHIA: Thank you
21 again for the wonderful that you did. We'll
22 follow up with the letter. Okay? With
23 information. We'll take a two minute recess, then
24 we'll begin with Health and Mental Hygiene. Thank
25 you very much.

2 [pause]

3 CHAIRPERSON RECCHIA: All right.

4 If everyone can kindly find their seats, we're
5 about to begin. [pause, background noise] We'll
6 now begin--continue with the Mayor's FY'2014
7 Budget. We have the Health and Mental Hygiene,
8 Commissioner Farley here to testify. I want to
9 thank you. And, you know, I just want to make the
10 record clear, you know, that these are budget
11 hearings. And this City Council expects when
12 Commissioners come before us, to be able to
13 discuss the budget. Just not tell us what's going
14 on. We don't want to know what's going on. We
15 want to know how much it's costing to operate, we
16 want to know how much programs cost, we want to
17 know how much capital money you're putting in and
18 for what projects. And when you come before us
19 and say, "We don't know, we'll get back to you,
20 we'll get back to you," you know what? That's
21 unacceptable. And we are no longer going to sit
22 back and have Commissioners come back here and
23 say, "We don't know, we'll get that to you."
24 We're not going to, we're going to start
25 adjourning these meetings, these hearings, until

2 the Commissioners come here, prepared, and ready
3 to answer questions on budgets. At least that's
4 why the purpose of this hearings are, is to know
5 how much your budget is, how much contracts cost,
6 how much outside contracts cost, how many
7 consultants, and how many you're using, why you're
8 using it. We want to know, we get asked the
9 questions from our constituents, and that's the
10 purpose of having this hearing. This hearing is
11 not just to hear what's going on, we want to know
12 why it's going on and how much it's costing. So
13 with that, Commissioner.

14 THOMAS FARLEY: All right.

15 CHAIRPERSON RECCHIA: Hold on.

16 Council Member Oliver Koppell would like to make
17 an openings statement.

18 CHAIRPERSON KOPPELL: Yeah, for--
19 first of all, I regret that Council Member Carmen
20 Maria Arroyo cannot be here, she's ill, so that's
21 why she's no here for the hearing. I want to
22 welcome you, Commissioner Farley, and Commissioner
23 Karpati. Let me just say at the outset that it's
24 been a pleasure working with you and communicating
25 with you. This may be the last opportunity we

2 have to sit across the table like this, maybe not.
3 We still have half a year to go, but in any event,
4 since this may be the last opportunity, I want to
5 thank you for your responses and your cooperation,
6 and the work you've done on behalf of the city, in
7 part with my Committee. Let me also say that I'm
8 looking forward to discussing the budget and let
9 me read a little portion of the opening statement
10 that was prepared. The Division of Mental
11 Hygiene's 2014 preliminary budget is \$483
12 million, while the overall preliminary budget of
13 the Department of Health and Mental Hygiene is
14 approximately \$1.3 billion, which is a \$248
15 million reduction from the Fiscal 2013 adopted
16 budget. We know that most of that is the EI
17 moneys. The Committee is disappointed that
18 approximately \$9 million in Council funded
19 restorations that were included in the adopted
20 budget for the current year have not been included
21 in the executive budget. As you know, we have a
22 number of important initiatives that we fund, as
23 well as some moneys for the Health and Hospitals
24 Corporation we were just discussing, and we would
25 like to know how you feel about those programs,

2 whether you feel that the funding is worthwhile,
3 as we go into the budget negotiations. We also
4 are interested in hearing how the Medicaid and
5 early intervention reforms affect the provision of
6 services by the many contracting agencies that are
7 given those funds. And we are interested in the
8 impact of state and federal actions on the
9 services provided by those nonprofit providers. I
10 want to also acknowledge on behalf of the Mental
11 Health Committee the work of Crilhien Francisco,
12 the Budget Financial Analyst; Jennifer Wilcox,
13 who's Counsel; Michael Benjamin, who's Policy
14 Analyst. I know that several members of the
15 Committee on Mental Health were here today. Ruben
16 Wills, the Chair of our Subcommittee; David
17 Greenfield was here, I didn't see Gail Benjamin,
18 perhaps she'll be joining us as we proceed. Thank
19 you very much, I look forward to hearing the
20 testimony. [background comments] What did I say?
21 I meant to say Gale Brewer, I don't know why I
22 said Gail Benjamin. I guess it stuck in my head.
23 [laughs] I meant to say Gale Brewer.

24 CHAIRPERSON RECCHIA: Okay.

25 THOMAS FARLEY: Okay. Good, good

2 afternoon, Chairpersons Recchia, Arroyo's not
3 here, Koppell and Wills, and Members of the
4 Committee. I'm Dr. Tom Farley, Commissioner of
5 the New York City Department of Health and Mental
6 Hygiene. Dr. Adam Karpati, Executive Deputy
7 Commissioner for Mental Hygiene joins me to answer
8 questions related to Mental Hygiene. As you know,
9 the Department is responsible for protecting and
10 promoting the physical and mental health of all
11 New Yorkers. We want to help New Yorkers live
12 longer, healthier lives. Thank you for supporting
13 our programs and for the opportunity to testify on
14 the Department's Executive Budget for Fiscal Year
15 2014. But first let me update you about some
16 policies and programs that we believe are
17 important to health. Earlier this month, I
18 testified before Speaker Quinn, Health Committee
19 Chair Arroyo, and other Council Members on a
20 package of three tobacco control bills to help
21 reduce youth smoking rates in the City. While New
22 York is recognized as a worldwide leader in
23 smoking prevention, tobacco use is still a leading
24 cause of death in our City, so we need to do more.
25 In particular, we must reduce the youth smoking

2 rate, which has remained flat at 8.5 percent since
3 2007. These complimentary bills will help do that
4 by eliminating the highly visible tobacco product
5 displays in retail stores that entice young people
6 to smoke, by reducing access to illegal and low
7 cost tobacco products, and by increasing the legal
8 age to purchase tobacco products to 21. I thank
9 the Council for its support of these proposals.

10 We have nearly 20 cosponsors for each bill. These
11 pieces of legislation have the added benefit of
12 helping adult smokers who want to quit succeed and
13 I urge the City Council to pass them quickly. The
14 abuse of prescription pain killers or opioids is a
15 problem we continue to worry about. This problem
16 affects the entire United States and all of New
17 York City, but is particularly severe in Staten
18 Island. Between 2005 and 2011, opioid related
19 deaths on Staten Island skyrocketed, increasing
20 261 percent. This rate is approximately four
21 times as high as that of any other borough. In
22 2011 alone, we lost 220 neighbors, friends and
23 family members to opioid overdoses, including 40
24 Staten Islanders. It's time to start a broader
25 dialogue about how we as healthcare providers can

2 reverse this epidemic of opioid misuse. The
3 Department will be convening two meetings with
4 doctors in June in Staten Island to discuss the
5 problem and what medical professions can do to
6 address it. At the same time, the Department
7 continues to address this issue citywide through
8 efforts which include developing voluntary
9 clinical guidelines on opioid prescribing and
10 general medical practice, developing emergency
11 department specific prescribing guidelines, which
12 had been adopted by 20 hospital emergency
13 departments to-date, participating in
14 implementation workgroups for the Internet System
15 for Tracking Over Prescribing Act, known as ISTOP,
16 to reduce overprescribing of opioids. The
17 Department also continues to address preventable
18 diseases in our City. For example, we see about
19 two dozen cases of meningitis a year in New York
20 City. This year, however, our staff has been
21 working hard to combat an outbreak of a particular
22 strain of meningitis. What is unique about this
23 situation is we have found 22 cases of infections
24 from this strain and all of these cases have been
25 men who has sex with men, or MSM. To try to

2 prevent additional cases, the Department has
3 issued three official notices to encourage
4 vaccination against this form of meningitis, and
5 has conducted an extensive outreach campaign. I
6 want to thank Speaker Quinn and her staff for
7 their help with this effort as we have worked with
8 them to connect with their local and state
9 legislators and with community groups. We have
10 engaged in a targeted campaign with the mainstream
11 and MSM friendly media, with press releases and
12 articles. Extensive digital outreach has also
13 been conducted with more than 100 blog posts,
14 banners, popups and targeted email blasts. More
15 than 65,000 posters and flyers have been
16 distributed to physicians' offices, community
17 centers and MSM friendly venues. We also continue
18 to provide vaccine to private community providers
19 and offer anonymous free vaccinations at Health
20 Department clinics. We have not seen any new
21 cases of this infection in men who have sex with
22 men for three months now, and we are hopeful that
23 the vaccination might be helping slow or stop this
24 outbreak. Let me now turn to the Department's
25 Fiscal Year 2014 budget. As you know, in

2 September 2013, most City agencies were directed
3 to decrease their budgets by eight percent for
4 Fiscal Year 2014 and beyond. And overall, there
5 are very few budget changes to report since I
6 testified at the preliminary budget hearing in
7 March. We still face painful cuts in areas such
8 as school based health centers, the nicotine patch
9 and gum giveaway program, and mental hygiene
10 contracts. Layoffs are the most difficult and
11 painful cuts. Unfortunately, a total of 152
12 positions are being eliminated, including 42
13 positions that are currently filled. As in
14 previous rounds of cuts, we do expect that the
15 actual number of employees laid off will be less
16 than 42 because some employees will find positions
17 in the agency or elsewhere. This number of
18 layoffs represents a 72 percent reduction in the
19 originally published number of positions being
20 eliminated. As always, we provide assistance to
21 employees who are losing their positions,
22 including career counseling, résumé writing and
23 computer training. In addition, there will be
24 sustained cuts in federal funding as a result of
25 the sequestration process. We do not yet know the

2 full impact that sequestration will have on our
3 agency, but we do know that cuts to communities
4 across the nation could be as high as \$230
5 million. For Fiscal Year 2013 alone, the Centers
6 for Disease Control and Prevention will implement
7 a five percent reduction to all of its individual
8 grant programs, and the Prevention of Public
9 Health Fund will be cut by \$51 million. We
10 received a total of \$136 million in funding from
11 CDC in many different grant programs. These cuts
12 will adversely affect the Department's prevention
13 activities in areas such as HIV and STD testing,
14 tuberculosis treatment and case management and
15 emergency preparedness and response. We expect
16 cuts in state funding, as well, as part of the
17 2013/2014 state budget, a 5.6 percent cut will
18 likely be administered to all state public health
19 grants. Reductions will adversely affect program
20 activities such as lead poisoning prevention, HIV
21 partner notification, maternal and infant health
22 services, testing of New York City drinking water
23 and health promotion programs. I do want to
24 promote, however, that the Office of Management
25 and Budget has restored the majority of the school

2 health vision program. There will be no service
3 impact to the 190,000 children that receive vision
4 screening in our schools. The Executive Budget
5 also includes funding for certain mandated
6 services. This includes an expansion of the
7 assisted outpatient treatment program, in which we
8 oversee court ordered treatment for persons with
9 mental illness, funded through newly identified
10 Medicaid administration revenues. Funds will be
11 used to add staff and comply with new state
12 mandates for this program, including handling the
13 increase in casework, conducting reviews for
14 expiring court orders and preparing petitions for
15 court. In addition, we received financial support
16 to improve mental health facilities and treatment
17 on Riker's Island. The Department of Correction
18 currently houses mentally ill inmates who have
19 violated rules and require segregated housing in a
20 unit known as the Mental Health Assessment Unit
21 for Infracted Inmates. This funding will permit
22 the Health Department instead to care for the most
23 seriously ill inmates with infractions in a purely
24 clinical unit. We're working with the Department
25 of Correction to design this unit, as well as four

2 new restricted housing units, in which inmates
3 with lower levels of mental illness, who have
4 broken jail rules, receive treatment to help them
5 change their behavior. The Health Department will
6 also develop a pilot initiative called the first
7 episode psychosis Link to Care program. This two
8 year effort will work with individuals
9 experiencing a first episode of psychotic illness
10 such as schizophrenia. Health Department staff
11 will assist them and their families by providing
12 information and support and linking them to high
13 quality care. We estimate that there are more
14 than 1,000 young adults in New York City each year
15 who are hospitalized with a first episode of
16 psychosis. Unfortunately, it today it often takes
17 years for people to get into ongoing care, when
18 the health and social consequences of their
19 illnesses have already accumulated. The goal of
20 this pilot program is to facilitate intensive
21 early treatment and support to reduce the risk of
22 relapse and deterioration. Before I conclude, I
23 want to ask the Council's support for legislation
24 we are pursuing in Albany as the current session
25 winds down. I said earlier that we support a bill

2 that would help the City enforce a law against
3 retailers who evade State and City tobacco taxes.
4 Stronger system of enforcement, though, also
5 requires action in the State Legislature, so we're
6 also pursuing a companion bill in Albany that
7 would help address cigarette trafficking and tax
8 evasion by increasing penalties for cigarette tax
9 violations and expanding the Department of
10 Finances authority to penalize violators, seize
11 untaxed tobacco products and revoke cigarette
12 licenses for businesses that are caught violating
13 the law. In addition, the Health Committee has
14 recently had hearings on animal control in the
15 City. We are continuously working to improve the
16 care of the City's dogs and cats. Currently,
17 there is State Legislation which would authorize
18 the Council to raise the fee for dog licenses.
19 The City also proposes simplifying the licensure
20 process. This proposal will place New York City
21 in line with all other jurisdictions in the State
22 which already have the authority to increase the
23 dog license fees. The need for this--the City
24 needs this revenue to fund City budgeted animal
25 care and control expenses, and to pay for better

2 protection of lost, strayed, homeless, and
3 abandoned animals. The New York City dog license
4 fee of \$8.50 has not changed for almost 40 years
5 and is one of the lowest among major cities
6 nationwide. Lastly, we are working on legislative
7 efforts stemming from the meningitis outbreak,
8 which I mentioned earlier in this testimony.
9 State bills have currently been introduced to
10 expand the authority of pharmacists to offer
11 immunizations. Our focus is on permitting them to
12 administer vaccines for influenza among children
13 and meningitis in adults. Vaccination is the best
14 defense against these diseases. Yet New York is
15 one of only nine states that do not allow
16 pharmacists to administer all CDC recommended
17 vaccines. Pharmacies provide a reliable and
18 accessible venue for people at risk throughout the
19 City, and their ability to administer influenza
20 vaccine has helped booster immunization coverage
21 rates in the City. We believe that our state
22 should expand its law and join the vast majority
23 of the country in expanding access to this
24 necessary service. Thank you for the opportunity
25 to testify. Dr. Karpati and I would be pleased to

2 answer any of your questions.

3 CHAIRPERSON RECCHIA: All right,
4 Commissioner. A lot of my colleagues have
5 questions. I'll let everybody go first, and I'll
6 save my questions for the end. I'll recognize my
7 co-chair, Council Member Oliver Koppell.

8 CHAIRPERSON KOPPELL: You mentioned
9 cutbacks in school based health centers. You
10 mentioned that the vision program had been
11 restored, but which--do you have a list of schools
12 where there are centers that you are closing?

13 THOMAS FARLEY: We're not closing
14 any centers. There are ten school based health
15 centers that receive supplementary funding from
16 the Health Department, from the City Health
17 Department, that is, and we're proposing to
18 eliminate that supplementary funding for four of
19 those. I can get the list of the four here for
20 you. [background comment] No, the schools. It's
21 Percy Ellis Sutton, Franklin Lane, Theodore
22 Roosevelt and Wingate. If I could put it in a
23 broader context, there are 129 school based health
24 centers in the City, of which my understanding is
25 116 receive supplementary funding from the State.

2 And the vast majority of those are able to operate
3 based upon insurance reimbursement and that state
4 supplementary funding. We provide additional
5 supplementary funding for only ten of those 129
6 centers, and proposing to eliminate the
7 supplementary funding for four. And it is our
8 hope that they would continue to be able to
9 operate as the other centers do with the other
10 sources.

11 CHAIRPERSON KOPPELL: Well, let me
12 say that I don't know the detailed funding, but I
13 do know that the State funding was reduced last
14 year. I don't know what the status is of the
15 State funding in this year's State budget, I
16 haven't gotten a report to that. But, you know, I
17 know we've made a note, our staff has made a note,
18 but I don't think we should be reducing--I've been
19 a major advocate for increasing the number of
20 school based health centers, including
21 particularly a mental health component in those
22 centers, 'cause that's an area that I have
23 concentrated in 'cause of the Committee I chair.
24 But matter of fact the Education Department
25 announced the opening of I think the building of

2 25 new school based health centers last year. And
3 we were happy to hear that, but building the
4 centers doesn't do any good if we don't have the
5 money to operate them. So, we're going in the
6 wrong direction by reducing any funding as far as
7 I'm concerned. We'll look into those four that
8 you mentioned, but my--I've been trying to get an
9 increase in funding for school based health
10 centers as part of our Council initiatives,
11 particularly in the area of mental healthcare.
12 And in light of all the talk about needing more
13 mental healthcare arising out of the Newtown
14 incident and others, it seems to me sort of
15 counterintuitive to be cutting any funding for
16 school based centers, particularly school based
17 mental health centers. So, we're--I'm glad to
18 talk about it, but I can assure you that in the
19 budget negotiations, at least I will advocate the
20 reverse of cutting--the reverse of cutting that
21 funding. On--I notice you did mention that you
22 have some new initiatives at Riker's Island, with
23 respect to mental healthcare for the inmates,
24 correct?

25 THOMAS FARLEY: Correct.

2 CHAIRPERSON KOPPELL: Are you
3 looking into, you know, there's, an issue has been
4 raised by a number of activists about solitary
5 confinement and the effect of solitary confinement
6 on inmates. Are you looking into that issue at
7 all with the Department of Corrections?

8 THOMAS FARLEY: Actually, more than
9 looking into it, we announced with the Department
10 of Correction about two or three weeks ago, a new
11 plan for management of inmates with mental illness
12 who had broken jail rules. Currently, they, many
13 of them, most of them will end up serving a
14 sentence in what they call punitive segregation,
15 or what some call solitary confinement. And the
16 plan that we're talking about here today, which
17 additional funding has been, we received for it,
18 would change that, so that inmates with the most
19 serious mental illness, those with psychotic
20 disorders, would be treated in a clinical unit
21 rather than being in punitive segregation. And
22 inmates with mental illness who don't meet that
23 category of the most serious would be treated in
24 what's called a restricted housing unit where
25 there would be some restrictions on their time

2 spent with other people, but it would not be the
3 23 hours a day of isolation that they currently
4 have.

5 CHAIRPERSON KOPPELL: I'm glad to
6 hear that, because I thought that the people who
7 are importuning us to have some good ideas and
8 also have some statistics and records that
9 indicate that this kind of solitary confinement,
10 punitive activity, is not good in terms of the
11 ultimate outcome with these individuals. So, I'm
12 glad to hear what you're doing what you're doing.
13 On early intervention, now shifting to the State,
14 what has been your experience? Maybe Commissioner
15 Kopati could tell us, what has been your
16 experience? And where are we at with that shift?

17 ADAM KARPATI: So the shift that's
18 occurred as of April 1st is that agencies that
19 provide early intervention services that were
20 previously in contract with the City, have now
21 entered into agreements with the State Health
22 Department. And the vast majority of agencies
23 that were providing those services here have done
24 so. And we worked closely with the provider
25 community and the State to ensure that that

2 process went seamlessly. So, from a service
3 perspective to families and children, there should
4 not be any disruption in services as a result of
5 this shift. This is largely an administrative
6 shift, and providers will now have their
7 agreements with the State and be using the State's
8 fiscal agent for submitting bills and claiming
9 insurance and things like that. The City's role
10 in authorizing services for early intervention and
11 for overseeing the quality of the care that's
12 provided, has not changed at all.

13 CHAIRPERSON KOPPELL: So you'll
14 continue to monitor the provision of care.

15 ADAM KARPATI: Absolutely. And
16 that was actually expressly included in the
17 statute.

18 CHAIRPERSON KOPPELL: I'm glad to
19 hear that. And with respect to the changeover in
20 reimbursement, have you, have there been a lot of
21 complaints by the providers?

22 ADAM KARPATI: There have been some
23 issues of the, during this transition of the
24 timeliness of payments from the State, as the
25 State took over the process. But as of today, the

2 State is making payments to providers. That's
3 restarted, and should continue, should now move
4 smoothly.

5 CHAIRPERSON KOPPELL: In this area,
6 as well as others, I know for years there was
7 always mention and effort to try and shift funding
8 to Medicaid, where possible. Has that shifting in
9 funding been successful at all?

10 ADAM KARPATI: Medicaid does pay a
11 substantial portion of the overall EI costs, over
12 50 percent, I believe. Perhaps you're referring
13 to the effort to maximize other third party--

14 CHAIRPERSON KOPPELL: Right.

15 ADAM KARPATI: --payers. The City
16 has done a good job at that. Now the State fiscal
17 agent and the State will be taking over that
18 responsibility.

19 CHAIRPERSON KOPPELL: And has that
20 increased as the funding--

21 ADAM KARPATI: It's too early to
22 tell. This just started on April 1st.

23 CHAIRPERSON KOPPELL: Well, I don't
24 mean under this pro--I mean, over the last couple
25 of years. Have you been successful in picking up

2 additional moneys from other sources other than
3 State funding and, to some extent, City funding?

4 THOMAS FARLEY: We have seen an
5 increase in the reimbursement from private
6 insurance companies. Not nearly as much as we
7 would like it to be, but we have seen an increase.
8 And now the State, the hope is that the State will
9 be more successful than we were.

10 CHAIRPERSON KOPPELL: The--you have
11 a program apparently of assisted outpatient
12 therapy expansion. Under the, it says here, due
13 to provisions included in New York Safe Act. Can
14 you describe that?

15 ADAM KARPATI: So, the New York
16 Safe Act was a legislation passed earlier this
17 year, largely around firearm related issues. But
18 in that legislation, there were some changes to
19 the assisted outpatient treatment law, Kendra's
20 Law, that created some additional obligations on
21 local governments, including New York City, around
22 the review of individuals being released from
23 State prisons and psychiatric centers, for AOT,
24 for the review of orders upon expiration, expiring
25 orders, and the need to, potential need to extend

2 them, and petition to the court to extend them,
3 and another of other provisions, the extension of
4 the initial order from six months to one year, and
5 for a variety of reasons that will increase our
6 work that we need to do around this program and
7 that's the source of the increase and the
8 expansion of the program. Which we will be using
9 Medicaid administration dollars to do.

10 CHAIRPERSON KOPPELL: But you
11 don't--I mean, the Department doesn't do this
12 itself, it does it through different agencies, is
13 that right?

14 ADAM KARPATI: The clinical care
15 and the case management of the individuals under
16 court orders are done by community providers.

17 CHAIRPERSON KOPPELL: Right.

18 ADAM KARPATI: The agency has a
19 responsibility, some initial investigation, the
20 petitioning of courts, hospitals can do this as
21 well. And the monitoring of the community
22 providers that provide the services. But we,
23 you're right, do not provide direct services.

24 CHAIRPERSON KOPPELL: So, do the--
25 do the various providers, mental health providers,

2 have to report to you?

3 ADAM KARPATI: Yeah.

4 CHAIRPERSON KOPPELL: Or how is
5 that handled?

6 ADAM KARPATI: They report to us in
7 a regular manner around the care of the
8 individuals on their - -

9 CHAIRPERSON KOPPELL: [interposing]
10 And what is the HHC provision, role in this?

11 ADAM KARPATI: HHC role currently
12 is as a service provider, like other, like a lot
13 of other organizations. Up until 2011, they had
14 this o--this monitoring role, as well, and in 2011
15 we shifted that into the Department.

16 CHAIRPERSON KOPPELL: So do you
17 monitor HHC?

18 ADAM KARPATI: We do insofar as
19 they are providing services to the individuals
20 under order.

21 CHAIRPERSON KOPPELL: So in other
22 words, you make sure that HHC, it's part of your
23 role to make sure that HHC is supervising these
24 people, providing them treatment, medication,
25 whatever they require?

2 ADAM KARPATI: Right, right, right.

3 CHAIRPERSON KOPPELL: And this
4 money--so that you have an additional \$1.4 million
5 for this purpose?

6 ADAM KARPATI: That's right.

7 CHAIRPERSON KOPPELL: Now the money
8 that we have provided in the past for the mental
9 hygiene contracts, that the Council has provided,
10 is that well spent money? Is that money that you
11 think makes sense for us to continue to provide?

12 ADAM KARPATI: The restorations?

13 CHAIRPERSON KOPPELL: Yes.

14 ADAM KARPATI: And the initiatives?
15 You know, those initiatives provide important
16 services to a lot of vulnerable New Yorkers,
17 whether it's children under five, geriatric, the
18 IDUHA projects, and a variety of others, the
19 autism initiative. So, indeed, these are
20 important issues, these are vulnerable
21 populations, and we value the funding that the
22 Council provides.

23 CHAIRPERSON KOPPELL: And the money
24 that we provide restoration, some money to HHC,
25 they seem to think it was important, they

2 testified earlier. Do you agree with that?

3 ADAM KARPATI: I think so. You
4 know, I think the DD clinics and things like that
5 are, again, they serve an important and vulnerable
6 population in our City.

7 CHAIRPERSON KOPPELL: And one, I
8 know this is a difficult question, because you're
9 under constraint from your, from the Office of
10 Management and Budget, but are there any
11 particular needs that perhaps you would've liked
12 to have seen funded that the Council could assist
13 you with? [pause] You're not willing to say.
14 [laughter]

15 ADAM KARPATI: I don't know how to--
16 -I have to think about that one.

17 CHAIRPERSON KOPPELL: Okay. I ask
18 Commissioner Farley the same question.

19 THOMAS FARLEY: You know, we'd be
20 happy to think about it and get back to you.

21 CHAIRPERSON KOPPELL: [laughs] I
22 mean, you know, we are your partners, so--

23 THOMAS FARLEY: Yeah, yes, and I
24 appreciate that. And I appreciate the question.

25 CHAIRPERSON KOPPELL: Okay. Thank

2 you, Mr. Chairman, that completes my questions.

3 CHAIRPERSON RECCHIA: Thank you.

4 Council Member James, followed by Council Member
5 Greenfield.

6 COUNCIL MEMBER JAMES: So let me
7 begin with my wish list, and that is as you know,
8 several years ago we eliminated dental services
9 for children in these health clinics. And as you
10 know, based upon my conversations with a number of
11 parents, as well as with a number of dentists and
12 doctors, that the dental needs of children,
13 unfortunately, there's a great need for dental
14 services, particularly for low income children,
15 that more and more teachers and principals and
16 administrators are seeing children with dental
17 needs which are pretty alarming. At the time that
18 those programs were cut, the Administration
19 basically indicated, defended the position by
20 saying that these children and their parents could
21 get appointments in with the dental providers in
22 their communities, particularly if they had
23 Medicaid. And as you know, at the time, I
24 objected and criticized the proposal, indicating
25 that these young children, unfortunately their

2 needs would not be met. And that there are
3 already long lines and delays at these clinics all
4 throughout the City of New York. And what I am
5 seeing and what I am being told that in fact those
6 dire predictions have in fact come true. And so,
7 my question to you Commissioner is, what can we do
8 to reopen dental services at these clinics and in
9 our schools?

10 THOMAS FARLEY: So, dental services
11 are something which is underused across the entire
12 population. You know, children and adults. And
13 we are interested in more children, particular
14 getting dental preventive visits. The--at the
15 same time, that's, it's a big citywide problem,
16 and when the agency was providing services in the
17 past, it ended up providing only, services only a
18 tiny fraction of the need here. So, if we wanted
19 to meet that need, to meet all of it, the City
20 would be an enormous expense. And we're not, you
21 know, having gone through eleven PEGs, in a
22 position to take on that enormous expense. And
23 so, our approach is twofold. First, we are trying
24 to avoid having children get a severe dental
25 program so much in the first place. You may have

2 seen we've, are focusing on educational campaign
3 to persuade parents to not do things that put
4 their kids at greater risk for carry [phonetic]
5 such as putting sugared drinks in bottles. And
6 we're also working with the entire dental
7 community about what sort of--what plans we could
8 put in place to make access more accessib--to make
9 care more accessible for all children. It's,
10 we're working with the entire system, which I
11 think is the more likely to be successful. If we
12 try to just--the need is much, much larger than we
13 could ever meet if we were to try to become a
14 provider.

15 COUNCIL MEMBER JAMES: So Dr.

16 Farley, you know, access to healthcare in
17 underserved communities are already at a, are
18 already at a crisis level. And so, access to
19 healthcare for children is even more acute. And
20 so that's why I believe that schools should really
21 be used as a one stop provider for a wide range of
22 services for families, and particularly for
23 children. And I am again just addressing the
24 question that was posed to you by Council Member
25 Koppell for your wish list, and I would hope that

2 you would put at your top list, reopening these
3 dental services, particularly the young people.
4 It is, it's a major problem in the City of New
5 York, and as more and more professionals contact
6 my office, it's an issue that we really need to
7 confront, particularly in the Borough of Brooklyn,
8 whereas you know we're, there's--the healthcare is
9 being challenged right now, and we're looking at
10 the possibility of closing additional hospitals in
11 the Borough of Brooklyn. But let me move on to
12 another, two other issues, Commissioner, that you
13 know that I've been in the forefront on. And that
14 is on infant mortality, as well as the asthma
15 initiative. We're with, where are we with
16 respect, with respect to infant mortality rates
17 and asthma rates in the City of New York.

18 THOMAS FARLEY: Infant mortality
19 rate in the City continues to go down. We're at
20 all-time low, I think it's 4.7 per 1,000 births,
21 far lower than the national average. Nonetheless,
22 we want to be lower than that, we think we can get
23 it lower than that. And I know that the City,
24 that the Council provides funding to a variety of
25 community based providers, for--

2 COUNCIL MEMBER JAMES:

3 Commissioner, can I just stop you.

4 THOMAS FARLEY: Yeah.

5 COUNCIL MEMBER JAMES: You

6 indicated citywide. Can we specifically focus on

7 two communities that I'm concerned about, or two

8 boroughs that I'm concerned about. Parts of The

9 Bronx and parts of Brooklyn, where infant

10 mortality continue--I don't believe that they've

11 leveled off and/or have decreased. Am I wrong

12 about that?

13 THOMAS FARLEY: I would have to

14 check. My guess is that they are going down. But

15 they are far higher than the citywide rates, and

16 so we think that they should go down farther

17 still. So there clearly is more work that needs

18 to be done there.

19 COUNCIL MEMBER JAMES: Do we still

20 have the nurse practitioner program for first time

21 mothers?

22 THOMAS FARLEY: You mean, the nurse

23 home visiting program?

24 COUNCIL MEMBER JAMES: Yes.

25 THOMAS FARLEY: We do have that

2 program. It's not as big as it once was, but we
3 do have that program. And we also have the nurse
4 family partnership program. To be clear, the
5 nurse home visiting program is a single visit for
6 first time mothers after birth. The nurse family
7 partnership is a far more intensive model, where
8 they go, start in the beginning of pregnancy and
9 go for up to two years after birth. Both of them
10 continue. And they are particularly concentrated
11 in the areas where we have high rates of infant
12 mortality.

13 COUNCIL MEMBER JAMES: And are we
14 expanding any of those more? Or is it, has the
15 funding going to remain intact with respect to
16 those two programs?

17 THOMAS FARLEY: The funding for the
18 nurse home visiting program, newborn home visiting
19 program--

20 COUNCIL MEMBER JAMES: Yes.

21 THOMAS FARLEY: --has gone down in
22 the past. It is not going down anymore as of this
23 particular PEG. And so we, you know, we want to
24 maintain that as much as we can. We, I definitely
25 see value to that.

2 COUNCIL MEMBER JAMES: And with
3 regards to asthma?

4 THOMAS FARLEY: With regards to
5 asthma, the, there are, asthma is a citywide
6 problem. It is also particularly big and help
7 disparity. Okay, so you'll see much higher rates
8 in The Bronx, central Brooklyn--

9 COUNCIL MEMBER JAMES: Yes.

10 THOMAS FARLEY: --Harlem, than you
11 will see in other areas. It's--we approach that
12 both through working with parents, to educate them
13 about how to treat asthma, and we're trying to see
14 what we can do to reduce the environmental
15 triggers for asthma. The one initiative in
16 particular is the East Harlem Asthma Center of
17 Excellence, which is just--it only serves the area
18 in Harlem. There is a cut in this particular PEG
19 to some of the people who do outreach in that.
20 But the people who actually provide the services
21 who are not going to be cut, and so the number of
22 families who are served by that program should not
23 go down as part of this initiative. At the same
24 time, we're trying to see what we can do more on
25 the environmental trigger side of things. And I

2 hope you'll hear more from us in the next, you
3 know, six months to a year on things we can do,
4 because I--I think if we can reduce the
5 environmental triggers, then we'll have fewer kids
6 who need to be taking medicines and going to the
7 emergency room.

8 COUNCIL MEMBER JAMES: I would hope
9 that you would reconsider that PEG, or I would
10 hope that again adding it to the wish lists of the
11 City Council, making that a priority. And is that
12 program, also has that been replicated in
13 Brooklyn, as well? Do we have a similar program
14 in Brooklyn?

15 THOMAS FARLEY: No, we don't.

16 COUNCIL MEMBER JAMES: And why is
17 that?

18 THOMAS FARLEY: This was a specific
19 initiative, it was started up--actually it's an
20 agreement before my time, I'm not sure exactly
21 what the discussions were to start up specifically
22 in Harlem, but that was, it was always just one
23 initiative.

24 COUNCIL MEMBER JAMES: Are we
25 considering the possibility of replicating it in

2 central Brooklyn?

3 THOMAS FARLEY: You know, there's
4 no identified funding for that right now.

5 COUNCIL MEMBER JAMES: Could you
6 add that to your wish list for the City Council?

7 THOMAS FARLEY: We will take that
8 under--yes, be on the list.

9 COUNCIL MEMBER JAMES: Turning now
10 to mental health, obviously I share the concerns
11 of Council Member Koppell. Seen, have seen an
12 increase in individuals who are suffering from
13 mental illness on our streets, more and more, and
14 in our subways. And the reduction of mental
15 hygiene contracts continues to concern me. But I
16 specifically would like to know if you can tell me
17 more about your first episode psychosis pilot
18 program?

19 THOMAS FARLEY: Well, actually, let
20 me have Dr. Karpati answer that, but I can answer
21 more detailed questions, if you want.

22 COUNCIL MEMBER JAMES: Thank you.

23 ADAM KARPATI: So, this program is
24 specific--will be specifically oriented around
25 engaging into treatment those young adults at the

2 onset of mental illness, the particular psychotic
3 illness, like schizophrenia. Unfortunately, for a
4 variety of reasons that I'm sure you're familiar
5 with, the time it takes from the time of illness
6 onset until real engagement into care can often
7 be, as the Commissioner mentioned in the
8 testimony, years. And our goal is to make that
9 much shorter, because we know emerging science and
10 practice tells us that the earlier an individual
11 can be engaged in care, and the earlier that good
12 care is delivered, we can actually potentially
13 change the trajectory of serious mental illness
14 and avoid that unfortunate downward trajectory
15 that happens all too often. So the goal of this
16 project is to work with hospitals, to engage
17 individuals with the first episode of psychosis,
18 work with them and their families, education,
19 support. There's often a lot of fear, a lot of
20 denial and other issues around this. And work
21 through those things, and then upon discharge from
22 hospital, link that individual and their family to
23 ongoing outpatient services, that's the real goal.

24 COUNCIL MEMBER JAMES: Mr. Chair,
25 do you want to intervene now for Council Member--?

2 CHAIRPERSON KOPPELL: Yeah, I'll
3 come back to you, thanks a lot. Council Member
4 Melissa Mark has to go, but she was supposed to
5 ask questions first. Go ahead. Sorry for my
6 correction.

7 COUNCIL MEMBER MARK-VIVERITO: No,
8 thank you, thank you for that. Kind of cutting in
9 and out. But I have a very specific question,
10 something I just found out rather recently. And I
11 understand the challenges, financially, that every
12 agency seems to have. But it's been brought to my
13 attention that the Department of Health is going
14 to close the District Public Health Office that's
15 in my district. And I understand that in getting
16 information from your staff that they did indicate
17 about relocating the services elsewhere throughout
18 the community. But the question becomes that
19 facility. And whether or not not having all those
20 services in one area is going to impact the
21 services that were being provided; and two, what
22 is the financial impact of that decision, for
23 positive, negative, however obviously you're doing
24 it, because you think it's going to be helpful
25 financially to the agency. But if you could speak

2 to that directly, 'cause that obviously raises
3 great concerns.

4 THOMAS FARLEY: Yeah. I want to be
5 clear, so that there are no services that are
6 being cut at all as part of that action. This is
7 strictly about avoiding using facility, avoiding
8 underusing facilities, and closing buildings if we
9 don't need those buildings. So, the staff that
10 are currently at the office you're talking about,
11 will be relocated to another office in Harlem,
12 only a few blocks away. They're going to continue
13 to do their work. There's some others who'll
14 otherwise in Harlem, but all the services they're
15 doing, all the staff will continue to be there.
16 This is part of an overall look at all of the
17 facilities that the Health Department has, and
18 over the years, the Health Department has had many
19 facilities and we've shrunken our services with
20 various budget cuts, and so we've found we had
21 many that were underused, and so we consolidated
22 staff. And as a result of that, we are achieving
23 substantial savings. If I'm not mistaken, it's
24 about [background comment] so we're, the East
25 Harlem move itself is going to save us \$380,000

2 per year; overall, about \$2 million a year through
3 this strategic consolidation. That gives us the
4 opportunity to hit our PEG target without having
5 to actually cut services. So, it's something
6 which we think is very valuable, and again you
7 won't see any reduction in services in Harlem has
8 part of that.

9 COUNCIL MEMBER MARK-VIVERITO: And
10 what's going to happen to that facility?

11 THOMAS FARLEY: That facility then
12 will be available for other City agencies, for
13 DCAS to use. It's something that the Health
14 Department would no longer have, be using or have
15 responsibility for.

16 COUNCIL MEMBER MARK-VIVERITO: So
17 is this within this fiscal year and this budget,
18 that transfer of that property over to DCAS is
19 projected?

20 THOMAS FARLEY: It will happen
21 this, in Fiscal Year '14, yes.

22 COUNCIL MEMBER MARK-VIVERITO:
23 Okay. And then when you say you would save
24 \$380,000, what is that attributed to? I guess the
25 general expenses of operating that facility?

2 THOMAS FARLEY: Yeah, the general
3 expenses of operating facilities: utilities and
4 all the maintenance.

5 COUNCIL MEMBER MARK-VIVERITO: And
6 when you're saying that ultimately would save \$2.8
7 million, I don't know what I heard you say, but
8 what is that over a period of time, I assume.

9 THOMAS FARLEY: That's an annual
10 maintenance amount--

11 COUNCIL MEMBER MARK-VIVERITO:
12 Annual? As of when?

13 THOMAS FARLEY: And that's--for
14 Fiscal Year '14. And that's because we--this was
15 the consolidation we did in Harlem as part of an
16 overall consolidation we're doing citywide, where
17 if we have two facilities, each of which is half-
18 filled, we will consolidate the staff into one
19 facility and then turn the other facility over to
20 DCAS.

21 COUNCIL MEMBER MARK-VIVERITO: Now
22 the question I have, I mean, that's a major
23 decision, Commissioner, and I'm not understanding
24 at what point that conversation was not at least
25 being had with the electeds that represent that

2 area. It causes concern, it causes anxiety in
3 some cases, people wondering how it's going to be
4 impacted. I found out third hand, I got that
5 through the grapevine, so to speak, and that's
6 when I reached out to your office to find out.
7 I'm hearing rumors about this, is there any truth
8 to it. And it ended up being true. And so, I'm
9 not understanding at what point the level of
10 engagement was going to happen with the elected
11 officials, with such a drastic change that was
12 going to be recommended. And there's going to--
13 sounds like it's going to be implemented. I have
14 to look at it a little further and if I have any
15 additional questions, I'll reach out. But at what
16 point were you going to engage the local elected
17 officials about this?

18 THOMAS FARLEY: Well, you know,
19 we'd be happy to meet with you and answer all your
20 questions, but I wouldn't view it as a drastic
21 change. Again, there's no cut in services, no cut
22 in staff, it's just relocating staff from one
23 building to another building a few blocks away.

24 COUNCIL MEMBER MARK-VIVERITO:

25 Well, I mean, I think it's pretty dramatic. But

2 you know, I'm glad I was at least able to ask the
3 question and get information. I'm curious to know
4 and I'm not sure if that budget hearing happened
5 already, but in terms of DCAS what the plans would
6 be for that facility, that's obviously of concern
7 and interest to the community, as well. So, I'll
8 leave it there, but thank you, Mr. Chair.

9 CHAIRPERSON RECCHIA: Thank you.

10 We'll go back to--

11 COUNCIL MEMBER JAMES: Thank you.

12 CHAIRPERSON RECCHIA: We've been
13 joined Council Member Al Vann. Council Member
14 Tish James will continue with her questioning, and
15 she'll be followed by Council Member David
16 Greenfield.

17 COUNCIL MEMBER JAMES: Thank you.

18 The first episode psychosis pilot program, is
19 there a rapid response team to deal with
20 individuals who are having psychotic breakdowns?
21 Individuals, whether or not they're, it's their
22 first, their second, their third, etc.?

23 ADAM KARPATI: Well, this
24 particular initiative will be focused on
25 individuals who are admitted to hospital.

2 Elsewhere in our public mental health system--

3 COUNCIL MEMBER JAMES: Yes.

4 ADAM KARPATI: --there are a
5 variety of ways of, that individuals can receive
6 assistance in an urgent manner--mobile crisis
7 programs, for example, are one.

8 COUNCIL MEMBER JAMES: And the
9 mobile crisis units are associated with certain
10 hospitals?

11 ADAM KARPATI: They are associated
12 with hospitals, often with the so-called CPEPs,
13 comprehensive psychiatric emergency programs; some
14 community based organizations also have mobile
15 crisis teams.

16 COUNCIL MEMBER JAMES: In regards
17 to just, as a segue way to Council Member Melissa
18 Mark-Viverito's question, there are, I hope there
19 are no plans to close the health clinic on
20 Flatbush Avenue in downtown Brooklyn, not in
21 downtown Brooklyn, notwithstanding the fact that
22 there's all this luxury development on Flatbush
23 Avenue. There's certainly a need.

24 THOMAS FARLEY: I'm sorry, are you
25 talking about the one in Fort Greene?

2 COUNCIL MEMBER JAMES: Yes.

3 THOMAS FARLEY: Yeah, there are no
4 plans to close that.

5 COUNCIL MEMBER JAMES: Good, thank
6 you very much.

7 THOMAS FARLEY: That's a very busy
8 facility.

9 COUNCIL MEMBER JAMES: Yeah, I'm
10 really excited about that, because I was concerned
11 because as you know, all this luxury development
12 is popping up on Flatbush Avenue. My last
13 question has to do with, I understand you restored
14 vision testing for children in K and--in
15 kindergarten and first grade, and I applaud you
16 for that. Are there any plans at this point in
17 time to expand that beyond kindergarten and first
18 grade? And what is the status of hearing testing,
19 or--

20 THOMAS FARLEY: The children are
21 screened by the Health Department in, when they
22 enter in kindergarten or first grade. First time
23 - - in school are, have their vision screened at
24 second grade and beyond by the Department of
25 Education. So, that screening takes place

2 regardless of what age a child enters the school
3 system.

4 COUNCIL MEMBER JAMES: For vision
5 and for hearing?

6 THOMAS FARLEY: That's vision, and
7 I--

8 COUNCIL MEMBER JAMES: Vision.
9 What about hearing? Have there been any--I
10 understand that there's been cuts to that program.

11 THOMAS FARLEY: I'm going to ask
12 Dr. Roger Platt, who's our Assistant Commissioner
13 for School Health to address this.

14 ROGER PLATT: Good afternoon.

15 COUNCIL MEMBER JAMES: Good
16 afternoon.

17 CHAIRPERSON KOPPELL: Just please
18 identify yourself for the recording.

19 ROGER PLATT: I'm Dr. Roger Platt,
20 I'm Assistant Commissioner in the Health
21 Department and Chief Executive Officer in the
22 Department of Education for School Health. Our
23 program has not done hearing screening for several
24 years, based on the scientific evidence of the
25 value of doing hearing screening in school age

2 children. So we have not been doing hearing
3 screenings since 2009.

4 COUNCIL MEMBER JAMES: What was the
5 science based data that you receive with regards
6 to the--

7 ROGER PLATT: There are some very
8 large studies, particularly in England, that
9 suggest that you don't make a long term difference
10 in the outcome of children, either from a hearing
11 perspective or from an educational perspective, by
12 doing hearing screening of students at school age.

13 COUNCIL MEMBER JAMES: Is there any
14 testing in our schools with respect to determine
15 whether or not children suffer from autism?

16 ROGER PLATT: I am not familiar
17 with any formal program to assess children for
18 autism. Most children come to the school system
19 with a diagnosis as part of the special education
20 process. Almost all children with autism in the
21 New York City School System go through the IEP
22 process and get services based on the outcome of
23 that process.

24 COUNCIL MEMBER JAMES: Okay, I
25 understand. So, my, I guess the reason why I've

2 asked these series of questions is because I
3 believe that in the City of New York, we really
4 need to look at public schools as healthcare
5 centers and that they, it should be a one stop
6 center for children, particularly since the
7 children attend schools at--and in the schools, we
8 should really test for these health outcomes in a
9 wide range of issues from autism to Aspergers to
10 health to vision to dental. And it's unfortunate
11 that we're chipping further and further away from
12 these services, particularly at a time when
13 there's these healthcare disparities in the City
14 of New York. And I recognize that we've got some
15 economic challenges in the City of New York, but I
16 just really think that we could combat a lot and
17 address a lot if we could deal with the healthcare
18 needs of children at an early stage. And it's
19 rather unfortunate that we're moving further and
20 further away from that type of system here in the
21 City. My last question is, your advertising
22 budget, it appears that every single time I turn
23 on the television, there's an ad from the
24 Department of Health on a wide range of issues.
25 What is your advertising budget?

2 THOMAS FARLEY: It's, the
3 advertising is for a variety of different
4 programs, and for the--give me one sec. [pause,
5 background noise] I'm going to say, I think it's
6 in the range of \$8 million.

7 COUNCIL MEMBER JAMES: \$8 million,
8 did you say?

9 THOMAS FARLEY: Yes, yes. Which is
10 roughly split half between tobacco and other
11 programs, and roughly half of that is City funds
12 and half of it is other funds, grants or State
13 funds.

14 COUNCIL MEMBER JAMES: So,
15 Commissioner, I understand the value of
16 advertising and I understand reducing tobacco use
17 as a major part, major issue in the City of New
18 York, and we've made great strides in reducing
19 tobacco and alcohol use in the City of New York.
20 But at the expense of what? You're, in your
21 budget I understand that you're eliminating 42
22 positions, we're laying off 42 employees, is that
23 true?

24 THOMAS FARLEY: Yes. Now, we're
25 eliminating 152 positions--

2 COUNCIL MEMBER JAMES: Right.

3 THOMAS FARLEY: --and there are 42
4 employees who may be laid off.

5 COUNCIL MEMBER JAMES: So, 42
6 employees are about to be laid off; we've cut back
7 on child health centers in schools; but yet we
8 have an \$8 million budget for advertising.
9 Something is wrong with that equation. And it
10 really, I believe we really need to adjust it to
11 reflect our priorities in the City. And I don't
12 know about you, Commissioner--well, I do know
13 about you, Commissioner, because you are, I've
14 respected you for a very long time. I would hope
15 that our values would address our concerns for
16 children, as well as for individuals who
17 unfortunately might be losing their job at a time
18 when we are still in the throes of a recession.
19 And I thank you for this opportunity.

20 THOMAS FARLEY: Thank you. If I
21 could just respond quickly and correct one thing.
22 So the amount for FY'14 is \$6.4 million, not \$8.
23 But if I can just address advertising more
24 broadly. You know, we've used advertising for
25 smoking prevention for a number of years now, and

2 our smoking rates have dropped dramatically. We
3 have about 400,000 fewer smokers. That's going to
4 help prevent people from having lung cancer, from
5 heart disease. Actually, reduce asthma, as well,
6 because it reduces secondhand smoke. The simple
7 fact is, when we have to reach 8.4 million people
8 with a message, the simplest way to do it is
9 through the mass media. So, I understand the
10 value for direct services, as a pediatrician, but
11 I also recognize it when we have to reach a lot of
12 people, that's, this is simply the cheapest way to
13 do it.

14 COUNCIL MEMBER JAMES: Now, I
15 understand that--and I don't have a problem with
16 reaching, you know, all of these individuals and I
17 understand your message; but I would just think
18 that as a opposed to placing ads on television
19 for, at every commercial, we could reduce that
20 somewhat and we can use some of those funds to,
21 one, restore those 42 positions, and two, look at
22 the healthcare needs of children. Thank you.

23 THOMAS FARLEY: Thank you.

24 CHAIRPERSON KOPPELL: Next Council
25 Member is Council Member Greenfield to my left.

2 COUNCIL MEMBER GREENFIELD: Thank
3 you, Mr. Chairman; thank you, Commissioner.
4 Couple of quick questions. First, starting with
5 the cut in funding to the school-based health
6 center. You mention that one of those schools is
7 FDR High School, is that correct?

8 THOMAS FARLEY: No, Theodore
9 Roosevelt, not FDR.

10 COUNCIL MEMBER GREENFIELD: Oh,
11 Theodore Roosevelt.

12 THOMAS FARLEY: Yes.

13 COUNCIL MEMBER GREENFIELD: Okay.
14 And what's the practical implication going to be
15 on those cuts? What does it mean when we say,
16 "supplemental funding"? I wasn't clear about
17 that.

18 THOMAS FARLEY: The school based
19 health centers can get funding from insurance
20 reimbursement, including Medicaid; they can get
21 funding from a state grant; and they can get
22 supplementary funding from a grant from us. Most
23 of the school-based health centers are able to
24 operate financially based upon insurance
25 reimbursement and the state grant. These school-

2 based health centers in general are operated by
3 large hospital systems. The four that we're
4 talking about cutting here are operated by
5 Montefiore, North Shore Allied J, Columbia
6 Presbyterian. And so they are capable of getting
7 insurance reimbursement for their work. And so,
8 this supplementary funding is something that would
9 be a cut to that larger institution, but what we
10 see is that many institutions can continue to
11 provide those services based upon the insurance
12 reimbursement.

13 COUNCIL MEMBER GREENFIELD: And
14 they're not getting those reimbursements now?

15 THOMAS FARLEY: They are. They
16 are. They--

17 COUNCIL MEMBER GREENFIELD: But it
18 still would be a net loss for those.

19 THOMAS FARLEY: It would, yeah, it
20 would be a reduction in the total revenue to that
21 hospital system.

22 COUNCIL MEMBER GREENFIELD: Yeah.

23 THOMAS FARLEY: Yes, but--

24 COUNCIL MEMBER GREENFIELD: Okay.

25 THOMAS FARLEY: --can they continue

2 to operate that clinic based upon the insurance
3 reimbursement? You know, the evidence is that
4 many of them do, they're able to--

5 COUNCIL MEMBER GREENFIELD: Okay.

6 THOMAS FARLEY: --continue
7 financially without a supplementary grant from the
8 City.

9 COUNCIL MEMBER GREENFIELD: So
10 you're very confident that that would not lead to
11 closing of any of those health centers, so--

12 THOMAS FARLEY: I can't say that
13 for sure.

14 COUNCIL MEMBER GREENFIELD: Right.

15 THOMAS FARLEY: But I can say that
16 the evidence is that many of them can, and so that
17 there would be a good chance that they could
18 continue.

19 COUNCIL MEMBER GREENFIELD: Okay,
20 but I think that's, myself and the Chair, I think
21 that's a very specific concern, so if there is, if
22 you can sort of do a more detailed inquiry in
23 terms of the health centers, and try to sort of
24 run the numbers and whether you believe they would
25 succeed or fail, obviously it's a much different

2 argument when you say, "Hey, you know, we're not
3 giving them more money," versus, "This is the
4 money they need in order to actually survive." Is
5 that fair?

6 THOMAS FARLEY: Without us really
7 getting into the internal financial data of these
8 large institutions, I don't know that we can
9 really answer what this means for the larger
10 institutions. They may actually want to continue
11 it even if their revenue is less than what their
12 expenses are there because that's part of their
13 larger network and they see a value to that.

14 COUNCIL MEMBER GREENFIELD: Okay, I
15 mean--

16 THOMAS FARLEY: But I can't say
17 that it's not--

18 COUNCIL MEMBER GREENFIELD: Easier,
19 can you just reach out to them and ask them, you
20 know, "With this funding cut that we're proposing,
21 will you still be able to maintain your health
22 center?"

23 THOMAS FARLEY: We can ask them
24 that. At this point, I'm sure that they are, they
25 don't want the loss of our grant, and so they may

2 say, "Well, we're not going to be able to
3 maintain," and maybe they will and maybe they
4 won't.

5 COUNCIL MEMBER GREENFIELD: Well,
6 maybe they'll lie, maybe they won't, I don't know,
7 but certainly it would be helpful to at least have
8 the information, I think it's--I don't need to lie
9 to a government agency, so.

10 CHAIRPERSON KOPPELL: I'm not
11 cutting off--

12 COUNCIL MEMBER GREENFIELD: Yes,
13 please, Mr. Chairman.

14 CHAIRPERSON KOPPELL: --the
15 Councilman at all, but on this point--

16 COUNCIL MEMBER GREENFIELD: I cede
17 to the Chairman.

18 CHAIRPERSON KOPPELL: No, I just, I
19 want to follow up on this point before we lose it.
20 You said there were, these are only four schools,
21 right, that you're--

22 THOMAS FARLEY: Correct. Or four
23 school buildings, to be clear, 'cause sometimes
24 there's more than one school in a building.

25 CHAIRPERSON KOPPELL: But did you

2 identify which institution is connected to which
3 school?

4 THOMAS FARLEY: Yes. And--

5 CHAIRPERSON KOPPELL: No, you
6 haven't said it yet, though.

7 THOMAS FARLEY: No, I haven't said
8 it, but I'd be happy to say if that--

9 CHAIRPERSON KOPPELL: Could you say
10 it we could have a--

11 THOMAS FARLEY: So that Percy
12 Sutton is operated by New York Presbyterian,
13 Franklin Lane is operated by North Shore LIJ,
14 Theodore Roosevelt is operated by Montefiore, and
15 Wingate Campus is operated by SUNY Downstate.

16 CHAIRPERSON KOPPELL: Okay. Well,
17 if you can, if you could provide our Fiscal staff
18 with their assessment of what the impact of what
19 the impact is, that'll be fine. But we may also
20 contact them directly.

21 THOMAS FARLEY: Yeah.

22 CHAIRPERSON KOPPELL: 'Cause we--as
23 people know, I mean, I'm a great advocate of
24 expansion of school-based health services, so I
25 look with some concern at any reduction, 'cause

2 I'd like to see it expand. It's not only your
3 responsibility, it's also DOE responsibility, as
4 far as I'm concerned. But, I, that's what, I just
5 wanted to get out the names of the institutions.

6 THOMAS FARLEY: Yes.

7 CHAIRPERSON KOPPELL: --so we can
8 follow up. But go--let me give it back to the
9 Councilman--

10 COUNCIL MEMBER GREENFIELD: Thank
11 you, Mr. Chairman, thank you. I'll follow up on a
12 couple of other issues. The--based on the data
13 that we have, the fines to restaurants have been
14 increasing significantly over the last few years.
15 \$27 million in '09, \$32.7 in '10, \$42.3 in '11,
16 \$51.4 in '12. Is that a result--what is that a
17 result of? Are restaurants suddenly becoming
18 dirtier? Have you stepped up enforcement? I
19 mean, how would you sort of explain that rather
20 significant jump in fines and what's your
21 projection for fines for the upcoming Fiscal Year?

22 THOMAS FARLEY: Right. When--at
23 the same time that we made the change to the
24 letter grades, we also made a change to the
25 frequency with which we inspect restaurants. Used

2 to be that we went basically once a year; with the
3 change to letter grades, we changed, if a
4 restaurant were, had a B, that we returned again
5 in six months; if they had a C, we returned again
6 in four months. We also, if a restaurant doesn't
7 score an A on an initial inspection, they get a
8 re-inspection, so that there's substantially more
9 inspections that we had when we started letter
10 grading. And we expected at that time that we
11 would get an increase in fines as part of that.
12 We did get an increase in fines, we have seen over
13 the years an improvement in restaurant
14 performance, their scores are getting better. And
15 as a result, in the current fiscal year we are in
16 fact seeing substantial decline in fines. So we
17 estimate it'd be about a 30 percent reduction in
18 the current fiscal year, probably down to about
19 \$40 million. And well, we'll see what happens in
20 the future years. But the improvement in
21 restaurant performance, which is to be reflected
22 in the greater percentage of them with As, with
23 the greater percentage of them back on a 12 month
24 cycle, is now being reflected in the reduction in
25 fines.

2 COUNCIL MEMBER GREENFIELD: So,
3 what's your projection for fines for the upcoming
4 fiscal year? I mean--

5 THOMAS FARLEY: Right. It depends
6 entirely on whether the restaurants continue to
7 improve their performance, or if their performance
8 stays about where they are this year.

9 COUNCIL MEMBER GREENFIELD: Well,
10 sure, but you don't project fines in you internal
11 budget? It's not part of your--

12 THOMAS FARLEY: You know, there is
13 an estimate that comes from OMB, and it's probably
14 more than what we'd expect. I think it's what,
15 it's \$45 million. So, I would, you know, it's
16 unlikely we're going to be receiving that much for
17 Fiscal Year '14 based upon this year we'll
18 probably get \$40.

19 COUNCIL MEMBER GREENFIELD:
20 Obviously fines have increased, complaints have
21 increased, as well, significantly. Is there
22 anything that you've done in regard to the
23 complaints that you've been getting?

24 THOMAS FARLEY: I'm sorry,
25 complaints from the restaurants or complaints from

2 people going to restaurants?

3 COUNCIL MEMBER GREENFIELD: From
4 everybody. From us, Council Members, restaurant
5 owners, the media.

6 THOMAS FARLEY: It's like, the
7 restaurants don't particularly like the letter
8 grading program. Some do, but many of them don't.
9 But the general public likes it very much. We've
10 done surveys and 90 percent of people like the
11 letter grade, they like the program, they--and
12 they're very supportive of the idea that we go
13 more frequently to the restaurants that have worst
14 performance. So, you know, we certainly would
15 rather have the restaurants be happy with it, but
16 then I don't know that they're ever going to be
17 totally happy with an inspection program. We are
18 pleased with the fact the scores are getting
19 better, and that increased, that improved
20 performance. We think is leading to a reduction
21 in disease, and that was reflected by the decline
22 in salmonella rates, which we reported in the
23 past.

24 COUNCIL MEMBER GREENFIELD: All
25 good things, but not my, not the answer to my

2 question. My question specifically is that we
3 receive very specific complaints. I like letter
4 grade system as well, it's just a matter of how
5 it's being enforced, particularly by your
6 inspectors. And we've had complaints about how--I
7 know you've heard before, about several folks who
8 tell us that inspections seem to be arbitrary and
9 there are different standards in terms of
10 different inspectors. And a lot of the focus are
11 on non-food safety issues. So, in regard to those
12 particular complaints, have you addressed them or
13 are you ignoring them?

14 THOMAS FARLEY: We have an advisory
15 committee of, that includes people from the
16 restaurant industry, where we talk through issues.
17 For, you know, in a systemic way, if they say that
18 there's a pattern here, this particular violation
19 is being enforced erratically or inappropriately;
20 and as well they have an opportunity to bring up
21 particular concern to the tribunal, to OATH and
22 say that they thought that they were, the
23 particular inspector was unfair. So, I think that
24 there is an opportunity for them to address that.
25 And again, we are open to discussion of the

2 systemic problems with the industry.

3 COUNCIL MEMBER GREENFIELD: All
4 appreciated, but my question is specifically, have
5 you addressed it in any way? Have there been any
6 internal changes at DOH as a result of the
7 complaints that you receive from restaurant owners
8 and elected officials and in general the media, or
9 has that not been considered? I'm not questioning
10 that you have a process to do that. The question
11 is that there have been many complaints that have
12 come from this body and from restaurant owners and
13 from the media in general regarding specifically
14 abuses or unfairness in the way that the, some
15 restaurants have been treating in terms of the
16 inspection process. Whether it's been arbitrary
17 or whether there are different rules that
18 restaurant owners believe that they are enforced.
19 And we have a lot long list of these issues that
20 we've given to you in the past. And so I guess my
21 question is--at other hearings--and my question
22 is, has that been addressed in any way? It's a
23 very specific question. Or have you decided to
24 ignore it, which is your prerogative, I'm just
25 trying to understand, have the, I guess the, to

2 simplify it, right, the information that we've
3 been giving to you, has that, have you been
4 processing that and dealing with that, or have you
5 simply ignored it?

6 THOMAS FARLEY: Right. No, the--
7 where there are issues, for example, you know, if
8 there's a particular violation that a number of
9 restaurants say that "This one, we think it's
10 unfair, it's not important," we've looked at those
11 and we have changed, if I'm not mistaken, some of
12 the guidance to inspectors on specific issues.

13 CHAIRPERSON RECCHIA: Before you
14 talk, I just want to recognize we've been joined
15 by Council Member Robert Jackson. Go ahead.

16 THOMAS FARLEY: Okay. I've got
17 with me Deputy Commissioner Dan Kass who's over
18 our Division of Environmental Health, who can talk
19 more about how we have worked with the program
20 over the last two-three years.

21 DANIEL KASS: I think, thanks very
22 much, so, you know, it's, we take every concern
23 and every complaint very seriously. So, first is
24 when we get a specific complaint from a particular
25 restaurant about the conduct of an inspector or

2 the nature of an inspection, it's investigated,
3 there are occasions where we have dismissed
4 violations before they make it to hearing because
5 there was an error made. We also look
6 systemically across these kinds of concerns to see
7 if there's anything that we can do. And I will
8 say that since the time, it's been nearly a year
9 where we've been handing out a business bill of
10 rights under direction of the Council and the
11 Mayor's Office. We've received, you know, less
12 than dozen complaints, or less than a dozen
13 referrals, many of them complimentary, a handful
14 of them complaints. So we do track these things
15 very carefully. We also have a hotline that we
16 publish where every restaurant knows on both the
17 violation and on all of our documents, where they
18 can call for clarification for questions/concerns.
19 We implemented, we were the first agency, is my
20 understanding, to implement a comprehensive
21 customer service training for all of our
22 inspectors. Everyone has attended it, they'll be
23 repeated on an annual basis, where we cover both
24 the expectation of the inspector, for the conduct
25 of the inspection itself, as well as how to manage

2 conflict and try to diminish it. So that's, that
3 training happened over the course of last summer,
4 it'll be repeated again toward the end of the
5 summer and in the fall. We've also published,
6 since our last hearing together on restaurants, on
7 the restaurant inspection program, we've published
8 guidance documents on our webpage, the restaurant
9 industry knows that it's there. That makes clear
10 for the critical violations, the key ones that are
11 most frequently cited, exactly what we inspect for
12 and exactly what we don't inspect for. In the
13 last year, we've done a mailing to all restaurants
14 of the entire rewritten Article 81, which is the
15 health code that addresses the question of what
16 the expectations are, the kinds of violations that
17 we cite. So, I think we've done, you know, a
18 great job of notifying the regulated community, as
19 well as working with our inspectors, for--on how
20 to do as good as a job as we can.

21 COUNCIL MEMBER GREENFIELD: Thank
22 you, Deputy Commissioner. And I appreciate the
23 outreach. My specific question is, have there
24 been any specific changes? Can you tell me,
25 "Well, this is a rule that was enforced and

2 because of complaints, we changed that," or "There
3 was an inspector that we got complaints about; as
4 a result, we fired that inspector." Have there
5 been any concrete actions as opposed to simply the
6 education that you speak of, and the training
7 which we're of course very grateful for.

8 DANIEL KASS: There have been
9 specific examples of the withdrawal of notices of
10 violations from restaurants, where an error has
11 been noticed. We've clarified a variety of rules.
12 I know of no example where an inspector, where
13 there have been any, there's been any cause to
14 fire or discipline an inspector. Were there to
15 be, I can assure you that that kind of action
16 would be taken.

17 COUNCIL MEMBER GREENFIELD: Okay,
18 and can you also, is it possible to give us a
19 breakdown of the roughly \$40 million this year in
20 violations? What's the percentage of violations
21 that are food related versus non-food related,
22 such as, you know, uncovered light bulbs or, you
23 know, storage issues or things like that? Do you
24 guys have it broken down by violation?

25 DANIEL KASS: I don't have that

2 breakdown with me, but I will tell you two things.
3 First of all, the scoring of violations is very
4 much directed, related to food safety. So, and
5 similarly, the violation rate is very much aligned
6 with matters that predict and have been shown in
7 scientific studies to be associated with the risk
8 of food borne illness. So, I can get you those
9 numbers, but the vast majority of penalties, the
10 vast majority of points, the vast majority of
11 notices of violations that are issued, are
12 specifically for matters that relate specifically
13 to food borne illness risk.

14 COUNCIL MEMBER GREENFIELD: Okay,
15 if you wouldn't mind sending it to us, we asked
16 the same request of the NYPD, they broke it down
17 to us, you know, their violations that they give
18 out. I think it's helpful for us just to sort of
19 have an understanding of, you know, a breakdown of
20 the violations. Right? I think a) it's helpful
21 in terms educating restaurant owners, right, as to
22 what the most frequent violations are; and b) we
23 may find, you know, infrequent violations that are
24 being ticketed, and that perhaps might lead to
25 some research as to why, you know, those random

2 violations are in fact being enforced or not
3 enforced. So as a matter of transparency, if you
4 could provide that to our staff, we'd be very
5 grateful.

6 DANIEL KASS: I'd be happy to do
7 that analysis. I will just share with you that we
8 have been working with your staff and we've
9 transmitted a vast amount of data that they
10 themselves have independently analyzed and we've
11 been meeting on a regular basis to describe some
12 of these things.

13 COUNCIL MEMBER GREENFIELD: Great.
14 And my final question, Commissioner, has to do
15 with the issue of complaints that we receive
16 regarding properties that are dirty. And I know
17 it's something that you, your office handles. I
18 noticed that some of the folks, per your budget
19 constraints, you're going to, unfortunately being
20 lay off, laying off some folks. Is that going to
21 have an impact, some of those folks, I believe,
22 had to do with the environmental protection and
23 other positions, environmental health, is that
24 going to have an impact on that particular issue?
25 Which is when you, we get complaints about

2 properties that are dirty or unsanitary, and then
3 there's sort of convoluted process where we go
4 about getting it cleaned up?

5 COUNCIL MEMBER GREENFIELD: No,
6 there are no layoffs in the area of people who
7 clean lots that are dirty. There's a couple of
8 administrative positions which are really on the
9 order of efficiencies, that shouldn't change our
10 current process.

11 COUNCIL MEMBER GREENFIELD: All
12 right, thank you very much.

13 CHAIRPERSON RECCHIA: Okay, thank
14 you very much. At this time, we are going to hear
15 from Council Member Al Vann, then Council Member
16 Jackson.

17 COUNCIL MEMBER VANN: Yeah, thank
18 you, Chair. Good afternoon, Commissioner.

19 THOMAS FARLEY: Good afternoon.

20 COUNCIL MEMBER VANN: Our friend
21 from Best Buy, how you doing? Yeah, at a staff
22 briefing not too long ago, they apprised me of I
23 assume to be a fact, that there has been a, I
24 don't know if outbreak is the right word, maybe
25 outbreak of meningitis in Central Brooklyn, and

2 also that there seem to be an increase in the
3 infection rate of HIV, particularly among men who
4 have sex with men. Is, are these facts? And if
5 so, what's causing, what seems to be the source?
6 And then, what are we doing if that is indeed
7 what's happening?

8 THOMAS FARLEY: We are seeing an
9 outbreak of meningitis, or I call it invasive
10 meningococcal disease, 'cause for some people it's
11 an infection of other parts of the body. In men
12 who have sex with men, many of whom are African-
13 American and that seems to be, we've seen it for
14 other parts of the City, but there are more cases
15 in Brooklyn than in other parts of the City. And
16 this is something that's worried us a lot, and
17 we've put in a lot of energy to try to get those
18 people vaccinated against that form of meningitis.
19 I mentioned in my testimony, I think might've been
20 before you came, where we've offered the vaccine
21 at our clinics, we have offered the vaccine to
22 community providers who have offered it to people.
23 We've done a variety of things to publicize that
24 vaccine. We've now had about 10,000 people who've
25 come in and gotten vaccinated. And we have not

2 seen a case for about three months. So, and that
3 was after seeing two to four cases a month before.
4 So we're hopeful that we may be slowing that
5 outbreak, if not having ended it. But we still
6 are worried about it, and there's still more
7 people to vaccinate. As far as HIV infection, we
8 have long been worried about HIV infection.
9 People continue to be infected with HIV. Men who
10 have sex with men in particular; African American,
11 Latino, men who have sex with men have far higher
12 rates. We are doing what we can to make sure that
13 condoms are available, and encourage people to use
14 condoms, to, for those people who are positive, to
15 get them into treatment and to keep them into
16 treatment, so that they are less likely to spread
17 the infection to others. The overall trend is in
18 the right direction, but it's still far too high.

19 COUNCIL MEMBER VANN: How are you
20 engaging the local health facilities in this
21 ongoing prevention or response to these outbursts,
22 outbreaks?

23 THOMAS FARLEY: For HIV infection,
24 we have contracts with a number of organizations
25 to do outreach, testing, condom distribution,

2 treatment, and for the meningitis, again we're
3 working with, I don't know, maybe about a dozen
4 different providers, to make sure that they have
5 the vaccine and that they're offering vaccine to
6 people who are at risk.

7 COUNCIL MEMBER VANN: So, you feel
8 comfortable that we're doing out strategy is
9 working? I know you seem to suggest a slowing
10 down of reported cases. So in your professional
11 experience, and from what you know you're doing,
12 are we in control of this thing? To the extent
13 that we can, or--

14 THOMAS FARLEY: I think it's too
15 early to say. You know, I think we've done a lot,
16 and I'm encouraged to see that we haven't seen
17 cases for three months, but I'm not comfortable
18 yet, that we have put an end to the meningitis
19 outbreak. With HIV, I'm always unhappy that we
20 continue to have cases. We have 3,400 people per
21 year who are new--newly reported to us with HIV
22 infection. This far into the epidemic, that's too
23 high. But we, you know, continue to do everything
24 that we can think of to try to reduce the risk of
25 spread from one person to another.

2 COUNCIL MEMBER VANN: My final
3 inquiry around this area. HIV obviously is
4 preventable. And we've known that for a long,
5 long time. Are we being victimized by the fact
6 that we now have such increase in medical
7 technology that people seem to be living longer
8 with this infection? Or is there a drumming down?
9 Is there a lack of urgency now about this because
10 there seems to be more and more people who are
11 infected and they seem to be living longer, and a
12 sort of better of quality than they did
13 previously? I'm perplexed that we haven't been
14 able to really have a more effective way of
15 reducing, if you will, the number of infections.

16 THOMAS FARLEY: Yeah.

17 COUNCIL MEMBER VANN: And I'm not
18 throwing this at you, obviously, but I'm
19 concerned.

20 THOMAS FARLEY: Yeah.

21 COUNCIL MEMBER VANN: What is your
22 view?

23 THOMAS FARLEY: I'm concerned, too.
24 You know, the good thing is HIV is now it's a very
25 treatable illness, people can have really a normal

2 life expectancy with HIV infection, taking
3 medicines regularly for the course of their
4 lifespan. The bad side of that is that people
5 don't fear HIV in the way that they used to, and I
6 have sat through focus groups with young men who
7 have sex with men, unafraid, not worried about HIV
8 infection. And so as a result, I think not as
9 consistent at using condoms as they should. So,
10 we are in the position now of trying to push
11 awareness and make sure that people are concerned
12 about this, because our successes have that
13 negative side effect.

14 COUNCIL MEMBER VANN: Yeah, my
15 final piece on this, Chair, 'cause it's very
16 important. 'Cause you seem to suggest that with
17 modern medicine and so forth, if we become
18 infected with HIV, our life expectancy is about
19 the same?

20 THOMAS FARLEY: If people can take
21 their medicine consistently, yes--

22 COUNCIL MEMBER VANN: If they take
23 it? Really?

24 THOMAS FARLEY: --their life
25 expectancy can be normal or close to it.

2 COUNCIL MEMBER VANN: Yeah. Are
3 there other, some negative impacts, in terms of
4 quality of their life or any other--

5 THOMAS FARLEY: Yes, there--many of
6 the medicines do have side effects, so it does
7 impact the quality of their lives.

8 COUNCIL MEMBER VANN: All right.
9 Yeah, okay, thank you, thank you, Commissioner.

10 THOMAS FARLEY: Okay, thank you.

11 COUNCIL MEMBER VANN: Yeah.

12 CHAIRPERSON RECCHIA: All right.

13 Council Member Jackson has a few questions, then I
14 will close it down.

15 COUNCIL MEMBER JACKSON: Well,
16 thank you, and good afternoon, Commissioner--

17 THOMAS FARLEY: Good afternoon.

18 COUNCIL MEMBER JACKSON: --to you
19 and your staff. I just, I guess I wanted to ask
20 about, with respects to this particular budget.
21 What is the status of preventing or helping to
22 prevent suicides? And more recently, we've heard
23 about students, the 12 year old child in Queens,
24 the teenager that completed suicide in Staten
25 Island, and we hear cases after cases that it's in

2 the news, but there's a lot of cases that we don't
3 hear about. And I was curious as to, mm, how is
4 this being addressed in this particular budget of
5 yours?

6 THOMAS FARLEY: Just talking about
7 suicide in general for a minute, it's--every
8 suicide is absolutely a tragedy, and it's
9 something that we care a lot about. The--it's
10 worth pointing out that actually suicide rates in
11 New York City are one-half the national average.
12 We have far fewer suicides per capita than other
13 parts of the country, and the reason is that guns--
14 -suicide by gun is about one-tenth the national
15 average. And that's not replaced by suicides by
16 other means. Suicides by other means are about
17 the same. So the fact we have many fewer guns in
18 circulation here, has probably saved, has saved,
19 many, many lives. Nonetheless, suicide is still a
20 leading cause of death, it's still important, we
21 worry about it. And so, we really are focused on
22 the problem of mental illness. Suicide can occur
23 in teenagers, it can occur in young adults, and
24 then it can spike again in the elderly. So, we
25 provide mental health services in a number of

2 schools. And as Council Member Koppell talked
3 about, and we hope it's part of that, that we're
4 helping people who, young teenagers who are
5 troubled, to work through their problems rather
6 than committing suicide. And then we are working
7 on trying to develop a better mental health system
8 in general for people who are troubled. It's hard
9 to measure the impact it has on suicide, but we
10 are focusing on that. Is there anything new in
11 this budget? The mental health initiatives that
12 we talked about earlier, such as first episode
13 psychosis, where somebody who has schizophrenia
14 comes in as a young person, should get intensive
15 care. That should help the mental illness, that
16 may reduce suicide rates as well. You want to add
17 anything?

18 ADAM KARPATI: Just add that in
19 addition to the direct services referred to
20 earlier in schools, there are a number of
21 initiatives that we've undertaken this year and in
22 previous years around mental health services, the
23 training and engagement of our school nurse
24 workforce around suicide screening and prevention,
25 providing guidelines and toolkits to teachers,

2 principals, guidance counselors, around mental
3 health issues. We've been supporting a number of
4 community based organizations to work directly
5 with schools and in a consultative way. And
6 working on matters of crisis intervention and
7 building a healthier school environment. So, on a
8 number of fronts, in addition to the direct
9 services, we're working to expand mental health,
10 the attention to mental health issues in schools
11 with a particular emphasis on suicide prevention.

12 COUNCIL MEMBER JACKSON: So, can
13 you quantify that as far as how much money is
14 spent in this particular area? And the reason why
15 I raise that is because I believe several years
16 ago, you used to fund the suicide hotline, if I'm
17 not mistaken, is that correct?

18 ADAM KARPATI: There is a citywide
19 suicide crisis hotline and suicide prevention
20 hotline, it's 1-800-LIFENET, that provides
21 services across the City.

22 COUNCIL MEMBER JACKSON: Hm. Is
23 that the same one that's run by Samaritans? Or is
24 it separate and apart?

25 ADAM KARPATI: That's a different,

2 that's a different service.

3 COUNCIL MEMBER JACKSON: Okay. So,
4 I believe--that's a different service--so that
5 service is provided by the Department of Health?
6 Is that correct?

7 ADAM KARPATI: Lifenet? Lifenet is
8 directly provided by the Mental Health Association
9 of New York, under contract to the Department of
10 Health and Mental Hygiene. So it's our funding,
11 and they execute the--

12 COUNCIL MEMBER JACKSON: And did
13 you also fund previously the Samaritans as part of
14 the Department of Health's budget?

15 ADAM KARPATI: Previously we had,
16 that was in a previous budget reduction. We had
17 to reduce that funding.

18 COUNCIL MEMBER JACKSON: Sure, I
19 realize that the Council basically restored that
20 funding, so that Samaritans can continue, and I'm
21 just curious, do you feel that that is not
22 necessary to be in your Executive Budget? I mean,
23 because it costs approximately \$250,000 and it
24 receives over 80,000 contacts every single year
25 that's saving lives and saving families from the

2 stresses. So, I'm just curious, couldn't you,
3 can't you find a quarter of a million dollars to
4 fund that suicide prevention hotline?

5 ADAM KARPATI: I'll say that we've
6 been faced with a number of serious budget cuts
7 over the past several years, many different ones.
8 When we, when we go through that process, we take
9 a hard look at our entire portfolio of services,
10 and make decisions accordingly. They're not easy
11 ones. In this particular case, because of the
12 availability of a citywide suicide prevention
13 hotline through Lifenet, we felt that that was the
14 appropriate decision to be made.

15 COUNCIL MEMBER JACKSON: Well, I
16 say to you as a legislator that's reviewing your
17 Executive Budget, with respects to overall the
18 citywide's budget, anytime that we save a life, or
19 prevent the completion of suicide, you're not only
20 impacting one individual but an entire family,
21 even multiple families. And when it comes to a
22 life, I think a quarter of a million dollars is a
23 great investment. So, and I was listening to my
24 colleague, Letitia James earlier, discussing some
25 of the questions that she put forward, and asking

2 about the advertising budget of, you know, the
3 campaign of this Administration, to reduce smoking
4 amongst people and more specifically young people.
5 And I applaud that. I disagree with it even
6 though I applaud it. But you're spending, as you
7 indicated, I think \$6.4 million towards that
8 program. And it seems as though that it comes
9 down to a matter of priorities. And obviously,
10 preventing suicide or, you know, having another
11 source of where people can reach out 24/7, is a
12 lower priority than for example the anti-smoking
13 campaign. Now tell me if I'm wrong. And give me
14 the logic and reason.

15 THOMAS FARLEY: The number of
16 people who die from smoking related illness in New
17 York City each year is over 7,000. The number of
18 people who die from suicide is much less than
19 that. I can't give you a number right now, but
20 it's probably, it's in the hundreds. And so, yes,
21 I think we save more lives with the smoking
22 prevention work than with our suicide prevention
23 work.

24 COUNCIL MEMBER JACKSON: Per year?

25 THOMAS FARLEY: Per year, yes.

2 COUNCIL MEMBER JACKSON: The one
3 thing, doctor, is--one thing is smoking, like
4 drinking, like using drugs, and another thing is
5 when you're talking about someone completes
6 suicide. It's--you, I think the goal, the goal
7 that you're achieve--attempting to achieve, is to
8 lower the rate of death due to smoking and
9 drinking and stuff like that, which is--I applaud
10 you for that. But as you know, that's a long term
11 effect, that's a long term goal; whereas,
12 preventing death is an immediate goal.

13 THOMAS FARLEY: Well, I think if
14 the deaths, whether they're this year or they're
15 off in the future, they're still important and if
16 they're preventable, then we still want to prevent
17 them. I can assure you that we--these are tough
18 decisions. But we use them and try to say, "How
19 can we save the most lives, for the dollars we
20 have?" And that you take into account the total
21 number of deaths for a health problem and your
22 likelihood of being able to prevent--to change
23 that.

24 COUNCIL MEMBER JACKSON: So then,
25 let me just, I'm going to switch off that and just

2 go to the Executive Budget with respects to the--

3 CHAIRPERSON RECCHIA: Supposed to
4 be at the Executive Budget. [laughs]

5 COUNCIL MEMBER JACKSON: Say that
6 again.

7 CHAIRPERSON RECCHIA: Just joking.

8 COUNCIL MEMBER JACKSON: I'm sorry.
9 That was referring to the executive budget, but
10 I'm going to just move to another subject area
11 with respects to the bill that are pending in the
12 City Council, that you support with respects to
13 increasing the age of purchasing cigarettes and
14 smoking cigarettes, I believe it's both, is that--

15 THOMAS FARLEY: No, it's raising
16 the age at which cigarettes can be sold to--

17 COUNCIL MEMBER JACKSON: Purchased,
18 yeah, purchased.

19 THOMAS FARLEY: Well, first, it's
20 sales. The penalty is on the seller not on the
21 buyer.

22 COUNCIL MEMBER JACKSON: Sure,
23 okay. To be sold to 21 from 18.

24 THOMAS FARLEY: Correct.

25 COUNCIL MEMBER JACKSON: And also,

2 there's another bill that basically, that you must
3 be able to not have displayed the cigarettes, or
4 in essence--

5 THOMAS FARLEY: Correct.

6 COUNCIL MEMBER JACKSON: --you have
7 some sort of curtain or some sort of divider where
8 it's not publicly in view.

9 THOMAS FARLEY: Right.

10 COUNCIL MEMBER JACKSON: Is any
11 money being spent in the budget for that? And if
12 so, how much?

13 THOMAS FARLEY: There is no money
14 in the budget for this. The enforcement of that
15 is something which we can be done in general, with
16 the existing enforcement mechanism. The, you
17 know, there are people from DCA who go into stores
18 and they enforce a variety of rules, including how
19 current cigarettes are sold. So we think that
20 that enforcement can be done by that.

21 COUNCIL MEMBER JACKSON: So,
22 there's no money in the executive budget for this,
23 at least in your department.

24 THOMAS FARLEY: None in our budget,
25 no.

2 COUNCIL MEMBER JACKSON: Not in the
3 Department of Health.

4 THOMAS FARLEY: Correct.

5 COUNCIL MEMBER JACKSON: Well, but
6 okay, so the--it increases the age from
7 purchasing, is it purchasing, up to 21.

8 THOMAS FARLEY: Correct.

9 COUNCIL MEMBER JACKSON: Because
10 they can't, you can't, they can't sell it to
11 anyone under 21, is that correct?

12 THOMAS FARLEY: Correct.

13 COUNCIL MEMBER JACKSON: Okay. So
14 that means that you can't purchase it unless
15 you're 21, also, is that correct?

16 THOMAS FARLEY: Well, if cigarettes
17 are sold by a store to someone who's under 21, the
18 penalty is on the seller not on the buyer.

19 COUNCIL MEMBER JACKSON: Oh, the
20 penalty is on--okay. Okay. But under the, under
21 this proposal, and I know this is not a money
22 question, but if someone 18 years old or 19 or 20,
23 they can smoke, but they can't--

24 THOMAS FARLEY: Correct.

25 COUNCIL MEMBER JACKSON: Okay.

2 Thank you.

3 THOMAS FARLEY: Thank you.

4 CHAIRPERSON RECCHIA: Okay.

5 Commissioner, I have a number of questions for
6 you. First of all, we've been joined by Council
7 Member Gale Brewer. You talk about layoffs in
8 your testimony.

9 THOMAS FARLEY: Yes.

10 CHAIRPERSON RECCHIA: I believe you
11 said 42.

12 THOMAS FARLEY: Yes.

13 CHAIRPERSON RECCHIA: Okay.

14 THOMAS FARLEY: 152 positions
15 eliminated, of which 42 are currently filled.

16 CHAIRPERSON RECCHIA: Okay, so 152
17 positions be--and only 42 are filled, the other
18 one left to attrition?

19 THOMAS FARLEY: Some of them,
20 actually, to be clear, some of them were filled
21 when we first put out the PEG plan, which was now
22 months ago. But, so some of those were vacant
23 when we put out the PEG plan. Some of them, those
24 employees have moved into vacant positions in the
25 meantime, and some of them are currently filled.

2 CHAIRPERSON RECCHIA: Okay. Out of
3 those workers, how many of them are DC37
4 employees?

5 THOMAS FARLEY: [pause] That'd be
6 26 out of the 42.

7 CHAIRPERSON RECCHIA: 26 out of the
8 42. And what areas are they from?

9 THOMAS FARLEY: You know, they're
10 scattered all over the agency. We tried very hard
11 to look for administrative and programmatic
12 efficiencies. It wasn't an individual program,
13 it's individuals here and there.

14 CHAIRPERSON RECCHIA: All right.
15 But where? What were the titles?

16 THOMAS FARLEY: [pause, background
17 noise] We have 15 in our Division of
18 Administration, we've got nine in Environmental
19 Health, we've got nine in Health Promotion/Disease
20 Prevention, we got five in the Division of Disease
21 Control, so you can see they're scattered all over
22 the different divisions of the agency.

23 CHAIRPERSON RECCHIA: How about
24 computer titles? How many computer titles?

25 THOMAS FARLEY: Do we have any

2 computer titles? [pause, background comments]

3 When you say computers, you mean as in computer
4 programming or information technology?

5 CHAIRPERSON RECCHIA: Anything
6 dealing with the computers, technology.

7 THOMAS FARLEY: [pause, background
8 noise] These would be people--give me a sense.

9 [pause, background noise] All right, there are,
10 there are nine that have computer in the title,
11 but these are operators, these are not people who
12 are computer programmers.

13 CHAIRPERSON RECCHIA: They're
14 operators. And how many public health advisors?

15 THOMAS FARLEY: [pause, background
16 noise] Six.

17 CHAIRPERSON RECCHIA: And your
18 reasoning for laying these people off?

19 THOMAS FARLEY: You know, we, we
20 had a PEG target to meet, and we said, "How can we
21 meet this while reducing services to the least
22 amount?" And so, every division was asked to look
23 for efficiencies. Are there positions that we no
24 longer have the need for? And so, this wasn't,
25 didn't meet the entire PEG target, but it met a

2 portion of it.

3 CHAIRPERSON RECCHIA: And what was
4 the total number of revenue that you're agency
5 brought in to the City this year?

6 THOMAS FARLEY: Total amount of
7 revenue. [pause, background noise] \$1.1 billion,
8 because \$400 million is City tax levy, right, so
9 our total budget is \$1.6 billion, \$1.1 billion
10 comes in from various other sources--State money,
11 State match, federal grants, Medicaid--

12 CHAIRPERSON RECCHIA: Yeah, but how
13 much revenue did you bring in from all your fines
14 and tickets that you give out? What was that
15 number? That's what I want to know.

16 THOMAS FARLEY: [pause, background
17 noise] The restaurants was about \$40, \$41, and
18 they said that their fines from other programs is
19 smaller. Maybe another \$4 or \$5 on top of that.

20 CHAIRPERSON RECCHIA: How much?

21 THOMAS FARLEY: Maybe \$4 or \$5
22 million on top of that. So, call it roughly \$45
23 million of the budget comes from revenue from
24 fines.

25 CHAIRPERSON RECCHIA: Okay. And

2 how much of a PEG did OMB ask you to take? What's
3 that number? What's the total number of your PEG?

4 THOMAS FARLEY: Our PEG target was-
5 -no, it wasn't \$31, right? [pause, background
6 noise] It was approximately \$30 million. Let me
7 see if I can get a more precise--I thought it was-
8 -[pause, background noise] I think it's \$31.

9 CHAIRPERSON RECCHIA: About \$31?

10 THOMAS FARLEY: Right. Now that--
11 that's not a, the PEG and City tax levy, that's
12 the PEG in total amount.

13 CHAIRPERSON RECCHIA: That's the
14 total PEG.

15 THOMAS FARLEY: Right.

16 CHAIRPERSON RECCHIA: You know,
17 layoffs, to this City Council, is very disturbing.
18 And it's something that we try to eliminate. And
19 ... have you asked OMB, since you brought in \$45
20 million in fines, that you should not have to take
21 a PEG?

22 THOMAS FARLEY: Well, you know,
23 we're given a target from OMB and we--

24 CHAIRPERSON RECCHIA: I know what
25 you're given. But did you ask OMB that since you

2 brought in this money, you should not have a PEG
3 like this?

4 THOMAS FARLEY: Yes, we did have a
5 specific meeting at OMB to talk about how could we
6 reduce the amount that we would have to cut. In
7 view of our obligations, our mandates, and the
8 revenue we bring in, and this is the target we
9 still had to meet.

10 CHAIRPERSON RECCHIA: And what is
11 the total number that these layoffs would save
12 you?

13 THOMAS FARLEY: [pause, background
14 noise] You know, we can get that for you. We can
15 estimate it, if we're talking about 100--No.
16 That's the 42. For the 42, that would be \$3
17 million, but if you're talking about the overall
18 number of positions, it would be larger than that.

19 CHAIRPERSON RECCHIA: Right.
20 You're laying off supposedly 152 positions, you're
21 getting rid of 152 positions, right?

22 THOMAS FARLEY: Correct.

23 CHAIRPERSON RECCHIA: Out of the
24 152, 42 presently have people working in their
25 titles.

2 THOMAS FARLEY: Correct.

3 CHAIRPERSON RECCHIA: Okay. My
4 question is twofold. How much is the total number
5 for the 152? And what is the total number for the
6 42? That's what I need to know.

7 THOMAS FARLEY: [pause, background
8 noise] All right, the 42 will save us about \$3
9 million; the total out of that 152 we'll have to
10 get back to you on. It's--Like I say that those
11 are, most of that 152 are fulltime, but some of
12 them are part-time, so it's a little harder to
13 calculate. But if you figure it's roughly four
14 times that, you might be talking about \$10-12
15 million.

16 [pause, background noise]

17 CHAIRPERSON RECCHIA: Okay.

18 THOMAS FARLEY: The point is that
19 our cuts are not just personnel, but we also cut
20 contracts, and in previous PEGs, we've cut
21 contracts more. We really try to--

22 CHAIRPERSON RECCHIA: No, no.
23 We're talking right now about individual jobs.

24 THOMAS FARLEY: Understood.

25 CHAIRPERSON RECCHIA: Contracts,

2 that's a separate discussion. We're not up to
3 that yet.

4 THOMAS FARLEY: Okay.

5 CHAIRPERSON RECCHIA: The jobs are
6 disturbing to this City Council. We did not pass
7 the budget last year because the Department of Ed
8 came in here, said they were going to lay off 650
9 people. We made our position very clear, we will
10 not pass a budget. It is a priority to this City
11 Council not to lay off people. People in this
12 City need jobs. Our unemployment rate is high.
13 This is a problem. It's a problem, and the City
14 Council has been at the forefront in saving
15 people's jobs. And I make our position very, very
16 clear, I would start thinking about other ways
17 that you could balance this budget and do your
18 budget, because these layoffs are unacceptable.
19 And we're going to fight tooth and nail to save
20 these people their jobs. And we don't like when
21 people come in here and say they're going to have
22 all these layoffs, get rid of 152 positions, and
23 42 people presently in their positions are going
24 to lose their job. It's disturbing to us. Moving
25 on, unless you want to say something.

2 THOMAS FARLEY: No.

3 CHAIRPERSON RECCHIA: Okay. Let's
4 talk about the health--the programs and the
5 services you're going to be supplying to the
6 Department of Corrections. Okay? You're going to
7 be servicing inmates inside Riker's, is that
8 correct?

9 THOMAS FARLEY: We currently do, we
10 have for years.

11 CHAIRPERSON RECCHIA: Okay. And
12 when you service them, do you bill Medicaid or
13 Medicare?

14 THOMAS FARLEY: No, they are not
15 eligible for Medicaid. Once they get in Riker's,
16 Medicaid will not pay for the medical services.

17 CHAIRPERSON RECCHIA: Okay. And
18 so, now, do you provide staff to perform clinical
19 health services?

20 THOMAS FARLEY: The clinical
21 services are provided by contract, with an
22 organization called Corizon [phonetic]. We have
23 staff out--

24 CHAIRPERSON RECCHIA: What's the
25 name of that thing?

2 THOMAS FARLEY: Corizon. C-O-R-I-
3 Z-O-N. Formerly called Prison Health Services.
4 They--Prison Health Services, but they changed
5 their name a couple years ago.

6 CHAIRPERSON RECCHIA: And how much
7 is that contract?

8 THOMAS FARLEY: That contract is
9 ... what? [pause, background noise] \$128
10 million.

11 CHAIRPERSON RECCHIA: Okay.

12 THOMAS FARLEY: Let me just finish.
13 We do have some staff on Riker's to oversee that
14 contractor. But the vast majority of people out
15 there are Corizon workers.

16 CHAIRPERSON RECCHIA: All right.
17 You also have an agreement ... to--so, you
18 selected a vendor, Damian Family Care Centers, to
19 perform contracted services.

20 THOMAS FARLEY: Correct.

21 CHAIRPERSON RECCHIA: You want to
22 talk about that?

23 THOMAS FARLEY: It's where we are
24 involved in a - -

25 CHAIRPERSON RECCHIA: That is the -

2 -

3 THOMAS FARLEY: --acquisition for
4 them to provide services at one facility, the
5 Barge.

6 CHAIRPERSON RECCHIA: That's the
7 Barge.

8 THOMAS FARLEY: Right.

9 CHAIRPERSON RECCHIA: All right.
10 Now, this is an outside company coming in.

11 THOMAS FARLEY: Correct.

12 CHAIRPERSON RECCHIA: All right.
13 And because this outside company coming in, will
14 DOHMH have to lay off any staff?

15 THOMAS FARLEY: The, the
16 arrangement currently at the Barge, or Vernon C.
17 Bain Center, is a little complicated. The--it was
18 in the past, those services were provided by HHC.
19 In 2003, we took over the services and we took
20 over the HHC staff, and so they operate as if they
21 were our staff. But they continue to be paid by
22 HHC. With this change, the, those staff will--if
23 it goes through, those staff will no longer be
24 working on this. There is, though, an opportunity
25 for them to work for either HHC elsewhere, for

2 Corizon, or for Damian, the new contractor out
3 there.

4 CHAIRPERSON RECCHIA: So, but they
5 won't be offered another City job.

6 THOMAS FARLEY: They may also be
7 offered another City job because we, we hire, we
8 employ school nurses in the school system
9 throughout the City. And so, should this go
10 through, we will have a job fare with the
11 different organizations, and meet with all of the
12 staff, and see what sort of positions they are
13 eligible for, and interested in. And so this,
14 it's possible that they would end up nurses, for
15 example, in one of the school nurse positions.

16 CHAIRPERSON RECCHIA: And ...
17 during the Preliminary Budget, you didn't bring
18 this up at all about this whole thing. How come?

19 THOMAS FARLEY: It wasn't--it
20 wasn't complete yet. What we were, at that point
21 was looking at what are the costs of this versus
22 the cost of doing it another way. And it was
23 after that budget hearing that we completed that
24 cost benefit analysis, and we presented that to
25 the union. And that's where the discussion is

2 right now.

3 CHAIRPERSON RECCHIA: You made this
4 presentation to DC37? You said you made it to the
5 union?

6 THOMAS FARLEY: Yeah, we
7 transmitted the cost/benefit analysis to DC37 and
8 the other unions, as well.

9 CHAIRPERSON RECCHIA: And what
10 other unions are involved? The--

11 THOMAS FARLEY: Doctors Council and
12 is there a third? [pause, background noise]
13 1199. And - -

14 CHAIRPERSON RECCHIA: And how many
15 jobs are there, in this whole issue?

16 THOMAS FARLEY: Total of 58
17 positions, which break down between physicians,
18 nurses, and patient care assistants, PCAs.

19 CHAIRPERSON RECCHIA: And what?

20 THOMAS FARLEY: PCAs, which I think
21 stands for Patient Care Assistants.

22 CHAIRPERSON RECCHIA: So this 58
23 positions that could be lost, is in addition to
24 the 152.

25 THOMAS FARLEY: Correct, although I

2 would think that a large percentage of those
3 folks, maybe all of them, are going to find
4 positions through the other mechanisms I just
5 talked about.

6 CHAIRPERSON RECCHIA: Okay.

7 [pause, background noise] Let me just go over
8 some of my notes here. [pause, background noise]
9 One issue that I just want to talk to you about is
10 the animal care. Now, you're required to open up
11 an animal shelter in Queens, is that correct? Or
12 hospital.

13 THOMAS FARLEY: There was a, a law
14 in the past, that would require the Department to
15 open up a full service animal shelter in each of
16 the five boroughs.

17 CHAIRPERSON RECCHIA: Right.

18 THOMAS FARLEY: Then there was a
19 Local Law that was passed, I want to say, 18
20 months, two years ago, that changed that, that
21 provided additional, as part of that, additional
22 funding was provided to expand services but no
23 longer required the Department to have a full
24 service shelter in the Queen--in Queens and The
25 Bronx. The Department has a, has a receiving

2 center in Queens, so that people who want to drop
3 off an unwanted animal or a stray animal they pick
4 up, can drop off that animal five days a week, get
5 services, but the animals just aren't kept there,
6 it's not a 24 hour a day shelter.

7 CHAIRPERSON RECCHIA: So are you
8 planning to open up a full shelter in Queens?

9 THOMAS FARLEY: No. We plan simply
10 to expand the--I think we've expanded the hours
11 already of the receiving center, if I'm not
12 mistaken, five days a week, I think we may expand
13 it a little further. But there won't be a 24 hour
14 shelter there.

15 CHAIRPERSON RECCHIA: [pause,
16 background noise] On Staten Island, there's a
17 problem with cicadas. What are you, what are we
18 doing about it?

19 THOMAS FARLEY: This is the, the
20 ones that come out every 17 years?

21 CHAIRPERSON RECCHIA: Yeah.

22 [laughs]

23 THOMAS FARLEY: I don't think we're
24 doing anything about it. The--I think that they
25 come and they're a nuisance for a short period of

2 time, and then they're gone for another 17 years.
3 If there's something that you would like us to do
4 about it--

5 CHAIRPERSON RECCHIA: Listen,
6 listen, you know, people complain on Staten
7 Island, children are scared, people are walking,
8 they get hit with these cicadas. It's a big issue
9 on Staten Island, and people just, you know, no
10 one seems to be addressing this, people come to
11 us, they ask us about it. You know, how come
12 nobody's addressing this?

13 THOMAS FARLEY: I mean, I could
14 understand that it could be a nuisance. I'm not
15 sure that there's anything that we can do about
16 it, having been through a couple of these other
17 cycles. They're pretty dense for the period that
18 they're out, but it's a relatively short period of
19 time, and I'm not sure that there's anybody come
20 up with a control system to reduce their numbers.

21 CHAIRPERSON RECCHIA: All right.
22 So, did you get those other numbers that we're
23 waiting for?

24 THOMAS FARLEY: I'm sorry, what was
25 the other numbers that you wanted? What? [pause,

2 background noise] Yeah. We don't have that
3 number, I'm sorry, we have to get back to you with
4 that one.

5 CHAIRPERSON RECCHIA: All right.
6 So, so in all and all, you're really facing a
7 total number of layoffs of over 200 people.

8 THOMAS FARLEY: No, the--the 42 are
9 layoffs, from in the Department. I expect the
10 number there will go down slightly between now and
11 when the layoffs occur, they always drift down
12 because we try very hard to find other positions
13 for them within the agency. That number has done
14 down substantially since the Preliminary Budget
15 Hearing in March. And then the 58 positions out
16 there at BCBC, I expect that the large majority of
17 those will find positions either with Damian or
18 with Corizon or potentially with the Department.

19 CHAIRPERSON RECCHIA: Right.

20 THOMAS FARLEY: And then the other
21 positions are vacant. These are just trying to
22 get efficiencies through vacant positions.

23 CHAIRPERSON RECCHIA: So the 58,
24 from the Barge, is separate and apart, but the
25 152, out of the 42, has any of those people been

2 offered new positions somewhere else in your
3 agency?

4 THOMAS FARLEY: The, of the 42 that
5 are there now, they have not been offered another
6 position in the agency now, but that's something
7 that we, that number used to be larger. If I'm
8 not mistaken in March it was in the 70s. And so
9 we continue to look for positions for them in the
10 agency, and so we've been able to whittle it down
11 from in the 70s to 42 now, and we're going to
12 continue to try to whittle that down as much as
13 possible before the layoff effective date.

14 CHAIRPERSON RECCHIA: [pause,
15 background noise] All right. And sequestration is
16 going to cost you how much?

17 THOMAS FARLEY: We don't know yet.
18 The--all that we told, been told from CDC is to
19 expect approximately a five percent cut in our
20 different grant programs. But they'll come in at
21 different times and have different stipulations
22 and restrictions to them. Our total CDC grant
23 budget is \$130 million, I think I said. So, you
24 can estimate from there we're talking about \$6-\$7
25 million, at a minimum, that's just the CDC budget,

2 there's additional federal dollars, too. OMB has
3 estimated as of this budget, \$8.6 million due to
4 the sequestration. I think that's the first
5 estimate, and it may very well go up from there.

6 CHAIRPERSON RECCHIA: Go up. The
7 state has changed many of their positions on many
8 of the programs dealing with mental health and
9 we're seeing a large increase of not-for-profits
10 and agencies that provide services being cut.
11 What are you trying to do about it with the State?
12 And how are you approaching that?

13 THOMAS FARLEY: You know, that
14 there have been cuts to service providers over the
15 years due to PEGs--

16 CHAIRPERSON RECCHIA: But this year
17 it's more than, it's larger than the past years.

18 THOMAS FARLEY: Let me just ask
19 what has the State cut? The cuts this year in the
20 State mental health.

21 ADAM KARPATI: There haven't been
22 direct cuts to community based providers. I mean,
23 there's a large effort at controlling Medicaid,
24 the increase in Medicaid costs overall in the
25 behavioral health system. Ultimately, that

2 process will result next year in the
3 implementation of managed care. That means--

4 CHAIRPERSON RECCHIA: Right, a lot
5 of them are--right, a lot of them, a lot of
6 agencies are being really hit hard with this
7 managed care. A lot of them are not being able to
8 survive.

9 ADAM KARPATI: This, there have
10 been a number of provisions put into place to
11 protect the current fee-for-service rate structure
12 for community based organizations, for a period of
13 time, one year, two years. Ultimately, though,
14 the transition to managed care will result in
15 changes to the way community based--all mental
16 health and substance use services, and DD services
17 are delivered. Agencies that are currently paid
18 in a fee-for-service structure will be moving into
19 managed care, as is the case for all medical,
20 physical health services now. So this is an
21 alignment of the care system. I share your
22 concern that there are, that there are potential
23 transitions and disruptions there. To the extent
24 that the City is, has been involved in working
25 with the State in the design and the rollout of

2 the system, we're working on ensuring, you know,
3 the biggest concern is that individuals receiving
4 services don't have disruptions to their care.

5 And that's been our priority as we think about how
6 to design this transition to managed care, so that
7 individuals don't get disrupted.

8 CHAIRPERSON RECCHIA: Okay. I have
9 no further questions. Anyone else have further
10 questions? Without seeing that--Jackson, you have
11 any further questions? Okay, this concludes
12 today's hearing. The Finance Committee will
13 resume Executive Budget Hearing tomorrow, May
14 28th, at 10:00 a.m. They're going to be held in
15 this chamber. Tomorrow we'll be joined by the
16 Committee on Aging, Senior Centers and Consumer
17 Affairs, and Technology to hear from the
18 Department of Aging, Department of Consumer
19 Affairs, the Business Integrity Commission, and
20 the Department of Information and Technology. As
21 a reminder, the public will be allowed to testify
22 on June 5th at 4:00 o'clock in the afternoon in
23 the Council Chambers. For those people who cannot
24 make it on that day, you can fax your testimony to
25 Tanisha Edwards, my attorney, at (212) 788-7061.

1 FINANCE, HEALTH, MENTAL HEALTH, DRUG ABUSE ET AL 230

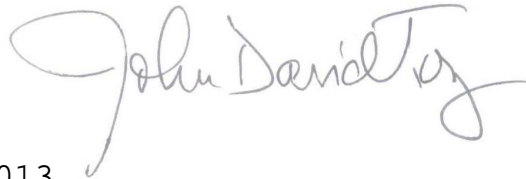
2 This concludes today's hearing. Thank you, this
3 hearing is now being adjourned.

4 [gavel]

C E R T I F I C A T E

I, JOHN DAVID TONG certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

A handwritten signature in cursive script that reads "John David Tong". The signature is written in black ink and is positioned to the right of the printed word "Signature".

Date June 14, 2013