

New York State Division of Budget

Hearings on the
Executive Budget
State Fiscal Year 2008-2009

November 29, 2007
LOCATION
Brooklyn, New York

Good evening.

My name is Lois Aronstein and I am state director for AARP New York, the non-profit, non-partisan membership organization representing 2.6 million members over age 50 in New York State.

This evening, I will briefly touch on four issues that AARP strongly recommends Governor Spitzer addresses in his 2008 Executive Budget. These areas include:

- prescription drug marketing reform
- long-term care
- mortgage foreclosure remediation
and
- kincare

First, New York State needs to change the way it buys prescription drugs and the way drug companies market these drugs to the public.

AARP recommends that:

- ♦ The State budget establish a framework for New York State to “bulk purchase” its prescription drugs to save taxpayers money and then use the savings to expand EPIC for those in need and to create an Rx discount card.
- ♦ Governor Spitzer should also require drug companies to disclose the enormous number of gifts they provide to doctors to encourage them to prescribe new, high-cost drugs rather than generic or less costly drugs that are equally effective.

Second, according to the New York State Office for Aging, two million families provide 80% of all long-term care services in this state, which were valued at over \$24 billion in 2006.

We are asking Governor Spitzer to strengthen his investment in family caregiving services with the following:

- ♦ Increase the current social adult day care allocation from \$1.5 million to \$5 million.
- ♦ Establish an enhanced social model adult day services demonstration program that will allow individuals with some medical needs to stay in the program.
- ♦ Increase funding for the New York State Caregiver program from \$350,000 to \$5 million, allowing every Area Agency on Aging in the state to offer services under this program.
- ♦ Provide an additional \$25 million for the EISEP program, an integral part of New York's long-term care system, which keeps people in their home for as long as possible and delays institutional care.

In addition, we strongly believe that the Governor should be very careful when looking at Medicaid cuts to insure that the services for frail elderly in nursing homes are maintained and delivered at the highest quality level.

Third, according to New York State Banking Department, more than 50,000 foreclosures were reported in New York

in 2006 an increase of 40%. Even more alarming is that close to 49,000 foreclosures were filed in New York during the first six months of 2007. For an older person, foreclosure can mean losing a retirement nest egg and a lifetime of family memories without the ability to ever recover.

AARP recommends that Governor Spitzer provide \$100 million to establish a foreclosure remediation fund to assist individuals who are in foreclosure but are not eligible to apply for assistance under the “Keep the Dream” program.

We also recommend that the Banking Department establish a state depository to collect foreclosure data that currently exists only at the county level.

And finally, more than 143,000 New York State grandparents are responsible for raising grandchildren. Research conclusively demonstrates that children receive tremendous benefits when they are raised in kinship families.

The NYS Office for Children and Families provides funding for 13 regional programs and a statewide “Navigator” system that are already exceeding anticipated outcomes.

AARP recommends that \$4 million dollars be allocated to fund these programs in 2008 and help expand them across the state.

Thank you for the opportunity to provide this testimony this evening.

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