



**TESTIMONY ON THE 2017-2018 EXECUTIVE BUDGET
SUBMITTED TO THE
JOINT LEGISLATIVE BUDGET COMMITTEE ON MENTAL HYGIENE**

*Submitted by Lauri Cole, Executive Director
New York State Council for Community Behavioral Healthcare
February 6, 2017*

Good Afternoon. My name is Lauri Cole and I am the Executive Director of the NYS Council for Community Behavioral Healthcare. The NYS Council represents 100 community-based organizations that provide a broad range of mental health and substance use/addiction prevention, treatment, and recovery programs and services and increasingly, our non-hospital members are providing primary care screening and assessment services. NYS Council members are the general hospitals, counties, and freestanding agencies in your districts that provide critical safety net services to some of New York's most vulnerable individuals.

Our members play an essential role in ensuring access to and continuity of care for some of New York's most vulnerable citizens. We appreciate your efforts to support the behavioral health community and to ensure that the role of community based organizations (including our behavioral health care members) is recognized within the State's health care delivery system and payment reform efforts. Our testimony today highlights various high priority issues but all of our concerns relate in one way or another to our core belief that New York must do everything within its power to protect and enhance access to care for vulnerable children and adults who rely on mental health and substance use/addiction treatment providers as their primary connection to treatment and recovery from the complex challenges associated with living with a mental illness and/or addiction.

Heroin/Opioid Epidemic

I want to begin by discussing the needs of New Yorkers dealing with an addiction and the frontline organizations facing down New York's ongoing heroin and opioid epidemic. In addition to our strong support for OASAS' decision to apply to SAMHSA for 21st Century Cares funding and the ongoing implementation of some very significant insurance reforms passed last June, we strongly support the Governor's proposals to add new Recovery Clubhouses and Recovery High Schools around the state. This is the type of targeted spending and innovation we need to reverse this devastating epidemic. As you know, there is still so much pain in our local communities.

We urge you to make this crisis your number one priority this year. Please support any and all efforts to enhance the OASAS budget in support of increased access to treatment. We support criminal justice

NYS COUNCIL FOR COMMUNITY BEHAVIORAL HEALTHCARE

911 Central Avenue, #152, Albany, NY 12206 ♦ www.nyscouncil.org
nyscouncil@albany.twcbc.com ♦ 518-461-8200

*reforms that are focused on providing alternatives to incarceration for addicted New Yorkers and we urge you to prioritize prevention and treatment strategies in **all** regions of the state.*

Empower DFS To Set Commercial Insurance Rates

This is the third year in a row in which we have alerted you to the growing problems associated with the inadequate commercial rates paid to mental health and substance use treatment and recovery service providers. For NYS Council members, access to and continuity of care for New Yorkers seeking services through the state's public mental hygiene system is our primary concern, our true north.

In 2014, the Office of Mental Health Article 31 licensed outpatient clinic system had a capacity to serve approximately 104,000 unique children and adults with roughly 80 percent of the caseload serving individuals with a diagnosis of a Severe Mental Illness (SMI) or Serious Emotional Disturbance (SED). Medicaid paid on average \$125 per visit which (in 2014) represented the average cost for the Article 31 clinic service. Meanwhile, commercial insurance plans reimbursed closer to \$60 per visit (about half the cost). This situation has not changed since 2014 and as a result of the ability for commercial plans to continue the practice of paying about half of what Medicaid pays for the same service, increasing numbers of our members are cancelling their contracts with commercial insurers leaving access to care for working middle class New Yorkers in jeopardy. We need immediate action on this issue to avoid a crisis in which the public mental hygiene system is no longer open to all New Yorkers regardless of their insurance status. We also need state leaders to take a hard look at current requirements on DFS and DOH to strengthen surveillance, monitoring and enforcement of Network Adequacy standards already in place while we simultaneously review whether current definitions of Network Adequacy, Service Penetration, and other critical indicators of access are responsive to actual needs of consumers.

The NYS Council is again calling on all state leaders to amend NYS statute that would require Department of Financial Services (DFS) to regulate commercial insurance rates. These rates need to be (at a minimum) on par with Medicaid APG government rates with the flexibility for any provider to make an alternative payment arrangement as desired. In addition, we ask that you expand requirements on DFS to monitor, surveil and report to the Executive and the members of the NYS Legislature on Network Adequacy and other key indicators related to access to and continuity of care in the mental health and substance use/addiction delivery system, beginning with a close look at the availability of care for New York's children and youth receiving insurance benefits via commercial insurance products.

DSRIP Funding

Members of the NYS Council support many of the changes being made across the state that are designed to transform care for New Yorkers seeking assistance through our healthcare delivery system. We remain concerned however, that the funding to support these reform efforts is not being adequately dispersed to the community based organizations (CBOs) across the state. The Executive Budget, while acknowledging the importance of these organizations, does not adequately fund the human service sector. As you know, a majority of community based organizations are small, with lean budgets, and what may appear to be a small amount of increased costs or lost funding often represent a large percentage of a small provider's budget and severely impacts its' ability to provide the care our friends and neighbors need.

NYS COUNCIL FOR COMMUNITY BEHAVIORAL HEALTHCARE

911 Central Avenue, #152, Albany, NY 12206 ♦ www.nyscouncil.org
nyscouncil@albany.twcbc.com ♦ 518-461-8200

Earlier this month we learned that only 1% of the over \$1 billion that has been disbursed to 25 primarily hospital-led Performing Provider Systems across New York has been used to contract with local community based organizations to meet the goals of the Delivery System Reform Incentive Payment (DSRIP) program.

Community based organizations (CBOs), which includes our behavioral health members, care for the most vulnerable populations across our state. We have the experience and expertise to help reshape local systems to improve care and reduce costs. Yet, we are barely being considered within the DSRIP program.

The NYS Council, along with several other associations, have requested that DOH officials take a stronger position requiring PPS' across the state to more fully involve CBOs. Our members care for millions of New Yorkers with multiple and complex conditions and we know firsthand what needs to be done. But, the CBO involvement, as evidenced by the committed funding, is limited.

We need your help now to step in and require the PPS leads to fully engage CBOs and commit resources to the organizations that are best positioned to engage the neediest communities. We ask that \$50.5 million of the total \$1.08 billion allocated for DSRIP workforce challenges (most of which is unspent) be re-directed for workforce funding to CBOs struggling to meet regulatory requirements, staffing shortages and minimum wage mandates all of which impact their participation in DSRIP.

Minimum Wage

Last year, the NYS Council supported the Governor's proposal to raise the minimum wage in New York State and we appreciate the funds that were set aside for OASAS and OMH compliance with the new law. However, we are here again this year to request additional funding. The Governor's executive budget proposed by the Governor allocates \$4.6 million for OASAS providers and \$3.5 million for OMH providers as they continue to address new wage requirements. While appreciated these amounts do not adequately subsidize minimum wage increases. Without adequate funding, many providers and community-based organizations will struggle to continue their mission of providing quality services to vulnerable populations.

We ask that the State allocate additional funding for community providers, which includes our behavioral health members, to allow them to continue employing a competent workforce at the wage levels they deserve. Without this funding, the ability for community healthcare providers to remain viable and provide services will be in jeopardy.

Specifically, we request \$50.5 million per year for five years to support the impact of the incremental increases to the minimum wage that were approved during the last legislative session.

Healthcare Transformation Funding

Last year, we were pleased to see a \$30 million carve-out in the Health Care Facility Transformation Program for some community based organizations – a 15% allocation of the total \$195 million pool. This year, the Governor has allocated another \$30 million carve-out. While we appreciate this funding proposal we note that it represents just 6% of the total \$500 million being allocated overall.

NYS COUNCIL FOR COMMUNITY BEHAVIORAL HEALTHCARE

911 Central Avenue, #152, Albany, NY 12206 ♦ www.nyscouncil.org
nyscouncil@albany.twcbc.com ♦ 518-461-8200

Mental health and substance use/addiction providers are the backbone of community care in localities across New York where New Yorkers can go for high quality care in non-acute settings. Uninsured, underinsured, and publicly insured New Yorkers are the very population that tends to over-utilize hospital acute care and emergency services. Reform and expansion requires access to affordable capital. Capital funds available through the Health Care Facility Transformation Program will help support the development of new and expanded community-based care essential to achieving true delivery system transformation.

In order for New York to fully transform the entire healthcare system, there needs to be an adequate investment of resources for all sectors charged with making these changes. *The NYS Council urges you to assist us with pressing demands on our sector to transform ourselves and improve care by allocating the appropriate amount of resources required for us to meet current workforce shortages, upgrade and/or expand our facilities and enter into new business arrangements and/or mergers, acquisitions and consolidations. We request that funding from this pool of resources for non-institutional be increased to a 25% minimum of the total \$500 million pool – or an allocation of \$125 million.*

Children’s Behavioral Health

Five years ago the state embarked on a path that was to result in substantial reforms of the children’s behavioral healthcare delivery system. During this time, the Children’s Medicaid Redesign sub-committee identified significant gaps in the availability of appropriate services for our children and youth and it made recommendations designed to better align the programs and services to the complex needs of this population. Since then, federal changes have required New York to be more strategic about submission of the plans we have to change the children’s system. But in the meantime we continue to have a serious problem that needs our attention.

Last year \$17.5 million was set aside to address the implementation of 6 new HCBS services and to assist providers with the children’s system transformation (both currently unspent). This year we’ve been told these funds will not be available to the children’s system despite increasing financial and workforce needs in the care delivery system.

While we pause to assess the federal environment, the children’s care delivery system still needs your support. Providers need these funds to hire and train new staff, add crisis intervention teams statewide, and add outreach and engagement to link children to Health Homes. *As such we ask that you invest \$17.5 million in children’s behavioral health services to include requiring the relevant state agencies to restore the \$7.5 million budgeted, but unspent in the 2016-17 State Fiscal Year for new capacity, and the \$10 million of readiness funds to address the capacity crisis in children’s behavioral health care.*

APG Extension

The Governor’s budget proposal includes language extending the APG government rates through March 31, 2020, a proposal the NYS Council initiated and continues to support. This year’s extension includes an additional requirement that managed care expenditures paid to providers satisfy certain value based payment metrics, as defined in the Department of Health’s value based payment roadmap. The NYS Council has actively participated in the State’s value based payment workgroup and we have supported this work. *We support this APG Extension proposal and request that the Legislature support it as well.*

NYS COUNCIL FOR COMMUNITY BEHAVIORAL HEALTHCARE

911 Central Avenue, #152, Albany, NY 12206 ♦ www.nyscouncil.org
nyscouncil@albany.twcbc.com ♦ 518-461-8200

Health Care Regulation Modernization Team

The Executive proposal includes a new 25-member Health Care Regulation Modernization Team to provide advice on a fundamental restructuring of statutes, policies, and regulations governing oversight and licensure of health care facilities and home care in order to increase quality, reduce costs, and improve health outcomes.

The NYS Council has long advocated for streamlining regulations and policies to reduce the burden to providers that will allow for more of a focus on patient care and improving quality and access. We support the goals of this new Modernization Team but suggest that the focus not only be on primary care but on all providers of care.

Therefore we ask that the Team be jointly led by DOH, OMH, and OASAS. We would recommend that the OMH and OASAS Commissioners be included at the leadership level, the Chair and representatives from the Behavioral Health Services Advisory Council be included, and that the overall appointees include at least 25% from community based providers - licensed outpatient, other licensed and certified providers. We also recommend that the proposals be prioritized so they support a "buy, not build" notion – ensuring that hospitals cannot waive all the community based regulations and therefore build their own services versus working with the community based organizations.

Thank you for your time and the opportunity to comment. And, thank you for your public service and your commitment to the behavioral health field. We look forward to working with you throughout the remainder of the legislative process.