

**THE COUNCIL
THE CITY OF NEW YORK
250 BROADWAY,
NEW YORK, N.Y. 10007-2594**

September 28, 2010

Michael F. Hogan, PhD
Commissioner of Mental Health
New York State Office of Mental Health
44 Holland Avenue
Albany, NY 12229

Re: CMS disallowance of Medicaid funds to be used for home based mental health services to NYC seniors

Dear Commissioner Hogan:

It has recently come to our attention that as part of the State's overall clinic restructuring plan, Centers for Medicare and Medicaid Services (CMS) will no longer allow Medicaid funding to be used for home based mental health services to seniors. We appreciate that as the State faces many budgetary challenges in both the current and upcoming fiscal years, reductions to certain service areas are, regrettably, unavoidable. It is our position, however, that implementing policies which jeopardize the physical, mental, and economic stability of our City's most vulnerable seniors is not an acceptable course of action.

Accordingly, we strongly urge you to reconsider the decision to disallow the use of Medicaid funds for home based mental health services for seniors. It is significant to note that both homecare agencies and many nursing homes do not provide mental health services. Seniors receiving home based mental health care benefit from an array of necessary services including counseling, medication management and crisis intervention. Home based services allow seniors to remain in their home, thus avoiding costly emergency room visits, re-hospitalization, and institutionalization. Additionally, it should be noted that while *some* seniors may be Medicare eligible, Medicare reimbursement rates are substantially below the full cost of providing this type of care, thereby placing an already vulnerable population in a financially precarious situation.

Furthermore, it is our understanding that geriatric mental health providers, currently receiving Medicaid reimbursement for services, would have serious administrative and cash-flow issues should this new policy go into effect on October 1st, as planned. According to the Coalition for Behavioral Health and other stakeholders, implementation of this policy would cause the dramatic underpayment to providers for services rendered,

as well as compliance issues with new payment/billing procedures, putting providers at risk of being penalized during OMH audits.

Efforts made by the Office of Mental Health to reform and improve the State's mental health clinic system and payment structure are laudable. For the aforementioned reasons, however, it is our request that you retract this policy change which would leave well over 1,000 New York City seniors without necessary mental health care, and put home based mental health providers in jeopardy. As this issue is time sensitive, we would appreciate a response by Wednesday, September 29th. Please send all correspondence to Pakhi Sengupta, Senior Legislative Analyst at psengupta@council.nyc.gov. Ms. Sengupta may be reached at (212) 788-6946, should you have any questions. Thank you in advance for your attention to this matter.

Sincerely,



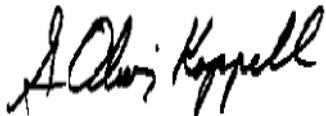
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Speaker, New York City Council



Jessica Lappin
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