

The Coalition of Voluntary Mental Health Agencies
(New York City and environs)

The New York State Council
for Community Behavioral Healthcare

The Coalition of Voluntary
Mental Health Agencies of Nassau

**Community
Mental Health
Services**

**New York State Budget
Fiscal Year 2005**

A Briefing Book

February 2004

Table of Contents

Budget Actions Needed (Executive Summary)	Page 2
Community Reinvestment	Page 5
Infrastructure Support	Page 6
Housing Infrastructure	Page 8
Dual Diagnosis Support	Page 10
Children's Mental Health	Page 12
Medicaid Reform & the Budget	Page 16
PROS Implications	Page 18
Parity	Page 21
Adult Homes	Page 22
Diversity Enhancement	Page 23
Membership Rosters (Who we are)	Page 24

Budget Actions Needed

- **Restore \$7.7 million to preserve critical programs for children and adults.**
The Governor's proposed budget for Fiscal 2004-2005 cuts \$7.7 million from a wide range of programs that provide critical services to hundreds of thousands of consumers throughout New York State. Included in this cut are:
 - Advocacy Services
 - Affirmative Business/Industry
 - Alternative Crisis Support
 - Assisted Competitive Employment
 - Bridger/Transition Management Services
 - Coordinated Children's Services Initiative
 - Crisis Intervention
 - Crisis Outreach
 - Drop In Centers
 - Enclave in Industry
 - Family Support Services
 - Local Governmental Unit Administration
 - Mobile Treatment Team/Crisis Outreach
 - Multicultural Initiative
 - Neighborhood Care Team
 - Ongoing Integrated Supported Employment
 - On-site Rehabilitation
 - Outreach
 - Peer Advocacy
 - Psychosocial Club
 - Recreation
 - School Based Initiative
 - Self Help Programs
 - Sheltered Workshop
 - Supported Education
 - Transitional Employment Placement
 - Transportation
 - Vocational Services – Children & Family
 - Work Program

In short, this cut would seriously impair the ability of the community mental health system to provide rehabilitative, children's, and emergency services to New Yorkers living with psychiatric disabilities. **We strongly urge the legislature to restore \$7.7 million to OMH in the upcoming budget negotiations.**

- **Rescue and protect community reinvestment.**
The Governor's proposed budget seeks to establish a new formula for reinvestment, one in which fifty percent of the savings from any future in-patient bed closings would be redirected into the general fund. Once there, these funds would be assigned to budget codes outside of the mental health system, thereby depriving both providers and consumers of the intended benefit of community reinvestment. This is a substantial shift away from the original intent of community reinvestment, and we strongly urge the State to **redirect a portion of its savings to community reinvestment.**

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

By implementing PROS as a recovery-based model for mental health care and replacing State dollars with Medicaid funding, the State stands to save approximately \$10 million in the current fiscal year and \$50 million over the lifetime of PROS. In order to ensure continuity in service delivery, it is imperative that **savings from any resultant shrinkage be reinvested into the community mental health system**, where the majority of New York State consumers receive their care. Furthermore, **a new mechanism to fund future community development** must be identified as the remaining pool of State hospital beds continues to shrink.

- **Institute structural trended rate increase to protect the vitality of the sector.**
Year after year, fixed contract dollars and rate reimbursements rob agencies of their purchasing power in the face of rising rents, inflation, insurance cost increases, workforce demands and other cost escalators. Creative management can take cost cutting and efficiencies only so far without impacting on the quality of service delivery. Unlike other healthcare sectors – even other behavioral healthcare sectors – community mental health agencies *do not receive a trended increase to help them keep up with the rising costs of providing service*. An annual trended rate adjustment would reflect more accurately and predictably the costs of doing business in New York and would help to stabilize agencies and their mental health workforce, a key factor in consumer rehabilitation and recovery.
- **Include trend factor in PROS conversion to ensure continuity of services to consumers.**
As PROS is phased in over the coming months, it is imperative that an annual trend factor be incorporated into the conversion process to ensure the continued vitality of the community mental health sector, which translates into access to quality care for consumers throughout the State. Agencies that might otherwise successfully convert their programs to PROS will face financial insolvency if their inflationary expenses are met only with static reimbursements.
- **Prevent the loss of existing residential services for people with mental illness through structural trended rate increase for rents.**
The cost to provide Supported Housing and other community residential services has far outpaced increases to contract rates. A failure to account for the cost of rent and increasingly complex services has led programs to the brink. At current rental rates, providers will no longer be able to afford apartments for their clients, and existing tenants may face eviction and a return to much more expensive institutional settings, such as the homeless shelter system. **Needed is a significant bump -- \$3 million -- and an examination of structural funding solutions.**

The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau

Fiscal Year 2005 Budget Briefing Book

February 2004

- **Enhance delivery of outpatient mental health services to children and families.**
Fiscal and regulatory support is needed for capacity expansion for community mental health agencies delivering outpatient mental health services to children and families. Given the unmet needs and crisis in children's mental health, support should be provided to outpatient programs to engage in a **multi-year initiative** to enhance treatment services for children and adolescents with serious emotional disturbances and their families. Mental health agencies should be permitted to participate in **demonstration projects** that allow the provision of services at off-site satellite locations so that mental health services can be delivered in environments easily accessible to children and families.
- **Enhance ability of blended case management teams statewide to provide dual diagnosis treatment and care.**
Given the prevalence of mental illness and chemical dependency among consumers, case management teams must be equipped with the resources necessary to address these co-occurring disorders. A **\$500,000 enhancement to blended case management teams statewide**, combined with a commitment to training practitioners in adapting to dual diagnoses in consumers, would be instrumental in helping providers more effectively diagnose and treat those most in need.

Rescue and Protect Community Reinvestment

As the State continues to close underutilized State psychiatric beds each year, it is critical that the savings generated from these closures be reinvested into the community mental health system, where the majority of New York State consumers receive their care. However, recent budgets have raised our concern that the State is redirecting significant portions of the savings outside of the mental health sector—to the general fund. These moves contradict the historical intention of Reinvestment, remove a funding base for new and creative programs and take money out of the mental health system.

The basic idea of Community Reinvestment was to maintain services and programs for consumers in a less restrictive and more service-rich environment. The Law intended that, as hospitals were closed or downsized, significant portions of the cost savings would be directed to the community sector where consumers were receiving their services. Community Reinvestment recognized the value and effectiveness of the community mental health sector in providing a broad range of services and treatment to consumers throughout the State.

With the onset of yearly budget deficits, however, the State has reconsidered this approach and is now looking for ways to redirect increasingly large amounts of funding away from the sector and into the general fund, where it can be used for deficit reduction and to fund other State priorities. This is a major reversal of fortune for community mental health which has relied heavily on Reinvestment for the development of new programs and services.

Actions Needed:

- **Reconsider the Executive Budget proposal to redirect fifty percent of savings from future closing of State psychiatric beds into the general fund. Keep a substantial portion of those dollars in community mental health.**
- **As PROS is implemented (and provides approximately \$50 million in savings to the State), track and reinvest savings associated with the overall shrinkage in the mental health services sector.**
- **As Reinvestment resources diminish, the State should plan and develop new strategies and mechanisms for investing in community mental health services.**

Infrastructure Support

The community mental health system once again finds itself pushed to the brink by yearly increases in the cost of doing business in New York. Insurance rates, utilities, rents and salaries continue to rise exponentially each year.

Alternatives to the continued expansion of the community mental health system will ultimately prove more expensive and restrictive. Consumers currently receive a wide range of life-sustaining services and treatment in supportive housing for just \$12,500 a year (NYC cost). More costly alternatives to community mental health are highlighted below:

- The cost of a yearly stay in the homeless shelter system in NYC, which is already serving a record 38,000 New Yorkers each night, is between \$24,000 and \$36,000 each year.
- The correctional system, which has become the largest mental health providers in the State, costs up to \$100,000 a year per person in NYC.
- The most expensive option of all, the State psychiatric hospitals, costs taxpayers over \$120,000 per consumer served.

Without annual financial assistance, the community mental health system will continue to be in danger of collapsing, and tens of thousands of consumers will be forced into our streets, shelters and prisons.

Each year, the community mental health system approaches lawmakers in Albany for relief from the aforementioned non-controllable costs. Indeed, the COLA instituted in Fiscal 2002 helped stabilize the existing workforce after years of continual staff turnover. It is clear that the time has come for a structured trend increase in the community mental health system to allow providers to direct their resources and energy more fully on treatment and recovery for their consumers rather than insurance rates, electric bills and staff salaries.

The inclusion of a continuing trend factor for community mental health is particularly important as PROS is implemented over the coming months. Given the financial uncertainties many agencies are facing in light of this dramatic shift in service delivery, it is more critical than ever for inflationary expenses to be adequately reimbursed.

Currently, other health care sectors, including other behavioral health care sectors, receive annual trended rate increases from the State. As a result, these providers are better equipped to provide treatment to their client base without having to substitute service dollars to cover inflationary costs. This model could and should be replicated for the community mental health sector.

Without a long-term solution, contract dollars, fees and other reimbursements will fail to keep pace with the cost of inflation – the cost of rent; the cost of insurance; and the cost of

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

recruiting and retaining a high quality workforce, that provides increasingly complex treatments and services to a more needy population. Infrastructure support, in particular the inclusion of a structured trend factor, would help ensure the continued vitality of this system for years to come.

Actions Needed:

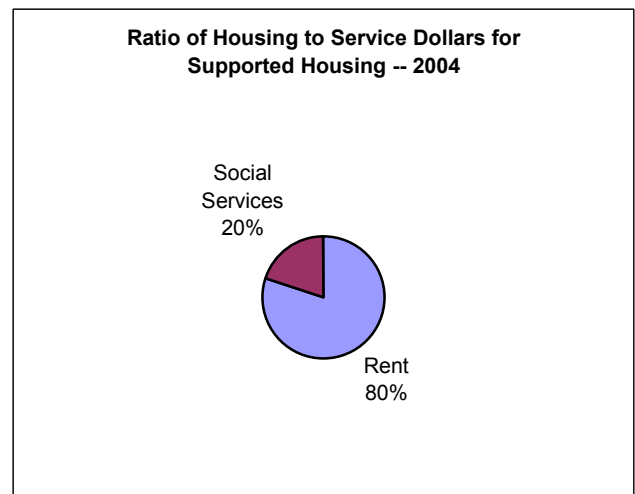
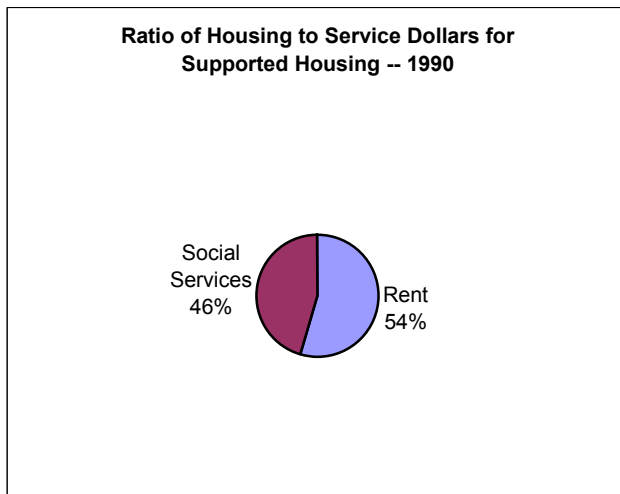
- **Institute structural trended rate increase to protect the vitality of the sector going forward.**
- **Include structural trended rate increase in the implementation of PROS.**

Housing Infrastructure

Nowhere is the infrastructure need greater than for residential programs like OMH's Supported Housing Program. Current reimbursement levels are barely enough to cover the cost of rent, particularly in New York City and Long Island. With rental costs skyrocketing each year, providers are left with fewer resources to provide critical social services to a population whose diagnoses and needs are increasingly complex. Tragically, providers may be forced to begin eviction proceedings against their tenants unless annual increases in rent are compensated by OMH.

Background

In 1990, OMH designated approximately 54% of the per client annual funding in NYC for housing, based on average rents of \$550/month. Fourteen years later, the Fair Market Rent for a one-bedroom apartment in NYC is \$944/month, and providers are forced to spend up to and above 80% of their OMH funding on housing costs. As a result, grossly inadequate funding remains for casework and services. Both are enormously important components in a provider's ability to promote treatment, stability and recovery.



Recommendations

In order to prevent the loss of existing housing capacity, a base increase for residential services is urgently needed. Our proposal for this year is to increase SOMH's housing allowance in concurrence with the NYC Rent Guidelines Board's average rent increase of 4% for one-year leases over the last two years. This would lead to an immediate infusion of \$3.3 million into the supported housing system and a measure of stability for thousands of New York State residents in these units who are living with psychiatric disabilities.

Going forward, a structured trend factor must be inserted into next year's contracts in order to cover annual rent increases and serve the diverse needs of the over 8,600 men and women living in supported housing. Such a model in fact already exists in housing programs for New Yorkers living with developmental disabilities. An examination and

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

development of a “rent pass-through” and a trend increase for residential staff is critical if housing providers hope to remain financially viable in the years ahead.

Actions Needed:

- **Prevent the loss of existing mental health housing beds by providing an immediate infusion of \$3.3 million.**
- **Develop a trended rate enhancement for Supported Housing into next year’s contracts to offset annual increases in expenses.**

Dual Diagnosis: The Rule Not the Exception

Cross-Training and Increased Competencies in Dual Recovery

An overwhelming amount of evidence confirms that mental illness and chemical dependency are likely to co-occur. Mental health agencies are treating individuals with chemical dependency and chemical dependency agencies are treating individuals with mental illness, whether or not the diagnosis has yet been made. According to the Surgeon General's 1999 Report on Mental Health, "Forty-one to sixty-five percent of individuals with a lifetime substance abuse disorder also have a lifetime history of at least one mental disorder, and about fifty-one percent of those with one or more lifetime mental disorders also have a lifetime history of at least one substance abuse disorder." Barriers continue to exist between the two sectors that prevent providers from treating the whole person. Until those barriers are eliminated, the following measures would assist immeasurably.

Training:

The community-based sector has long been plagued with high staff turn over and burn out, and insufficient salaries and incentives for skilled practitioners to enter or remain in the sector. The dually diagnosed population requires that staff be trained in multiple skill sets that cross disciplines and transcend conventional offerings in university programs. Therefore, it is essential that the State take a leadership role in developing and supporting successful screening and assessment tools for both chemical dependency and mental illness and encourage their usage across disability borders. Provider input on currently employed tools should be an integral component of a statewide initiative. Evidence-based tools will help seasoned clinicians as well as less experienced staff in identifying the individualized needs of each client.

In addition, in order for treatment to be effective and have positive outcomes, practitioners must be adequately trained to treat the entire client, not just one aspect of the client. This requires:

- (1) Training at the executive level in order to affect system-wide adaptation;
- (2) Provider inclusion in the planning and development of any and all state and local trainings in order to ensure that trainings are addressing practical needs of front-line providers and their supervisory staff;
- (3) Appropriate range and variety of cross-trainings reflecting the diverse service settings and models; and
- (4) A committed long-term effort to cross-train every practitioner in both mental health and chemical dependency services in dual recovery competencies.

Dual Diagnosis Enhancement for Blended Case Management Teams:

One of the newest evolutions in evidence-based practice utilized in New York State are Blended Case Management Teams (BCMs). These teams were designed to have the mobile capacity to deliver services in natural community settings such as homes and schools as well

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

as the ability to provide more direct, concrete services, such as assisting individuals in obtaining benefits and entitlements, or supporting them in negotiations with landlords. They have been proven effective in reducing hospitalizations and improving community tenure. The idea behind BCMs is to tailor case management services to the needs of individual recipients, rather than imposing a single model of service intensity on all recipients. In order to be successful, BCMs must have the capacity to treat individuals with co-occurring psychiatric and addictive disorders

One inexpensive way to expand the dual diagnosis capability of existing services would be to provide a dual diagnosis enhancement of \$10,000 to each of the fifty Blended Case Management Teams statewide. New York State does not currently require any member of the BCM Teams to have training or competence in working with individuals who have been dually diagnosed. With this enhancement, BCM Teams would be able to train existing team members, hire a team member with higher specialization in treating individuals with co-occurring disorders, or a combination of both. **Each BCM Team carries a caseload of approximately 44 clients. With just \$500,000 the dual diagnosis competence would be increased for 2,200 recipients.**

Reinvigoration of Interagency Workgroup:

Despite the existing barriers, successful treatment for individuals with co-occurring disorders is being provided every day. Steps have been made in the right direction to address these barriers, particularly by the Interagency Workgroup and Quadrant IV Taskforce formed by the partnership between the New York State Office of Mental Health and the New York State Office of Alcoholism and Substance Abuse Services. Recommendations were made by these groups which would constitute significant progress in the system's ability to treat these individuals. However, those recommendations have languished and planned demonstration projects have been delayed. We encourage the reinvigoration of the interagency process with strong provider representation in order to propel this evidence-based practice into practice.

Action Needed:

- **\$500,000 for a dual diagnosis enhancement for 50 blended case management teams statewide.**
- **Commitment for long-term training of practitioners in dual diagnoses competency.**
- **Strategic plan which includes a concrete time line for reinvigoration of the interagency process.**

Children's Mental Health Services

The crisis in children's mental health services is far from resolved. Regulatory restrictions on capacity expansion, under-funded programs, and decreasing numbers of available professional staff, such as psychiatrists, to deliver mental health services continues to result in leaving many children and families behind who are in desperate need of mental health treatment services. As has been documented by the Citizen's Committee for Children, "their untreated mental health problems have led to increased suicide, family break-up, violence and homicide, as well as costly juvenile detention, foster care and out-of-state placements."

The data concerning unmet children's mental health needs are staggering.

- 20.9% of children 9-17, or 199,000 NYC children suffer from a psychiatric or addictive disorder.
- 7.8% of 9th – 12th graders or 21,000 NYC high school children have attempted suicide at least once.
- 15% of 9th –12th graders or 40,000 NYC high school students have seriously considered suicide.

A recent study by the NYC DOHMH illustrates the crisis in children's mental health. In the Bronx:

- Nearly 90% of the children were covered by Medicaid.
- Almost 20% of the children were in foster care.
- The average wait to begin treatment from initial application is 6 weeks.
- 57% of the children enrolled in services had a serious emotional disturbance.
- For every 100 referrals of outpatient mental health clinic services, 57 received no treatment at all.
- There are significant gaps in linguistically appropriate services.

Research in Westchester County further documents the crisis in children's mental health in New York State:

- 37% - 54% of children referred for treatment faced a waiting list.

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

- The average wait time for treatment was 7 weeks.
- 40%-60% of the children referred have a serious emotional disturbance.
- Children under eight comprised one-third of the referrals and identified as needing family treatment.

Action Needed:

- **Support the development of a multi-year initiative to enhance treatment services for children and adolescents with serious emotional disturbances and their families.**

Proposal:

- Expand capacity to provide state-of-the-art children's mental health treatment.
- Adopt a four-year initiative to expand and modernize outpatient mental health treatment for children, adolescents, and their families.
- Invest \$30 million over a four-year period beginning 2004-2005.

Year 1: Selection, Training, and Start-Up

- **Allocate \$1 million for start up of children's outpatient treatment pilots that must:**

(1) Be able to serve children and families in their homes and other community settings, to respond to crises, to provide services as frequently as needed to respond to periods of acute disruption, to provide services flexibly in response to the specific needs of children and families, to work closely with families, and to collaborate with schools, child welfare, juvenile justice systems, etc. as needed.

(2) Locate some services out of the clinic setting in places that are convenient to children and families, such as schools or co-located in sites with other children and family services;

(3) Use or develop state-of-the-art treatment interventions with proven effectiveness for children; and

(4) Be supported by a financing structure that accounts for the cost of mobile services; crisis intervention; intensive therapeutic interactions that take more than one hour; and

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

collateral work, consultation, case conferencing, and cross-agency collaboration conducted in person or by telephone.

- Provide children's outpatient treatment pilots with funding to recruit, retain, and train staff in new models of children's treatment.

Year 2: Technical Assistance and Groundwork for Evaluation

- **Allocate an additional \$3 million for annualized funding of pilot programs**
- New York State Office of Mental Health should provide technical assistance and training to children's outpatient treatment pilots and develop instruments for evaluating the outcomes they produce for children and families.

Year 3: Evaluation, Report and Recommendations

- **Allocate an additional \$1 million for extensive evaluation and public dissemination of findings through publications, conferences, and focus groups.**
- New York State Office of Mental Health should evaluate the children's outpatient mental health treatment pilots and issue a public report that (1) presents the outcomes of each pilot and (2) identifies systemic policies that need to be addressed in order to expand the pilots determined to be effective.

Year 4: Widespread expansion

- **Allocate an additional \$25 million for widespread expansion of the children's outpatient mental health services based on the findings of the pilots and other research and demonstration projects.**

Suggested Demonstration Pilot Programs:

- **Demonstration Pilot Addressing Needs for Children In Foster Care**

Mental health agencies should be permitted to open off-site satellite clinics at foster care facilities so that mental health services can be provided where children and families are located.

- **Demonstration Project for School Based Mental Health Services**

Mental health agencies should receive enhanced support to link mental health services with the educational system to deliver these services in the public schools.

- **Demonstration Project to Enhance Preventive Services Related To Children Discharged From The Criminal Justice System**

Use resources made available from the repeal of the Rockefeller drug laws to support linkages between the mental health and criminal justice sectors to facilitate enhanced delivery of mental health services to children who have experienced detention/incarceration in the juvenile justice system.

Medicaid Reform & the State Budget

In this era of mounting budget deficits, it is incumbent upon government to preserve critical programs for low-income New Yorkers, the elderly and the disabled. In this vein, Albany has turned to Medicaid wherever possible to continue serving these populations while reducing the overall level of State funding. This tactic is known as “Medicaid-ing”, and has helped safeguard key health-care related programming throughout the State over the past several years.

“Medicaid-ing” of community mental health services has, over the years, reduced the burden to State taxpayers by shifting costs from the State to the Federal government. This has been a double-edged sword because while overall State costs for these vital programs has decreased, the shifting has increased the State costs for Medicaid. It also gives the erroneous appearance that the community mental health system itself is expanding. New York State’s increasing and problematic reliance on Medicaid is worrisome as Medicaid comes under attack by policy makers on the local, state and federal levels. Such shifting in funding of mental health services, while intended to ensure their fiscal viability has, ironically, put them at new risk.

Given that New York is one of the few states in the country that requires a local contribution to Medicaid, County leaders have increasingly raised concerns about the growing burden placed on property owners who often must pay higher taxes in order to sustain the local share. Partly in response to this outcry, task forces created by the NYS Senate and the Governor recently proposed several ways in which the State’s Medicaid program could be reformed and savings identified.

In particular, the Senate Task Force’s recommendation to establish a preferred drug list, whereby the government would seek to limit the range of medication available to Medicaid recipients, raises a great deal of concern among community mental health providers and consumers. We support the view expressed in the Executive budget that acknowledges the importance of excluding psychotropic and other drugs used to treat mental illness from any Medicaid reform plans.

This proposal comes even as the State’s Office of Mental Health (OMH) is preparing to completely overhaul virtually the entire range of programs for mental health consumers – largely by replacing approximately \$50 million in State funding for thousands of mental health programs with Medicaid dollars. This dichotomy raises a major concern in the community mental health system: is the State putting the viability of thousand of programs at risk as Medicaid becomes an increasingly popular target for reform and reduction?

As the Governor and legislature negotiate a budget for the State over the next several months, it is imperative that the pursuit of Medicaid reform neither endangers the treatment of mental health consumers nor diminishes the ability of the community mental health system to assist them in their recovery. Only by strengthening the community

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

mental health system can New Yorkers hope to see real progress in the lives of tens of thousands of our friends, family members, neighbors and colleagues living with psychiatric disabilities.

PROS Implications

Overview

Since July 2001, the New York State Office of Mental Health (OMH) has been informing providers of a plan to convert \$50 million of State-funded mental health programs (called “deficit-funded”) to a new Medicaid reimbursable program called “PROS” (Personalized Recovery Oriented Services). The change affects over 21,500 mental health consumers in 350 mental health programs. OMH has informed providers that they may voluntarily convert programs to PROS during the Spring-Summer of 2004, with mandatory conversion slated for 2005.

PROS offers both promise and risk to the community mental health system. Provider agencies are appreciative that OMH has held open forums to solicit feedback on the PROS proposal, and that several modifications have been made. We would now like to educate legislators about this change, which will impact over 40% of the agencies in New York’s mental health field and profoundly alter the delivery system.

Stated Fiscal Benefits of PROS Model

OMH has indicated that under the Medicaid funded PROS design, programs may expand their revenue 30% above existing levels. At the same time, the shift to Medicaid funding would also produce savings for the State.

The Medicaid “Rehab Option”

Many states utilize some form of the Medicaid “rehab option” to fund mental health rehabilitation programs. A 2003 National Governor’s report on “Employment Strategies for Persons with Mental Illness” cited the rehab option; however, the report goes on to say that Georgia is the only state to successfully utilize Medicaid as a funding source for mental health employment services. In 1997, Iowa converted programs to a new Medicaid funded model called “IPR”. By 2001, 6 of the 26 programs (23%) were no longer operational.

Concerns about the PROS Model

1. Program Closure – The Office of Mental Health recently released a “PROS calculator” to help agencies determine their financial viability under PROS. Some agencies report that they will achieve the 30% growth promised by OMH. However, some county mental health departments have indicated that not all existing programs will be financially viable under PROS. In particular, small programs, particularly those that historically serve communities of color, may find it extremely difficult maintain financial viability.
2. PROS Rates May Not Meet “True Costs” – Some agencies, upon completing their PROS calculator, determined that they would need to decrease staff and services in order to remain operational. In particular, it appears that employment services are under-funded. When the PROS regulations are applied historically to employment programs, many of the placements will not be billable to Medicaid.

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

3. Concerns About The High Costs Of Medicaid – Community mental health providers are increasingly concerned that \$50 million in funding will be converted to Medicaid at a time when New York State is seeking to decrease its Medicaid costs. In addition, the federal government has recently indicated a desire to convert to a Medicaid “block grant” system that would cap Medicaid revenue.
4. Negative Impact On Mental Health Consumers – In addition to affecting provider agencies, PROS will also impact consumers enrolled in services. For example, the current PROS proposal regarding employment allows Medicaid to be billed if a consumer, who has Medicaid, works a job for at least 15 hours a week. The staff member may only offer emotional support to the consumer. Direct instruction on job tasks (i.e., “job coaching”) is not billable to Medicaid. There is no reimbursement for jobs of less than 15 hours a week, nor is there a reimbursement for serving consumers without Medicaid.

As a solution, OMH has proposed to have programs bill VESID (Vocational and Educational Services for Individuals with Disabilities). However, not every mental health recipient can pass the VESID standards, nor does every consumer wish to receive VESID services. Additionally, not every mental health provider will be granted a VESID contract.

Some mental health consumers, who have attended both state and local informational sessions on PROS, view PROS as negatively affecting the employment and educational services upon which they have come to rely. Furthermore, not all mental health consumers are “rehab ready”, either willing or able to actively participate in recovery services. They may leave the existing day services and wander the streets, affecting their own safety and neighborhood quality of life.

5. Built-in Disincentives to Hospital-Based Continuing Day Treatment Programs
Under PROS, the failure to build in sufficient funding for hospital-based day treatment programs ignores the vital role these programs play in the daily life of vulnerable men and women returning to local communities across the state. Hospital-based behavioral healthcare programs play an essential role in their unique ability to serve consumers with multiple service needs. And as the mental health service delivery system moves towards a dramatic and far-reaching shift in service provision under PROS, non-PROS consumers who are living with complicated mental health challenges, and are best served in environments with round the clock care, will be stabilized without the need to utilize costly emergency care and in-patient beds.

Conclusion

Mental health provider agencies are willing to work with OMH to develop a proposal that makes sense both financially and programmatically. While the initial PROS plan appeared promising on paper (e.g., recovery language, anticipated 30% increase in

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

revenue), in reality communities may see decreases in revenue with a shift towards illness rather than recovery. Many advocates fear that OMH has set a savings target that is too ambitious to be achieved without damaging local programs.

Certain components of the mental health system may learn to conform to the PROS model. However, advocates agree that components such as “supported employment”, “supported education”, and “affirmative businesses” will likely not fare as well. **A possible solution is to leave a larger portion of State funds intact as a risk pool to cover services that do not succeed in a Medicaid environment.** If the PROS conversion is not as successful as OMH projects, the legislature may be called upon to correct the Administration’s error, or face a loss of services and more mental health consumers in the streets.

Parity

According to the National Institute of Mental Health, in any given year over 50 million American adults (20% of the population) suffer with a mental disorder. For children, one in five have behavioral, emotional or mental health problems. Without mental health services, these problems often exacerbate forcing increased utilization of higher cost and emergency care services, including community emergency rooms, community in-patient settings, and juvenile correction facilities.

In New York State insurers currently limit the number of inpatient and outpatient mental health visits per year and charge higher deductibles, co-payments, and/or co-insurance for mental health and substance abuse treatment than they do for treatment of physical health issues. Without timely access to necessary treatment families are often left with the cruel choice of depleting their financial resources or relinquishing custody of their child to the State in order to access appropriate care.

Parity also deserves support based on a cost analysis study of other states that have passed similar legislation. Despite concerns that costs would skyrocket, most states saw an initial increase of no more than 1% over previous rates; some states, such as Maryland, even saw a decrease in rates. Furthermore, the cost for mental health expenses themselves can drop, as was the experience in North Carolina. Businesses save money, since workers can avail themselves of mental health services while maintaining their employment – leading to increased productivity and decreased absenteeism.

Over 100 organizations statewide are seeking **enactment of mental health parity legislation** prohibiting insurance companies from requiring more out-of-pocket payment for mental health care than for physical health care. Thirty-three states across the country have already adopted parity legislation and our joint coalition urges New York State to do the same.

Adult Homes

Currently there are some 12,000 people with psychiatric disabilities residing in adult homes across New York State. Unfortunately, the well-documented abuses and poor conditions that exist in some of these homes are neither new nor limited to New York City. **Legislation to improve oversight, funding and administration of adult homes is overdue.**

The Coalition of Voluntary Mental Health Agencies (CVMHA), the New York State Council for Community Behavioral Healthcare (NYSCCBH) and the CVMHA of Nassau County support the ongoing efforts of the New York State Coalition for Adult Home Reform and join with the NYSCAHR as they advocate for the following policy reforms:

1. Legislation that requires the State Department of Health to publish a plan for reconfiguring some adult homes with an emphasis on conversion to smaller models of care and under a non-profit auspice;
2. Creation of an OMH Waiting List for all adults with psychiatric disabilities who have applied for but not received supportive, supported, supervised or congregate housing within six months of referral or application;
3. Legislation that requires nurses to supervise medication in adult homes in which at least 25% of residents or 12 residents have mental disabilities, whichever is greater;
4. Legislation that would require a study to evaluate adequacy and accountability of SSI rates; and
5. Legislation requiring Adult Home administrators to meet Nursing Home administrator criteria.

Diversity Enhancement in the Community Mental Health System

Mental illness affects communities throughout New York State, including those in which English is seldom the primary language. Caregivers must be able to provide mental health treatment and services in the language and custom that is most familiar to each community's consumers. Unfortunately, providers currently lack sufficient resources to meet the diverse needs of consumers.

A quick examination of the 2000 census data supports the need for bi-lingual and bi-cultural staff in the community mental health system. Since 1990, the Hispanic population in NYC has increased 21.1%; in that same time period, NYC's Asian population has increased a resounding 54.3%. The percentage of Chinese households grew from roughly 68,000 to over 120,000 in Brooklyn alone, a 77% increase from 1990.

One contributing problem is the shortage of bi-lingual and bi-cultural staff with either undergraduate or graduate degrees in social work. Despite the persistent demand for persons with these credentials in the "Help Wanted" ads, particularly in NYC, relatively few applicants have the necessary credentials to fill these slots.

In order to meet these needs, the workforce must be diversified to include bi-lingual and bi-cultural staff who can more effectively offer the beneficial services inherent in the community mental health system. One way to ensure that the diverse needs of mental health consumers are met is to institute a loan forgiveness program for Bachelor of Social Work (BSW) and Masters of Social Work (MSW) graduates, with priority given to candidates who demonstrate an ability to provide bi-lingual and/or bi-cultural services. This program, which would be particularly beneficial to agencies serving large numbers of limited English proficient consumers, would allow full-time employees in critical social services areas to cancel a portion of their loans.

The Coalition, the Nassau Coalition, and the NY State Council on Behavioral Healthcare join the National Association of Social Workers, the Puerto Rican Family Institute, and dozens of other organizations in calling on the State Legislature to pass a "**New York State Social Work Loan Forgiveness Program**" in the upcoming legislative session.

**The Coalition of Voluntary
Mental Health Agencies, Inc.
(New York City and environs)
2004 Board of Directors**

Executive Committee

Peter Campanelli, Psy.D. <i>President</i>	Institute for Community Living, Inc.
Thelma Dye, Ph.D. <i>Vice President</i>	Northside Center for Child Development
Maria Elena Girone <i>Secretary</i>	Puerto Rican Family Institute
Jonas Waizer, Ph.D. <i>Treasurer</i>	F.E.G.S.
Gayle DeRienzi <i>At Large</i>	Builders for the Family and Youth
Joyce Pilsner <i>At Large</i>	Riverdale Mental Health Association
Alan B. Siskind, Ph.D. <i>Past President</i>	Jewish Board of Family and Children's Services
Phillip A. Saperia, Executive Director	Coalition of Voluntary Mental Health Agencies, Inc.

Directors

Jane C. Bardavid	CAPE Samuel Field YM & YWHA, Inc.
Peter Beitchman, DSW	The Bridge, Inc.
Judith Berman	Jewish Child Care Association
Isaac Brown	Baltic Street Mental Health Board
Steve Coe	Community Access, Inc.
Donna Colonna	Services for the Underserved, Inc.
Pasquale DePetris, Ph.D.	Steinway Child & Family Services, Inc.
Joan DiBlasi, Ph.D.	Astor Child Guidance Center
Kenneth Dudek	Fountain House
Edward I. Geffner	Project Renewal, Inc.
Rosa Gil, Ph.D.	H.I.R.E.
Tony Hannigan	Center for Urban Community Services, Inc.
Nancy Harvey	New York Service Program for Older People
David Lehmann	Venture House, Inc.
Jean Newburg	Weston United Community Renewal, Inc.
Evelyn Nieves, Ph.D.	Fordham-Tremont CMHC
Andrew Pardo, CSW	Metropolitan Center for Mental Health
Kenneth Popler, MBA, Ph.D.	Staten Island Mental Health Society, Inc.
John Rosslund, Ph.D.	Bleuler Psychotherapy Center, Inc.
Pamela Straker, Ph.D.	Brooklyn Psychiatric Centers, Inc.
Robert Tobing	University Settlement Society of New York
Peter Yee	Hamilton-Madison House, Inc.

**The Coalition of Voluntary
Mental Health Agencies, Inc.**
(New York City and environs)
Member Agencies
2004

Ackerman Institute for the Family	Community Counseling & Mediation
AIDS Center of Queens County	Community Healthcare Network
Association for Rehabilitation Case Management and Housing	CIDR
Astor Child Guidance Center	Educational Alliance
Baltic Street Mental Health Board	The Family Center
Barrier Free Living	F.E.G.S.
Beacon of Hope House	Floating Hospital
Bergen Street SRO	Fordham-Tremont CMHC
Black Veterans for Social Justice, Inc.	Fountain House
Blanton-Peale Counseling Center	F.R.I.E.N.D.S.
Bleuler Psychotherapy Center, Inc.	Goddard Riverside
Bowery Residents Committee, Inc.	H.I.R.E.
Boys and Girls Harbor	Hamilton-Madison House
Bridge, Inc., The	Harlem-Dowling Westside Center
Bronx-Lebanon Hospital Center	Henry Street Settlement
Brooklyn AIDS Task Force	Hudson Guild
Brooklyn Bureau of Community Service	Institute for Community Living
Brooklyn Community Counseling Center	International Center for the Disabled
Brooklyn Community Housing and Services, Inc.	Jewish Association of Services for the Aged
Brooklyn Psychiatric Center	Jewish Board of Family & Children's Services
Builders for the Family & Youth	Jewish Child Care Association
Canarsie Aware	Jewish Guild for the Blind
CASES (Center for Alternative Sentencing and Employment Services)	John Heuss House
Catholic Charities Counseling Service of New York	Joseph P. Addabbo Family Health Center, Inc.
Center for Preventive Psychiatry, Inc.	Karen Horney Clinic, Inc.
Center for Urban Community Services	League Treatment Center
Children's Aid Society	Lenox Hill Neighborhood Association
Clubhouse of Suffolk, Inc.*	Lexington Center for Mental Health Services
Coalition of Voluntary Mental Health Associations of Nassau County*	Lifeline Center for Child Development
Columbia University – Harlem Rehabilitation Center	Lower East Side Service Center
Community Access	Lutheran Medical Center – MH Clinic

**The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)
The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

Mental Health Providers of Western
Queens
Metropolitan Center for Mental Health
Montefiore Medical Center
Neighborhood Care Team
New York Psychotherapy & Counseling
Center
New York Service Program for Older
People
New York Society for the Deaf
Northside Center for Child Development
OHEL Children's Home & Family Services
Pathways to Housing
Paul J. Cooper Center for Human Services
Pesach Tikvah – Door of Hope
Post Graduate Center for Mental Health
Project Hospitality
Project for Psychiatric Outreach to the
Homeless
Project Renewal
PSCH
Puerto Rican Family Institute
Queens Child Guidance Center
Riverdale Mental Health Association
Safe Horizon

Safe Space
Samuel Field YM-YWHA CAPE
Services for the Underserved
SI Behavioral Network
Sky Light Center
Spanish Speaking Elderly Council – RAICES
St. Francis Friends of the Poor
St. John's Episcopal Hospital Center
St. Vincent's Services
Staten Island Mental Health Society
Steinway Child & Family Services, Inc.
Transitional Services of New York, Inc.
Union Settlement Association
University Consultation & Treatment Center
University Settlement House
Upper Manhattan Mental Health Center,
Inc.
Urban Pathways
Venture House
Visiting Nurse Services of New York
Volunteers of America – Greater New York
Westchester Jewish Community Services*
Weston United Community Renewal
William F. Ryan Community Health Center
Women In Need

*Signifies Associate Member

The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)

The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau

Fiscal Year 2005 Budget Briefing Book

February 2004

The New York State Council For Community Behavioral Healthcare 2004 Board of Directors

John J. Warren <i>President</i>	Central New York Services, Syracuse
Dr. Brian Fitzsimmons <i>Vice President</i>	St. Vincent's Hospital and Medical Center, Harrison
Dr. Howard Hitzel <i>Secretary</i>	Lake Shore Behavioral Health, Buffalo
John Kelley, CSW <i>Treasurer</i>	St. Mary's CMHC, Amsterdam
Mary Meacham, CSW <i>Past President</i>	Kaleida Health, Buffalo
Bonnie Glazer, CSW <i>Children's Committee Co-Chair</i>	Child and Adolescent Treatment Services, Buffalo
Harry Cook, CSW <i>Children's Committee Co-Chair</i>	Behavioral Health Services North, Plattsburgh
Jay Travers, CSW <i>Upstate Committee Chair</i>	Rochester Rehabilitation Center, Rochester
Nat Etrog, CSW <i>Downstate Committee Chair</i>	St. John's Episcopal, South Shore CMHC, Far Rockaway
Frank DeSiervo, CSW <i>Mid Hudson Committee Chair</i>	Dutchess County Department of Mental Hygiene, Poughkeepsie
Lauri Cole, Exec. Director	New York State Council for Community Behavioral Healthcare

The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)

**The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau**

Fiscal Year 2005 Budget Briefing Book

February 2004

**The New York State Council
For Community Behavioral Healthcare
Member Agencies
2004**

Behavioral Health Services North
Cayuga Counseling Services, Inc.
Central Nassau Guidance and
Counseling Services, Inc.
Child & Adolescent Treatment Services,
Inc.
Child & Family Services of Erie County
ClearView Centre
Clifton-Springs Hospital and Clinic
Crestwood Children's Center, Inc.
Dale Association, Inc.
Dutchess County Department of Mental
Hygiene
Family & Children's Services of
Niagara, Inc.
Glens Falls Hospital Behavioral Health
Service
Horizon Health Services, Inc.
Human Technologies Corporation
Kaleida Health
Lake Shore Behavioral Health, Inc.
Lewis County CMHC
Maimonides Medical Center
Mercy Medical Center Behavioral
Healthcare Services
Mid-Erie Counseling and Treatment
Services
North Star Behavioral Health Services,
Malone and Saranac Lake
Occupations, Inc.
Pederson-Krag Center, Inc.

Rehabilitation Support Services, Inc.
Rochester Rehabilitation Center, Inc.
South Bronx Mental Health Council,
Inc.
Southeast Nassau Guidance Center
Spectrum Human Services
St. John's Episcopal Hospital, South
Shore Division
St. Joseph's Hospital CMHC
St. Mary's Hospital CMHC
St. Vincent's Catholic Medical Center
(Sisters of Charity)
St. Vincent's CMC – St. Vincent's
Westchester
Staten Island Mental Health Society,
Inc.
Steuben County Mental Health Services
The Guidance Center, Inc.
Transitional Services Inc. -- Buffalo
United Health Services Hospitals, Inc.
Unity Health System/Park Ridge Mental
Health Center
University of Rochester Medical
Center/Strong Memorial Hospital
ViaHealth Rochester Mental Health
Center
Warren-Washington County
Association for Mental Health, Inc.
Wayne County Department of Mental
Health

The Coalition of Voluntary Mental Health Agencies, Inc. (New York City and environs)

The New York State Council for Community Behavioral Healthcare
The Coalition of Voluntary Mental Health Agencies of Nassau

Fiscal Year 2005 Budget Briefing Book

February 2004

The Coalition of Voluntary Mental Health Agencies of Nassau 2004 Board of Directors

Executive Committee

Steven Greenfield

Chair

Mental Health Association of Nassau County

Michael Stellman

Treasurer

Long Island Jewish/North Shore Hospital

Paule Pachter

Chair of the Legislative Committee

Central Nassau Guidance & Counseling Services

Member Agencies 2004

Catholic Charities

Central Nassau Guidance and
Counseling Services

Family & Children's Association

Family Residence & Essential Services

F.E.G.S Health & Human Services
System

Hispanic Counseling Center

Long Beach Medical Center

Long Island Jewish/North Shore

Hospital/The Zucker Hillside Hospital

Melillo Center for Mental Health

Mental Health Association of Nassau
County

Mercy Medical Center

North Shore Child & Family Guidance
Center

Peninsula Counseling Center

South Shore Association for Individual
Living

Sara's Center

South Nassau Community Hospital

South Shore Child Guidance Center

Southeast Nassau Guidance

Family Residence & Essential Services

Woodward Children's Center