



The Coalition of Behavioral Health Agencies, Inc.
90 Broad St.
New York, NY 10004
212.742.1600 x105
www.coalitionny.org

Mitigate Impending Crisis of Care in Article 31 Mental Health Clinics

- **Enact Governor's Medicaid Managed Care payment add-on**
The Coalition strongly supports the 21 Day Budget Amendment by Governor Paterson to authorize the Office of Mental Health (OMH) to transfer funds to the Department of Health (DOH) in order to align Medicaid managed care rates with Medicaid fee for service reimbursements.
- **Expand proposed indigent care pool to augment payments**
The Coalition supports the efforts of OMH and DOH to establish an indigent care pool to reimburse clinics for behavioral health services provided to consumers without insurance or any other means of payment. We also ask that any indigent care pool be expanded in order to pay rates in line with APG rates. If all eligible payments are made from this limited indigent care pool, the proposed resources will only be able to reimburse at a 50% rate of Medicaid fee for service payments.
- **OMH should conduct a county by county projection of the impact of clinic restructuring and execute a transition plan prior to implementation of the phased rollout** to ensure continuity of services to the children and families of New York whose access to mental health care may be in jeopardy.

The Local Impact

The Coalition has conducted a Sample Stress Test of 20 agencies with over 30 clinics. This test, using OMH's own projection tool, demonstrates conclusively that the OMH clinic restructuring threatens the very survival of clinics delivering services in neighborhoods throughout New York City, Westchester and Long Island, particularly those located in low income communities. The closing of these clinics will deny services to current and future vulnerable children, families, fragile elderly and other needy groups. The likely fallout from the restructuring is so extensive and negative for consumers that OMH should execute a transition plan prior to implementation of the phased rollout to ensure continuity of services to New Yorkers, including the working class and middle class residents who have serious mental and emotional problems requiring the comprehensive and high standard care provided by Article 31 clinics.

Without a fair and adequate rate methodology in place for managed care and indigent care reimbursements, The Coalition is deeply concerned that a significant access to care crisis for consumers will emerge. Below-cost reimbursement for clinical services will cause:

- Community-based clinics to cut back on services or even shutdown completely
- Clients to be denied essential services
- Increased use of more costly hospital, emergency room and other forms of institutionalized care
- Professional staff to be laid-off or transitioned to part-time status without health insurance and other benefits; degrading the workforce and jeopardizing the appeal of the mental health professions to future graduates of professional schools.

Why this is Important

New York State plans to phase out Comprehensive Out-Patient Services (COPS), a funding source which has traditionally subsidized low reimbursement rates from Medicaid fee for service, Medicaid managed care, private insurance and indigent care. The State proposes to phase in the new APG model on July 1, 2010 in 25% increments over the next 4 years. If the new system is implemented unchanged, payment modalities outside of Medicaid fee for service (FFS), including commercial insurance and Child Health Plus, will continue to pay significantly less than FFS reimbursement for the same service delivered. Under clinic reform, programs will undergo sweeping changes to reimbursement rate methodologies, billing functions and additional requirements for IT systems, record keeping and reporting. The State has not performed a sufficient analysis of the heavy burden of clinic reform, which will be placed on an already vulnerable public behavioral health system.