



**Joint Legislative Public Hearing on 2014-2015 Executive Budget: Mental Hygiene**  
**February 11, 2014**

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**Introduction**

On behalf of The Coalition of Behavioral Health Agencies, I thank you for the opportunity to submit testimony on the 2014-2015 Executive Budget Proposal. My name is Jason Lippman, and I am the Director of Policy and Advocacy at The Coalition of Behavioral Health Agencies (The Coalition).

We are pleased that the Governor's 2014-2015 Executive Budget contains a number of noteworthy initiatives to invest in and better integrate the community-based behavioral health service system. Among them are the reinvestment of accrued behavioral health savings into community programs, clinic rate protections, startup funding in preparation for managed care and the enhancement and development of supportive housing. With respect to the transition of behavioral health services into managed care, the implementation of this significant change in public policy must be taken on with a thoughtful and cautious approach, with sufficient access to person-centered care for people with serious mental health and substance use disorders.

**Preparing for Managed Care**

As a member of the Medicaid Redesign Team's (MRT) Behavioral Health Reform work group, The Coalition is dedicated to effectuating the most viable transformation to managed care. Our 130 community-based members remain committed to providing the

essential services that people with severe mental illness and substance use disorders need, keeping every person in the appropriate level of care, while avoiding where possible expensive inpatient services.

We are grateful that the Governor's Executive Budget recognizes the need for upfront investments in community services as the system changes over. These dedicated reinvestments (\$20 million in total) from the reduction of article 28 licensed inpatient beds, will help to ensure that local capacity is preserved during transformation. In addition, further anticipated behavioral health savings accrued through less utilization of inpatient and high-end services should continue to be reinvested in community-based services, including those stimulated by the formation of Health and Recovery Plans (HARPs). The Coalition also urges the Legislature to support the Executive Budget's dedication of \$30 million in funding for new 1915(i)-like services. These services include rehabilitation, habilitation, crisis intervention, peer, educational, employment and other supports, and will prevent unnecessary inpatient admissions to hospitals and the use of emergency services. These cost-saving services are the fulcrum of the recovery model, and we are eager to work with the State to ensure that access to them is made widely available to all individuals in need, and sufficiently provided in the community-based system.

The Executive Budget proposes an initial investment \$5 million to establish a mechanism for the Office of Alcohol and Substance Abuse Services (OASAS) long-term residential service providers to leverage Medicaid dollars for clinical services under managed care. This is critically important as managed care begins as these services are currently excluded from billing Medicaid.

The Executive Budget also includes targeted Vital Access Provider (VAP) funding of \$40 million to preserve behavioral health inpatient services and other supports, however community-based providers, which are currently excluded, need access to this funding pool as well.

### **Protecting Rate Payments for Local Clinics**

We are glad that the Executive Budget proposes to extend the sunset dates for the Office of Mental Health (OMH) and OASAS ambulatory patient group (APG) equivalency rate requirement from March 31, 2016 to December 31, 2016 (for adult clinic services in New York City); June 30, 2017 (for adult clinic services outside of New York City); and December 31, 2017 (for clinic services designed for children and youth under the age of 21). This policy authorizes the pass-through of State dollars to managed care organizations in order to require them to pay Medicaid rates to OMH and OASAS clinics by an APG methodology. We are grateful that this pass-through will continue, as an abrupt end to the funding would financially impair community based organizations at a time when the behavioral health sector is in the midst of significant change, eroding services and severely limiting access to mental health and substance use clinic services by consumers.

We further applaud the Executive proposal, released in its draft Request for Qualifications for Behavioral Health Benefit Administration, to require Managed Care plans to reimburse all outpatient services at fee for service Medicaid rates for a minimum of two years after these benefits are carved into plans.

### **Expanding Community-Based Services**

The Executive Budget proposes \$25 million for OMH to reinvest savings accumulated from the closure of State Psychiatric Center beds, to expand both State

and voluntary community services, as recommended by the Regional Centers of Excellence teams. This would result in the availability of much needed services like crisis and respite beds, home and community-based services waiver slots, supported housing, mental health urgent care walk-in centers, mobile engagement teams, first episode psychosis teams, peer-operated recovery centers, family resource centers, evidence-based family support services, suicide prevention services, family concierge services and community forensic and diversion services. We are pleased that a vehicle will be established to expand these services through an ongoing investment, on average, of \$110,000 for every State psychiatric center bed that is closed (400 estimated in total), and that these dollars should be utilized to the extent possible to bolster nonprofit providers, the most cost-effective model for delivering community-based services. Moreover, additional savings accrued through better managed and integrated behavioral and physical care should be reinvested to further improve outcomes and reduce health costs.

### **Leveraging Support for Health Homes**

The Executive Budget also proposes initiatives to shore up linkages and support for Health Homes. The Executive Budget authorizes the distribution of Health Home infrastructure grants in the amount of \$5 million to integrate the criminal justice system and Health Homes. This investment is critical as connecting Health Homes with the criminal justice system requires significant resources to support health information technology needs. The Executive Budget also includes \$10 million for Health Home Plus reimbursement for individuals receiving care management under a court order for Assisted Outpatient Treatment (AOT), and \$15 million for infrastructure investments in Health Homes. We fully support these initiatives, as the rollout of Health Homes has

been uneven, requiring substantial resources from community providers. Moreover, we wish to underscore that care coordination in general requires a robust information technology (IT) platform, and unfortunately little or no funds, Federal and/or State, has been made available for these purposes in the behavioral health sector. How can we expect proper integration if just one half of the whole (physical health services) receives IT assistance?

### **Enhancing and Developing Supportive Housing**

The Coalition is pleased that the Governor's Executive Budget continues to fund and expand access to supportive housing programs for people with complex care needs who lack stable housing, one of the social determinants of effective mental health and substance use care. The Executive Budget appropriates \$100 million in 2014-2015 (increasing to \$160 million in 2015-2016) to sustain and expand MRT Affordable Housing dollars for a number of housing initiatives being implemented at OASAS, OMH, OPWDD, OTDA, DOH AIDS Institute and HCR.

We fully support the OMH rental stipend increase of \$550 per unit (a \$6.5 million budget allocation per year) to cover the cost of higher rents in Westchester, New York City and Long Island. An adequate rental stipend is necessary to keep up with the cost of running supportive housing programs. Initiatives that were originally designed to pay for the cost of rent plus operating and support services expenses, now have to allocate more dollars to cover the costs of rent payments that grow on an annual basis. Without corresponding rate adjustments, this erodes services dollars that should be dedicated to keeping vulnerable people in their own homes. This is especially true for high need clients who will, at times, require intensive levels of care.

We also support the development of supportive housing in the Executive Budget. Included in the Budget is funding for: 200 new supported housing units for individuals with mental illness transitioning out of nursing homes (a total of 600 by the end of 2015) 500 new supported housing beds for individuals with mental illness transitioning out of adult homes (a total of 1,750 by the end of 2015); 300 new beds for homeless housing as part of the New York/New York III program; and other pipeline units in New York City (a total of 3,200 by the end of 2015).

### **MRT Waiver Implementation**

In conclusion, we would like to highlight how critically important the approval of the \$10 billion Medicaid waiver is to the success of many of these programs, and we are thankful for the State's continuing effort to work with the Centers of Medicare and Medicaid Services (CMS) to negotiate its pending approval. This waiver includes funding for a much needed Health Homes Development Fund, for the development of 1915i-like services and for innovative behavioral services under the Delivery System Reform Incentive Program (DSRIP). On behalf of the 130 Coalition members throughout New York City, Westchester and neighboring counties, we thoughtfully ask the Legislature to support the Executive proposal that community behavioral health providers are made eligible for DSRIP waiver funding as safety net providers, and continue to remain strong and effective partners in providing services to New York's most vulnerable citizens. I thank you for your time and interest.

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## **About The Coalition**

The Coalition is the umbrella nonprofit, (501)(c)(3), association and public policy advocacy organization of New York's behavioral health providers, representing over 130 non-profit behavioral health agencies. Taken together, these agencies serve more than 450,000 adults and children and deliver the entire continuum of behavioral health care in every neighborhood of a diverse New York City, Westchester County and surrounding areas.

Founded in 1972, the mission of the Coalition is to coordinate the efforts of government and the private sector toward efficient delivery of quality behavioral health services to children, adults and families. The Coalition promotes policies and practices that support the development and provision of community based housing, treatment, rehabilitation, and support services to all people with mental illness and addictions disorders. Our members serve a diverse group of recipients, including the fragile elderly, people who are homeless, those who struggle with AIDS and other co-morbid health conditions, violence and other special needs. Coalition members help people with mental illness and addiction disorders to recover and lead productive lives in their communities.

The Coalition provides quality learning opportunities, technical assistance and training to staff and leadership of its member agencies and to the professional community on important issues related to rehabilitation and recovery, organizational development, best practices, quality of care, billing and regulations/contract compliance, technology and finance.