



Testimony of

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The Coalition of Behavioral Health Agencies, Inc.

At the Hearing on the
Oversight of the November Financial Plan

The Committee on Finance
Hon. Domenic M. Recchia, Jr., Chair

The Committee on Aging
Hon. Jessica S. Lappin, Chair

The Committee on General Welfare
Hon. Annabel Palma, Chair

The Committee on Youth Services
Hon. Lewis A. Fidler, Chair

December 6, 2010

Introduction

Good afternoon Chairpersons Recchia, Lappin, Palma, Fidler and distinguished members of the Committees. I thank you for affording us the opportunity to testify before you today on the Mayor's November 2010 Financial Plan. My name is Heather Mermel, and I am the Director of City and Federal Policy and Advocacy at The Coalition of Behavioral Health Agencies (The Coalition).

The Coalition recognizes that New York City is in an economic crisis and is facing a budget gap of over \$3 billion in Fiscal Year 2012. While we understand that the City must reduce its spending, in doing so, it is imperative that we protect the programs that serve the most vulnerable New Yorkers, including individuals with mental illness and/or addiction disorders. Over the past year community based providers have seen an increase in the number of individuals seeking mental health or addiction treatment. We believe this number will continue to rise as the unemployment rate in New York City is still at 9.2% and the economic recovery process has been agonizingly slow. At a time when New Yorkers are most in need, cuts to community-based behavioral health programs will have devastating effects on individuals who need treatment and on the communities they live in.

Department of Health and Mental Hygiene PEGs

The Department of Health and Mental Hygiene (DOHMH) proposes to cut \$1.8 million in funding in FY '11 and \$4.8 million in FY '12 for *Mental Hygiene Contracted Services*. While the Department has made public some of the specific cuts, we still do not know all of the cuts and have been unable to conduct an impact analysis. This lack of transparency is troublesome since it prevents careful budgeting and planning in a sector that already operates in a difficult environment of financial scarcity. While we do not know most of the details of the Division of

Mental Health cuts, we do know some of them and see a problematic problem. The specific cuts that have been made public will cut or eliminate recovery-oriented programs; including psychosocial clubs and bridger programs that rebuild the missing support systems which are critical for regaining one's health and mental health. These programs help individuals develop the essential skills necessary to live successfully in the community. They provide family and kinship relationships of choice, help with work readiness and provide meaningful daily activity to people who do not have natural supports. We should not underestimate the importance of these kinds of support.

If the proposed cuts to mental hygiene services are implemented mid-year, agencies will have to make extremely difficult decisions as to whether or not they can continue to operate their programs at the same level with less funding. Some agencies may have to fire staff, reduce the number of individuals served, and reduce their operating hours, among other options. Still other valuable programs may be completely closed, cutting off services to needy residents of our local communities.

The Coalition is also concerned about the indirect impact the proposed cuts titled "*Intra-Cities with HHC*" and "*Intra-City Agreements for Mental Hygiene*" will have on the non-profit community based behavioral health sector. Currently, these agreements provide pass-through funding for mental health, alcohol/substance abuse and homeless services. If HHC, DHS and HRA are unable to continue providing these services, individuals will turn to non-profit community-based providers who are also facing budget cuts, or will present as a burden to more costly and higher levels of care.

The list of PEGs within the Division of Mental Hygiene includes \$385,895 in FY '11 and \$837,000 in FY '12 to "*unallocated and underspent funds*". It is our understanding that the

unallocated funds represent the closure of programs. We strongly encourage the Council to ask DOHMH which programs were closed and why and if this category contains punitive take-backs from providers (known as “liquidated damages”).

The amount of City Tax Levy dollars received by each division within the Department of Health and Mental Hygiene is not publically available; thereby making it difficult to determine the percentage cut to each division. Chapter 22 of the New York City Charter states that “the mental health, mental retardation and alcoholism divisions within DOHMH shall not have a greater percentage decrease in City funds than the other divisions within the department.” The Coalition encourages the Council to speak with DOHMH and the Office of Management and Budget to ensure that the mental health, mental retardation and alcoholism services did not receive a higher percentage cut in City Tax Levy dollars than the other Divisions within DOHMH, as mandated by the City Charter.

The Early Intervention program, whose benefits and costs flow and ebb according to use by eligible families, is included in the Mental Hygiene portion of the budget. Because it has been growing, its inclusion in Mental Hygiene expenditure comparisons to Health expenditures might mask real disproportionate cuts to mental health and chemical dependency programs. We ask that the Council investigate the proportionality of the cuts to be certain that this provision of the Charter is not circumvented.

Summary

The City Council’s response to the Mayor’s November Plan included a number of alternative savings measures. The Coalition supports the Council’s recommendation that non-core program evaluations currently conducted by the Human Resources Administration and the Department of Health and Mental Hygiene should be postponed until the budget allows for

their funding. Providers currently get audited from a significant number of oversight agencies, which is extremely burdensome, both financially and programmatically. By reducing the number of audits/evaluations conducted, providers will be able to allocate more resources to direct services.

If the City continues to reduce funding for community-based behavioral health services, overall expenditures for the City may actually increase, because consumers will be re-directed into more costly settings, including emergency rooms, inpatient psychiatric institutions.

Without access to preventive and supportive community based services, other individuals may end up in homeless shelters or jails. These settings are exorbitantly expensive for taxpayers and personally debilitating for consumers.

We want to thank the City Council for advocating on behalf of those New Yorkers who cannot advocate for themselves. We look forward to working with you to identify alternative cost saving measures within the Division of Mental Hygiene, once all of the proposed cuts have been made public. Thank you for your time today. I am available to answer any questions you may have.

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 100 non-profit behavioral health agencies. Taken together, these agencies serve more than 350,000 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.