



Testimony of

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At the Hearing on the
Oversight of the Department of Health and Mental Hygiene's Current
and Future Role in Providing Direct Mental Health Services

The Committee on Mental Health, Mental Retardation,
Alcoholism, Drug Abuse and Disability Services
Hon. G. Oliver Koppell, Chair

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Good morning Chairman Koppell and distinguished members of the Committee. I thank you for affording us the opportunity to testify before you today on the oversight of the Department of Health and Mental Hygiene's (DOHMH) Current and Future Role in Providing Direct Mental Health Services. My name is Jason Lippman, and I am the Senior Associate for Policy and Advocacy at The Coalition of Behavioral Health Agencies (The Coalition).

Contracting of Services

Within DOHMH, one of the Division of Mental Hygiene's key roles is the contracting of community-based mental health and chemical dependency services. These services run the gamut of programs for children, adults, and the elderly, including assertive community treatment (ACT), clubhouses, supportive housing, various forms of case management, assisted competitive employment, mobile crisis intervention, prevention of alcoholism and substance abuse, detoxification services and treatment for opiate addiction.

The role of DOHMH in providing for community-based mental hygiene services is not always so clear in a changing regulatory and cost-shifting environment. Larger trends in the community-based behavioral health sector, like the reliance on Medicaid to augment funding and save state and local dollars, the former conversion of programs to COPS (Comprehensive Outpatient Program Services) funding and its current phase-out, and the relatively new implementation of PROS (Personalized Recovery Oriented Services), have important consequences on the role of DOHMH in overseeing mental hygiene services. In addition, mental hygiene contracts have been subject to several rounds of budget cuts, further diminishing the amount of City Tax Levy (CTL) dollars in the public behavioral health system.

“Medicaiding” of Services

Since the 1960s, states have increasingly relied on Medicaid to fund behavioral health (mental hygiene services). While this has provided for the expansion of the service system and saved money on the state and local side of government, it has also resulted in changing the types of programs that receive funding and the types of consumers who receive services provided by local governments. Under Medicaid, the parameters in which local government entities (like the Department) operate, have changed. The cost shifting of funding leads to a reduction in the discretionary funds (local assistance dollars) available to local governments. They no longer have the same kind of oversight of the services that their constituents receive. They no longer can plan and provide as much funding for indigent care. The enhanced Medicaid funding has caused local governments to play a different role in the service system for people with severe mental illness and substance use disorders.

There are a number of reforms happening in the Medicaid system that will affect the role of the Department in its oversight of the contracting system. Since the 1990’s, the Department, along with the State, has used Medicaid conversion programs like COPS and CSP (Community Support Services) to shift City Tax Levy (CTL) dollars to Medicaid. As of October 1, 2010, Article 31 clinic treatment programs came under the purview of the new Part 599 regulations, which dramatically changed the scope of services and restructured the reimbursement for these services. Part of this transformation includes the phase-out of the COPS system (COPS dollars replaced deficit funding dollars), which will further change the role of DOHMH in the community-based behavioral health sector.

For certain programs, the COPS conversions changed DOHMH's role from a contracting agency to one solely with auditing and recoupment responsibilities. This role will change again, as the state has given DOHMH some regulatory authority of community-based programs under clinic reform. The new 599 regulations for clinical services grant DOHMH the authority to oversee the implementation of a "Crisis Intervention Services and Non-Business Hours Assistance Plan" to designate categories of individuals considered to be high risk and ensure their treatment by providers. In either situation, the Department is authorized to penalize agencies through the take back of COPS funding.

Under the implementation of the PROS (Personalized Recovery Oriented Services) program, DOHMH will also play a financial oversight role in the community-based system. It has the responsibility of recommending to the state, which programs warrant take-backs. As a result, DOHMH plays more of a punitive role instead of a remedial one to ensure the success and financial stability of programs. For community based providers, it adds yet another level of oversight and unfunded mandates.

Cutting of Services

Over the last few years, mental hygiene contracted services have undergone several rounds of budget cuts. In the latest round, approximately \$2.5 million will be cut from recovery-oriented programs like Psychosocial clubs and Bridger programs in Fiscal Year 2012 (FY12). In addition, medically supervised outpatient services and outpatient rehabilitation programs will be cut by \$1 million in FY12. While we recognize that the Department is faced with difficult choices and has made every attempt to maintain clinical services, it is important not to

underestimate the significance of these kinds of services and the critical support they provide to needy consumers.

We would like to also point out, that during hearings on the merger to establish DOHMH, The Coalition fought hard for a separate unit of appropriation to track mental hygiene dollars. While we are not making any assertions, we are not confident that behavioral health funding has not been siphoned to fund public health projects. The presence of the City's Early Intervention program, an entitlement service that grows on demand, makes it difficult to track the flow of the Division's mental health and substance abuse funding in each round of budget cuts. We hope that the City Council will continue to closely monitor the mental hygiene budget and the essential community services it pays for, and make certain that behavioral health is not cut disproportionately to health services.

We thank you for your time today, and are 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.