



Testimony of
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At the Joint Hearing of
The New York State Senate Finance Committee
and New York State Assembly Ways & Means Committee

on the SFY 2008-2009 Executive Budget Proposal
for Mental Hygiene Services

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Introduction

Chairman Johnson, Chairman Farrell and distinguished committee members, thank you so much for allowing us this opportunity to speak before you today. My name is Michael Polenberg and I am the Director of Policy and Advocacy for the Coalition of Behavioral Health Agencies, the umbrella advocacy organization of New York City's behavioral health community. The Coalition represents over 110 non-profit community-based mental health and substance abuse agencies in New York City and the surrounding area. Our members constitute a broad cross section of service providers – all sizes from very small to very large; treatment and rehabilitation-oriented; outpatient and residential; focused on linguistically and culturally specific populations and on many special-needs – serving more than 300,000 individuals in the five boroughs of New York City and its environs.

Governor's SFY 2008-2009 Executive Budget

Overall, the Coalition is very pleased with budget presented by Governor Spitzer. In a year with a projected deficit exceeding \$4 billion, the Coalition is gratified that the State continues to recognize the value and importance of the community-based behavioral health sector, and has chosen to invest new resources into a diverse range of programs and services for New Yorkers with psychiatric and/or addictive disorders.

The Coalition also applauds the Administration for soliciting the participation of a broad array of stakeholders in developing innovative proposals to address long-standing obstacles to care.

We are particularly enthusiastic that the Governor's budget not only includes funding for the third year of the three-year COLA for virtually all programs contracted through OMH and OASAS, but will propose funding an additional three-year COLA beginning next year. This proposal will help community-based providers address annual inflationary increases through 2012.

We are also pleased that the Governor's budget includes a "down payment" on reimbursement reform for Article 31 mental health clinics. By applying the COLA to applicable supplemental fees (COPS Level I & II, CSP), adjusting the supplemental fees upward for the lowest-reimbursed providers and eliminating the COPS volume cap and Medicaid neutrality, clinic providers should see immediate fiscal relief while being freed up to treat additional children, adolescents and adults with psychiatric disorders. The Coalition has been at the forefront of the discussion regarding clinic rate reform, and we look forward to continuing to work with our partners in government over the next year to develop a reimbursement mechanism that:

- is cost-based;
- phases out supplements like COPS;
- reimburses for specialized services required by high need consumers;
- designs measurable outcomes for consumers;
- compensates providers for indigent care;
- is HIPAA compliant; and
- addresses the differential between managed care and fee-for-service rates

The Coalition will also encourage State policy makers to incentivize a clinic model that includes the delivery of health insurance and other benefits to its workforce. We think this increases continuity of care, which is important to consumers who over time develop trusting relationships with clinicians.

The State's proposal to increase the number of Interim Specialty Clinics for children with serious emotional disorders, as well as the addition of family support services to Child and Family Clinic Plus, will help address the emerging mental health needs of younger New Yorkers before the conditions worsen.

The proposal to increase a diverse array of housing opportunities for mental health consumers -- above and beyond the units included in the historic New York/New York III Agreement -- is also welcome news, as is the inclusion of the second year of a licensed housing rate increase. We agree wholeheartedly with Commissioner Hogan's assertion that "safe, decent affordable housing is the foundation for mental health recovery". We also welcome the opportunity to re-examine the current models for licensed housing (models that are more than twenty years old) in the hope of developing a more recovery-oriented and fiscally sound model for today's consumers.

The Coalition is heartened by a collaborative proposal between SOMH and OASAS to fund pilot programs that integrate addictive and psychiatric care, as well as an OMH proposal to fund programs that address the behavioral and primary health needs of consumers. Both of these areas are of enormous interest to the Coalition and our members, and we look forward to the day when the full range of primary and behavioral health services can be made available to multiply-disabled consumers without restriction based on licensing.

As we did last year, we oppose a proposal in the State DOH budget to end the exemption of anti-depressant medication from the Preferred Drug List. In prior years, mental

health medications were not included in the PDL. Anti-psychotic drugs will continue remain exempt, and so too should anti-depressants.

Finally, the Coalition supports the State's continuing critical and collaborative look at the use of inpatient psychiatric facilities and hospital-based detoxification. We believe State dollars, wherever possible, should be directed to outpatient settings that offer the best chance for treatment and recovery for disabled New Yorkers. Over the past fourteen years, the State's policy has been to reinvest savings realized through the closing of OMH inpatient psychiatric beds into community-based settings. This funding stream has, over time, helped strengthen a range of program models utilized by hundreds of thousands of consumers. If savings are identified as a result of these two studies, we urge the State to reinvest these dollars into community-based outpatient settings where the majority of New Yorkers with behavioral health care needs receive their care. Similar efforts should be taken with regard to reinvesting dollars out of hospital-based detoxification and into community-based settings, where the outcomes for individuals with addictive disorders are much greater.

The remainder of my testimony will concern the ongoing needs of the sector, and our vision for how the legislature can continue to play a meaningful role in helping community-based mental health and substance abuse providers offer effective and empowering care to New Yorkers in need.

Children's Mental Health

Providers licensed to operate children's day treatment programs offer comprehensive therapeutic and educational care to children and adolescents with serious emotional disorders. In exchange for offering this care, providers receive just \$72 per child per day, a figure which is grossly inadequate to cover even the basic costs associated with operating this program. A number of existing programs are facing substantial deficits, while others have closed their doors altogether. Absent new funding, even more children's day treatment programs will likely follow suit.

We ask the legislature to make funding available to provide an increase to the base rates of children's day treatment programs to \$100 per visit to more closely reflect the actual cost of delivering this valuable service to children throughout the State.

Enhance Funding for Employment Initiatives in Clubhouses

The Coalition seeks to fund employment services and wellness initiatives in clubhouses and psychosocial clubs. A modest \$2 million investment will allow these clubs to hire job coaches and/or employment counselors to help move consumers into the job market, a cornerstone of recovery.

We urge the legislature to invest \$2 million in a clubhouse/psychosocial club employment initiative.

Support New Opportunities for Geriatric Mental Health

Current projections indicate that from 2000 to 2030 the population of older adults ages 65 and older will rise from 35 million to 70 million. In addition, the number of older adults with mental illness will double from 7 million to 14 million. As the geriatric population grows, the need for geriatric mental health services will grow as well.

Enhanced funding for the Geriatric Mental Health Act will increase capacity of the geriatric mental health system, will enhance access to effective community-based services for older adults, and will lay the groundwork for meeting future mental health needs of this population. The Governor's proposed Executive Budget continues to fund the Geriatric Mental Health Act at \$2 million. In order to ensure that mental health providers can effectively reach out to this growing population, **the Coalition urges the legislature to add new resources to this initiative.**

Re-open the Grandfather Clause for Social Work License

The social work license law that went into effect several years ago allowed for a limited window of opportunity for existing certified social workers (CSWs) to become Licensed Clinical Social Workers (LCSWs). That window is now closed, and yet we find among our own membership that hundreds of eligible social workers were unable to take advantage of the opportunity for systemic reasons beyond their personal control. The result is that these individuals will be unable to bill Medicare in clinical settings such as Article 31 clinics, continuing day treatment programs or children's day treatment programs. Ultimately,

under this law, they will be prohibited from billing Medicaid too, the fiscal backbone of the community behavioral health sector. **The Coalition urges the legislature to re-open the grandfathering window of opportunity to help make eligible the existing workforce and address workforce shortages in this field.**

SUMMARY AND RECOMMENDATIONS

In summary, we are asking the legislature to:

- Strongly support the investments in mental health and substance abuse programs, housing and services proposed by the Governor;
- Add funding to children’s day treatment programs to provide a base fee increase to sustain these vital programs;
- Invest in an employment initiative for clubhouses;
- Support new programs for older New Yorkers with mental health needs.
- Re-open the grandfathering window of opportunity for the certified social workers to become licensed clinical social workers.

The Executive Budget is an important beginning to the accomplishment of many laudable goals. We are encouraged by the Governor’s strong commitment to the community behavioral health sector; still there is much to be done. We urge you, our legislators, to work with us in the budget period and in the future to restore the cuts, fill in the gaps and provide some support for initiatives that are modest but have a potential for high impact. We ask your help in supporting a resourceful, flexible, responsive, recovery-oriented and personally empowering system of behavioral health care in all our communities for the children and adults of New York. Thank you.

