



Testimony
of
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Submitted to the
Senate Standing Committee on Finance

The Honorable Carl Kruger, Chair, Senate Finance

The Honorable Liz Krueger, Vice-Chair, Senate Finance

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Introduction

Good morning Senator Carl Kruger, Senator Liz Krueger and distinguished members of the Committee. Thank you for allowing me the opportunity to testify before you today about putting a face on budget cuts. My name is Jason Lippman, and I am the Senior Associate for Policy and Advocacy of the Coalition of Behavioral Health Agencies (The Coalition).

The Human Impact

With every round of budget cuts made to community-based behavioral health programs run by nonprofits, the most vulnerable New Yorkers are impacted. Cuts take away resources to provide mental health and substance abuse services to people who live in poor communities with very limited access or options for services. Most especially, these types of cuts reduce community-based supports to people with disabilities, particularly those with severe and persistent mental illness (SPMI) and substance abuse problems that usually are accompanied by a variety of co-morbid medical conditions.

In a time of economic crises and high unemployment, further cuts to behavioral health programs will be devastating to those individuals who currently receive services to help them cope with job loss, housing instability, dependency on alcohol or drug use, domestic violence and grave financial instability during difficult times. In the last year, providers have reported an increase in the number of people and families in need of mental health and substance abuse services. Cuts would limit already scarce opportunities to those seeking treatment and support services. As a result more New Yorkers could succumb to anxiety, depression or even cycle through more expensive systems like emergency rooms, inpatient care, homeless shelters or prisons.

A Crisis in Care

With each round of budget cuts, member agencies, particularly smaller providers, have been forced to cut-back on community supports or close programs in order to stay fiscally viable. The gap between revenues and expenses has reached an unsustainable level. In many cases, smaller agencies in underserved communities are the only accessible treatment source for New Yorkers with poor or moderate income levels. They serve people who are homeless, people who are covered by Medicaid and/or Medicare, and the working poor with inadequate or no health insurance. They serve every ethnic, cultural and linguistic group. They assist special populations, including people with multiple disabilities and intensive needs such as court mandated clients, and individuals discharged from prisons and inpatient hospitals.

Unfortunately, further cuts will exacerbate fiscal constraints that will force providers to turn away people who do not have health insurance or any other means to pay for care. The result is that New Yorkers will have an increasingly difficult time finding affordable, quality outpatient mental health and substance abuse services in their own communities. Consumer access will be limited at a time when our members report growing caseloads and demand for services. Untreated mental illness and substance abuse disorders have profound human and financial costs. People who are homeless, formerly incarcerated or have serious mental illness would not likely be able to receive treatment in other systems. Poor and out of work New Yorkers cannot afford to pay for care in other systems. Enduring another round of budget cuts to nonprofit community-based services would in fact deny treatment to current and future vulnerable children, families, fragile elderly and other needy groups.

Outpatient mental health clinics that serve the most vulnerable New Yorkers are operating in a precarious environment consisting not only financial distress, but also of significant regulatory and reimbursement methodology reforms. In a stress test performed by The Coalition on 20 outpatient mental health clinics, significant revenue declines are already predicted for providers over the next 4 years. In total all 70 clinics studied will lose money, and smaller clinics will risk closure. As reimbursement rates decline, providers will find it harder to serve indigent populations. Budget cuts to the community-based system would exacerbate this problem further.

We are concerned that the new financial pressures from budget cuts on top of ongoing reforms will hurt the continuity of care for New Yorkers when they need it most. In addition, outpatient substance abuse clinics that also serve indigent populations are scheduled to begin their own restructuring next year, beginning on July 1, 2011.

Community-Based Services are Cost Efficient

Rather than proposing new cuts to community-based behavioral health services, the State should retain and support access to them for all New Yorkers. Mental health and substance abuse services provided by the non-profit community-based sector save taxpayer dollars because they: (1) cost considerably less to operate than State and County run services; (2) divert clients from and prevent readmission to costly inpatient hospitals and emergency rooms; (3) help prevent homelessness; and (4) help fuel the New York State economy through employment of community based staff and purchases of goods and services.

Therefore, we ask that the Legislature protect the people who are directly impacted by budget cuts to community-based services in the upcoming budget negotiations, as well as the people employed by nonprofit providers. On behalf of the

100 plus agencies that we represent throughout New York City, Westchester and neighboring areas, The Coalition respectfully urges this Committee and this Legislature to help ensure that the safety net provided by the community-based behavioral health sector remains intact. 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 community based behavioral health providers, representing over 100 nonprofit 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.