



The Honorable Andrew M. Cuomo
 Governor of New York State
 New York State Capitol Building
 Albany, NY 12224

June 23, 2020

Dear Governor Cuomo:

Thank you for your exemplary leadership at this challenging time. In particular, thank you for your acknowledgement of the impact of COVID-19 on the mental health of New Yorkers. We represent 450 community-based behavioral health providers, who collectively serve 1.5 million New Yorkers annually. This has been a terrible and unprecedented time: people are dealing with loss of loved ones, unemployment, fear and anxiety about their futures and the futures of their families. This is leading to depression, increased alcoholism and substance use, trauma, and family dysfunction. The impact on adults and children alike is enormous. Business and psychological recovery go hand in hand, and we have a long journey ahead of us.

We are writing at this time to request your help in insuring that our providers receive prompt payment on all contracts. Lack of payment will derail the sector and lead to agency and program closures. Based on data we have collected from The Coalition's member agencies, 63% of agencies would be unable to make payroll if payments on their state contracts were delayed. 75% of those who pay rent or other costs on behalf of their clients would be unable to make these payments.

The human toll would be substantial, with thousands of individuals losing access to essential mental health and substance use programs. People with serious mental illness who reside safely in residential programs operated by our community agencies would be forced out of these homes when the programs close due to lack of funding, leading their mental status to decline and likely for many to need hospitalizations. Individuals with serious mental illness have high rates of co-occurring disorders,

making them the vulnerable group that you often refer to when you speak of those at the highest risk of COVID-19.

Our community providers serve those communities hardest hit by COVID-19. A large part of our workforce also come from those communities. Behavioral health agencies, which were financially struggling before the pandemic, have now faced substantial increased financial costs because of the pandemic. The sector made an incredibly rapid transition to begin serving individuals via telehealth, while also immediately instituting increased safety protocols and increased cleanings at residential programs and clinics. This resulted in significant increased costs, with a survey of The Coalition's members conducted in mid-April showing an average per agency cost of \$311,000. Providers also had substantial declines in revenue, from \$45,000 to \$2.4 million based on the size of the agency. Based on these figures, we estimated that total losses to our membership, just from the declaration of the state of the emergency through mid-April, totaled at least \$63 million. Losses have likely increased since this time.

Agencies have already been forced to lay off or furlough staff – 21% of The Coalition's member reported layoffs or furloughs as of mid-April. Payment delays at any time are a substantial hardship; payment delays at this time, when providers are already facing incredible financial stress, will decimate the sector, lead to staff lay offs and result in program and agency closures.

Behavioral health is a major public health issue. Our sector is struggling. We know that the state's fiscal reality requires hard choices, but we know that the behavioral health sector simply cannot withstand additional financial challenges. New York cannot recover from COVID-19 without a strong behavioral health sector, ready to help New Yorkers combat their anxiety, depression, grief and trauma.

We thank you for all that you are doing. Certainly, we are available to discuss the issues in more detail, if that would be helpful.

Sincerely,

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CC:

Melissa DeRosa, Secretary to the Governor

Robert Mujica, Director of Budget

Howard Zucker, Commissioner, Department of Health

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