NEW YORK STATE LEGISLATURE

2010-2011 JOINT BUDGET HEARINGS

February 3, 2010 9:30AM

MENTAL HYGIENE

HEARING ROOM B

LEGISLATIVE OFFICE BUILDING

NYS Office of Mental Health	Hon.Michael F.Hogan Commissioner
NYS Office of Mental Retardation & Developmental Disabilities	Hon. Diana Jones Ritter Commissioner
NYS Office of Alcoholism & Substance Abuse Services	Hon. Karen Carpenter-Palumbo Commissioner
Onondaga County Dept of Health	Robert C. Long Commissioner Kimberly Sullivan-Dec VP Operations Brownell Cntr
Mental Health Assoc of NYS	Glenn Liebman CEO

National Alliance on Mental Illness	Nancy Breenlamb Executive Director Sherry Grenz Vice-President Karen Gormandy 2nd Vice-President John Coon Consumer Board Member
Federation of Mental Health Centers	Dr. John Rossland President
NY Assoc of Psychiatric Rehab Services	Harvey Rosenthal Executive Director
NYS Rehabilitation Assoc Inc.	Jeff Wise President & CEO
Cerebral Palsy Associations of NYS	Susan Constantino President & CEO
Alcoholism & Substance Abuse Providers of NYS	John Coppola Executive Director
Supportive Housing Network of New York	Ted Houghton Executive Director
Families Together in NYS	Paige Pierce Executive Director
Jewish Board of Family & Children's Services	Carmen Collado Director of Public Policy & Government Relations
Coalition of Behavioral Health Agencies	Jason Lippman Senior Associate for Policy
Parents with Psychiatric Disabilities Legal Advocacy Project	Christine Waters Staff Attorney Legal Services of Central NY
Assoc for Community Living	Toni Lasicki Executive Director

Corporation for Supportive Housing	Ryan Moser Diane Louard-Michel
The Direct Support Professional Alliance of NYS	Joseph Macbeth Co-President
Friends of Recovery NY	Laura Elliott-Engel President Keith Stack Secretary Joseph Turner Exponent Recovery Annex
Self-Advocacy Assoc of NYS	Shameka Andrews Projects Assistant
Alliance of Long Island Agencies	Margaret Raustiala Coordinator

MHA in NYS

Mental Health Association in New York State, Inc.

Glenn Liebman, CEO *Sylvia Lask, Board Chair*

Glenn Liebman, CEO
Mental Health Association in New York State, Inc.

Testimony to:

Assembly Ways and Means and Senate Finance Mental Hygiene Budget Hearing

February 3, 2010

Thank you very much for the opportunity to testify today. I would like to acknowledge Assembly Ways and Means Chair, Farrell and Senate Finance Chair, Krueger. We are also appreciative of the participation of several legislators including Assembly Mental Hygiene Chair, Peter Rivera and Senate Mental Hygiene Chair, Thomas Morahan.

My name is Glenn Liebman and I am the CEO of the Mental Health Association in New York State. Our organization is comprised of 31 affiliates in New York State in fifty four counties. Most of our members provide mental health services in their communities. We also provide training and education about mental illness and we advocate for the positive transformation of the mental health system.

1) Community Mental Health Funding

To the credit of Governor Paterson, the Division of the Budget and the New York State Office of Mental Health, the cuts to community based mental health services proposed in this year's budget do not dramatically impact our community based service infrastructure.

Eight days ago the entire mental health community came together and we brought over 1500 people to Albany for our largest rally ever. Our message was to protect the mental health safety net. Without this safety net, many individuals will end up in institutionalized settings such as emergency rooms, hospitals and the criminal justice system.

During the Deficit Reduction Plan negotiations, the Governor proposed a cut to mental health of ten percent, the final number at the end of negotiations ended up being 12.5%. We need your help this year in making sure that if there are other areas of the budget that get restorations, mental health funding is not used to help in restoring cuts to these other areas. First and foremost, please protect our safety net by supporting a funding increase before the safety net continues to erode.

There are five reasons why we urge you to support a 2% mental health funding increase:

A) The Need is Increasing: The Economic Crisis is a Mental Health Crisis

We all know how difficult these times are in New York State and the country. The economic recession has hit us all very hard---unemployment, foreclosures, bankruptcies have become part of the everyday existence for many people.

One of the most unfortunate byproducts of this recession is the increasing need for mental health services. The statistics validate our perceptions. Numbers of calls to suicide hotlines have dramatically increased, clinical visits to mental health professionals have increased and the numbers of completed suicides have also increased. As noted in a Wall Street Journal article about the mental health impact of the economy, *"Research shows that suicides and psychiatric hospitalizations tend to peak at the lowest point of a recession when unemployment is at its height."*

As our members across New York State can tell you, there is also a dramatic increase in the people who are entering the public mental health system because of this recession. Given all that is going on, I believe one of the most important messages I can leave you with today is that The Economic Crisis is indeed a Mental Health Crisis.

B) Community Mental Health Services are Cost Effective and Efficient

Community based services are the lifeblood for mental health services. They also provide the best bang for their buck. They are much less expensive than state operated programs and they provide strong outcomes. Our mental health associations throughout the state work in partnership with peers (several of our agencies are run by peers), families, county and state government to insure successful outcomes for individuals with psychiatric disabilities. Community based services are also the ultimate safety net for many people who would end up in emergency rooms, hospitals, the shelter system or in the criminal justice system without these services. We save the state a great deal of money by running community based services.

C) Mental Health Has Received Less Percentage Funding then other Areas of the Budget

Despite the state's support, the mental health funding has still lost ground even in good times. The community system has been under funded for many years. Finally, a few years ago, we were able, through the help of the Legislature and the Executive to get a three year commitment for a COLA for our workforce. For two years, we received this funding then last year we did not get the COLA nor is it funded for this year. If our community had gotten the COLA last year, it would have represented a 5.7% increase for community mental health programs.

D) Other Well Deserving Providers are Receiving a Proposed COLA

In this year's proposed budget, other sectors have been recommended to receive additional funding including nutritional assistance groups, school health, asthma services, pre-natal care, lead poison prevention, regional prenatal centers, Alzheimer's research, tobacco control, rabies, developmental disabilities, tuberculosis control and many other areas. All are very worthy causes and well deserving of additional funding. Yet, there is not one additional dollar added for community mental health.

E) Agency Expenses Keep Rising Dramatically

The other reason there is a desperate need for more funding is that the expenses of running an agency keep increasing, health care cost, electricity, gas are all costs that continue to rise dramatically. I run an agency and our health premiums went up well over eighteen percent this year. We need help to run programs in our communities.

Though we have to protect what we have, we can ill afford any more erosion of the system. We all know how tight the times are but given how inexpensive it is to run community based services, how inequitable funding has been for our sector and how much money we save the state, we strongly believe it is a good investment to provide additional funding in the budget for mental health.

For those many reason, MHANYS and many of our colleagues are urging your support for a 2% funding increase this year for community mental health funding. This comes to approximately $20 million.

Recommendation

- **Please provide a 2% across the board increase for community based mental health funding at a cost of $20 million.**

2) Health Care Enhancements

Health Care Enhancements are incentives to help defray the high cost of health care for direct care workers in the OMRDD community. In the five years of this program, there has been over $140 million in funding to help direct care workers in OMRDD with their health insurance. These incentives are used to pay for co-pays, deductibles and health care accounts for direct care workers. It is a wonderful program and it is well deserved for the hard working direct care workers in the OMRDD system.

Thanks to the leadership of Senator Thomas Morahan and the strong support of Assemblyman Peter Rivera and Commissioner Michael Hogan, for the first time ever two years ago, there was a one time allocation of $300,000 for a study of health care enhancements in the mental health side. Due to funding constraints the money did not come out till last year and it was cut by 25%. However, part of that funding has been used to survey mental health agencies across New York State to find out about their health insurance costs for their direct care workers. In March, we will be providing a full report for the legislature about these findings. However our preliminary findings indicate that health care costs have risen dramatically and many direct care workers with families are barely able to pay for health insurance and some do not even receive any health insurance.

Concurrent, with that study, funding has been used to help create resource centers around the state to help link direct care workers in mental health with existing plans such as Family Health Plus and Child Health Plus. This project is only established for another six months. It is a win/win as it saves money for the agency and provides better health insurance for the individual.

Unfortunately, this is one-time money, so we urge your support in providing funding of $200,000 in this year's budget to continue this program. Ultimately, we want to make sure that there is funding in

place for health care enhancements as part of the state budget for the mental health workforce, but for the short term, we urge your support for this funding.

Recommendation

- **Provide $200,000 in funding for the continuation of the Health Care Enhancement Project.**

3) Parents with Psychiatric Disabilities

Despite all the major changes that have been made to alleviate the stigma of mental illness from society, there are still many areas in which stigma is still incredibly pervasive. One of those areas is for parents with psychiatric disabilities. Over fifty percent of all adults in the mental health system are parents.

Unfortunately in many cases, much of it having to do with the stigma of mental illness, many of these parents have had their rights terminated simply because of their diagnosis. This has to change and we thank Senator Huntley and Assemblyman Rivera for introducing legislation last year to end that stigma.

Several states have had similar laws and the trend around the country appears to take disabilities including mental illness out of the law completely. In New York State, we are urging the elimination of diagnosis from any criteria involving the termination of parental rights. Never should a New Yorker lose custody of their child simply because of their diagnosis.

Because of the work of the Legislature, there was $850,000 added to the budget for the first time to help provide legal advocacy to these parents as well as help in development of community based services for these parents. Our colleagues at Central New York Legal Services and the Urban Justice Center have been doing a wonderful job with providing legal counsel to these parents and we urge your support in helping to fund this project. This project also saves the state millions of dollars by helping to reunite families instead of a child ending up in the much more costly foster care system.

We have also received funding for the project to work on community based services for these parents through training initiatives, educational programs and tool kits to help provide them with stronger parenting skills to help insure that they keep custody of their child.

Recommendation

- **We urge the legislature to support $850,000 in continued funding for parents with psychiatric disabilities.**

4) Adult Homes

Though this funding comes out of the Health Budget, it is an important issue to discuss because it greatly impacts individuals with psychiatric disabilities in adult homes.

In the past few years, there have been three distinct funding pools for adult home residents and the operators. There is QUIP funding which is largely used by operators to provide help in capital and infrastructure projects, there is ENABLE funding which is largely used to help in the quality of life and activities of daily living skills for residents and there is, thanks to the legislature, funding for air conditioning for residents.

This year the Department of Health has proposed combining all these funding streams into one large funding pool.

We do not support this proposed budget change. We think that each of the funding streams has its distinct purposes. Also included in combining the funding was the elimination of residents' council sign off on funding for these projects. We strongly believe that the residents should continue to have a say in how this funding is utilized.

In early September an appellate court judge ruled that the state must provide 4300 units of supported housing over the next three years for adult home residents. The state has sent a remedial plan in response to the Judge that includes 1000 units of supported housing over the next five years. We think that the state's plan is not responsive to the needs of residents who want to leave the homes.

There are existing resources at the state's disposal (assessments, independent case managers and ENABLE funding) that they can use to help residents move forward in their lives to more independent housing. These resources should be utilized so that residents who want to leave the homes can immediately do so.

Given this current atmosphere and the significance of some of these funding streams, the state should do what ever it can to empower residents, including the assurance of as much resident council input as possible, as well by making sure that the ENABLE funding and the Air Conditioning funding remain in place separately from other funding arenas.

We also note that the major advocacy group for adult home residents, the Coalition of Institutionalized and Aged Disabled (CIAD) has had its funding cut this year. They do an impressive job in helping to empower residents of adult homes in making their own decisions and providing the resources to help these people move forward in their lives. We urge your support for refunding their program.

Recommendations

- **We urge that the legislature reject the Department of Health's funding program to combine mental health funding streams. Instead leave them distinct and insure that there is resident council sign-off for all of these funding streams.**

- **Provide $75,000 in funding for the CIAD for their lay advocacy on behalf of adult home residents.**

5) Medication Accessibility

For the last several years, the state has proposed the elimination of the carve-out for anti-depressant medications as part of the Preferred Drug List. The legislature led by Assemblyman Peter Rivera has been a leader in rejecting these proposals.

This year, while there is no proposed cut, we are still concerned about the administrative language crafted by the Department of Health regarding usage of mental health medications.

A full carve out for mental health medications for people on Medicaid with psychiatric disabilities has been an important protection. We are not completely sure what this new language means but we urge your support in insuring that accessibility to all classes of mental heath medication remains in place.

Recommendation

- **Closely monitor the Department of Health Language around medication accessibility for mental health medications**

6) Juvenile Justice

There have been several reports recently including one from the Department of Justice regarding the myriad of issues surrounding juvenile justice in New York State. One of the consistent findings in all the reports is the large percentage of youth with mental illness that enter the juvenile justice system.

It is incumbent that the state provides greater support to our community to help develop alternative models for youth with psychiatric disabilities. We have heard constant refrains from judges that that they would place kids in their communities if they had better mental health treatment programs in their communities.

The framework for such interventions should involve a strong screening and assessment process as well as diversion services to alternative community based mental health models that include clinical components such as Motivational Interviewing, Family Functional Therapy, and Multi Systemic Therapy. There should also be other non-clinical components including mentoring, budgeting and Actives of Daily Living Skills Training.

Recommendation

- **Work to develop an alternative community based mental health model that incorporates best practices to divert youth with mental illness from entering the juvenile justice system.**

7) Other Significant Mental Health Issues

One of the most important priorities for individuals with psychiatric disabilities is housing. Much of the pipeline for mental health housing has been delayed because of the economic crisis. We must continue to fund housing options for individuals with psychiatric disabilities. There are several priority populations including individuals discharged from hospitals, those leaving adult homes and nursing homes and individuals released from correctional settings. We also ask that you remember the population of children with psychiatric disabilities living with their parents. This is also a significant population that must be addressed in the state's public policy towards housing.

The legislature has been our leaders on issues of senior and mental health services. You have funded the groundbreaking Geriatric Mental Health Act which is the first legislation in the country that addresses the mental health needs of this population. We urge your continued support for this initiative.

You have also been leaders in the funding of suicide prevention programs. As we noted earlier, the economic crisis has led to an increase in the number of individuals who have completed suicide. We need your help in continuing to fund suicide prevention programs in New York State. Now more then ever, we need your support on this issue.

One of the other areas of significance that the legislature and administration continues to address in recent years is issues of returning veterans with mental health issues, most notably Post Traumatic Stress Disorder. We urge your support for a Veterans Mental Health Act, similar to the Geriatric Mental Health Act and we also urge your continued support for the NASW-NYS Veterans Mental Health Training initiative.

We also urge your help ending the mental health system funding for sex offenders in the state's psychiatric system. These offenders are much more appropriately treated in the correctional system where they can receive appropriate services at less cost to the state while providing even greater protections for our citizens.

Summary

In summary, we want to thank the legislature for all you have done in the past years for individuals with psychiatric disabilities. Given the mental health impact of the economy combined with the lack of equity in funding for mental health and rising costs, we urge your help in adding a 2% increase in the budget for the mental health workforce.

We also urge your support for essential programs such as health care enhancements and parents with psychiatric disabilities.

Even though these areas are not specific to the mental health table, we urge your support for equitable funding for adult home residents, insurance of medication accessibility and support of alternative models for juvenile justice.

Thank you very much for your time and support.

NAMI New York State
National Alliance on Mental Illness

TESTIMONY BEFORE THE JOINT MENTAL HEALTH LEGISLATIVE BUDGET HEARINGS

February 3, 2010

NAMI-NYS President
Janet Susin

Testimony Presented By:

Sherry Janowitz Grenz
1st Vice President

Nancy Breen Lamb
Executive Director

John Coon
Board of Directors

Good afternoon. My name is Sherry Janowitz Grenz. I am 1st Vice-President of the National Alliance on Mental Illness. With me is Nancy Breen Lamb, our Executive Director, and John Coon, a member of our board. Thank you for this opportunity to make our case.

NAMI is the largest family and consumer grassroots organization in the country with 58 affiliates in New York State alone. We offer support, education, and advocacy for family members of those who have serious mental illnesses, as well as for those who suffer with mental illness themselves.

As most of this esteemed panel probably knows, it is now widely accepted that mental illnesses such as schizophrenia, bipolar disease, depression, eating disorders, anxiety disorders, personality disorders, and post traumatic disorders are no-fault biological illnesses.The liver can get sick; the heart can get sick; so why not the brain? With proper treatments, interventions and support, people with psychiatric disorders today can often live successful, productive lives.

How many of us sitting in this room do not have a loved one, a friend, a neighbor, or a co-worker affected by mental illness? Like us, so many New Yorkers understand the suffering caused by these catastrophic disorders. Think of those who have lost a loved one to suicide; think of the families of serviceman and women struggling to cope with the aftermath of war. Experts report that an estimated one in four adults suffer from a diagnosable mental disorder in a given year. In 2006, 33,000 Americans died by suicide. 90% of them had mental illness.

We are grateful to the Executive and to members of the New York State Legislature for their steadfast support over the years. We especially want to recognize Assemblyman Peter M. Rivera, Senator Thomas Morahan, and OMH Commissioner Michael Hogan for their dedication and commitment to our cause .They are compassionate and effective leaders and we truly appreciate all that they have done---and continue to try to do--to make the world a better place for those suffering with mental illnesses.

NAMI-NYS has a wide range of issues that need to be addressed; it is a difficult task to narrow the list down to just a few. If you had to pick one part of the body that needed to be saved; which part would you pick? Would it be the heart, the lungs, the liver? The truth is that you need all parts to survive; so do we. Our issues are all critical to the survival of those we represent. However---out of respect for time--and out of recognition for the financial challenges New York State is facing; we've decided to focus on just a few of those issues. Priorities:

1) HOUSING:

Ever since NAMI-NYS was incorporated in 1982, safe, affordable housing has been an ongoing priority of ours. A stable environment is vital and fundamental to people living with serious mental illness. In 2007, the Campaign for Mental Health Housing called for a multi-year commitment to having 35,000 additional housing units built in New York State. Only 14% of people with serious mental illness had access to state assisted housing; one third were living with families; and the rest in state psychiatric centers, adult homes, jails, prisons, shelters, and in the streets.

The New York/New York III program promising 5,500 housing units designated for those with mental illness over a 10 year period falls seriously below the actual need and is fraught with development delays and setbacks.

The number of mentally ill persons housed through OMH, including 7,000 units that are still in development, is 40,000. This simply does not provide enough affordable housing. Furthermore, individuals on SSI cannot afford to pay for housing, often leaving them to rely on aging family members to avoid living in shelters and on the streets. The

fate of those living at home with their aging parents becomes more precarious each year. Expected housing disruptions for seriously mentally ill adults increase each year, yet, the solutions are not keeping pace with growing housing needs of this population.

NAMI families across New York State are deeply concerned that their deaths will leave their sons and daughters homeless, institutionalized, or inadequately housed without necessary community supports. According to a needs assessment survey done by OMH in 1990, adults receiving public mental health services and general state demographic statistics, it is estimated that approximately 31,500 adults with a serious mental illness currently reside with their families. We want housing provided for all those in need, not just those in crisis.

Mentally ill people transitioning out of jail and forensic units at state hospital facilities are in dire need of supervised housing. Without appropriate housing in place, recidivism is especially high within this population.

Please maintain funding to provide housing and services for the seriously mentally ill who do not have the financial resources to afford the most basic human need...that of a safe, accessible, stable and affordable place to call home.

2) PRESERVE THE COMMUNITY MENTAL HEALTH SAFETY NET:

For years NAMI has fought long and hard to grow our community mental health system so that it meets the diverse needs of individuals living with mental illness and their families. It has been a difficult struggle but,thanks to state funding, the Community Reinvestment Act and dedicated community mental health providers, services have been developed that meet a wide range of needs.

But as the state tries to cut costs by cost-shifting to Medicaid, we fear that innovative programs like clubhouses, IPRT, drop in centers, vocational programs, and other "non-Medicaid" community mental health services are in jeopardy. Already we are hearing from consumers and families that the rich array of individualized services that put people on the road to recovery have disappeared or changed in character so drastically that they are virtually unrecognizable. Moreover, the numbers being served by these important programs are diminishing at the same time that our emergency rooms, acute care and crisis beds are filled to overflowing.

What will happen to those many people desperately needing mental health services who are not Medicaid eligible? And what will happen if Medicaid is cut on the federal level and funding for community mental health is squeezed ever further? We urge you to exercise caution in dismantling a community mental health system that is a lifeline for many of our loved ones.

3) SPECIAL HOUSING UNITS (SHU):

NAMI-NYS respectfully objects to the Executive Budget proposal to defer the implementation date of the SHU Bill for an additional three years (2014). We object to the proposed Article VII amendment that would omit approximately 50% of the SHU beds and cut down on the number of hours for training correctional officers who work directly with the SHU population. Our ill family members do not do well while incarcerated and when in solitary confinement, both their physical and mental health is jeopardized. Our loved ones suffer debilitating symptoms long before incarceration and the social isolation experienced while in the SHU intensifies psychiatric symptoms leading to psychotic decomposition, self injury, and the possibility of injuring others. Locking up persons suffering with no-fault neurobiological disorders constitutes cruel and unusual punishment and is a violation of basic human rights.

According to a report released by OMH last year, the number of persons receiving mental health services in state correctional facilities has grown to 13.5% of the overall prison population.

4) RESEARCH:

NAMI-NYS supports and recognizes the outstanding work being done at New York State's internationally acclaimed research institutes---Psychiatric Institute in Washington Heights, New York City; and Nathan Kline Institute in Orangesburg, Westchester.

Because of deep personnel freezes that have been in place, NKI has not been able to fill lines that were allocated to them in the past. It would be of great help if they were able to fill at least some of these important vacant positions.

I have long testified that "Research is our hope for the future"; but the truth is: The "future" is now. Mental health research in New York State has real and measurable effects today. For example: OMH's Center for Practical Innovation "brings research into practice". CPI has taken the lead on improving the delivery of care, training practitioners around the state and promoting recovery through consumer-based initiatives. Innovations such as these improve quality of life, and reduce health care costs today by replacing less effective treatments with treatments we know work.

It is important to note that Federal allocation for health research has actually increased to a new high---not only benefiting those we love, but also financially benefiting the State of New York. Thanks to your investment in mental health research infrastructure, New York has continued to be enormously effective in bringing New York's fare share of these federal research dollars into our state. In 2009 alone, PI returned nearly 2 federal research dollars for each New York State dollar invested---not a bad return, especially considering our State's financial crisis! They were also awarded nearly 14 million dollars in Federal Recovery Act money to support research. An added benefit to this funding was that it gave PI the opportunity to create new jobs for people living in the economically troubled Washington Heights community.

5) ACCESS TO MEDICATIONS:

Families and consumers know from heart wrenching personal experience how difficult it can be to find just the right medication or combination of medications to treat mental illness. Perhaps someday a simple blood test may tell us which medication is right for which individual but that time is still in the distant future. In the meantime, erecting barriers to accessing the right medication has the potential for devastating consequences for persons living with serious mental illness. It is vial that we preserve access to the full range of psychiatric medications with no carve out or prior approval required. Cost saving measurers such as PDLs, rebates, fail first, and step therapy do not really save the state money in the long run. In fact, they cost them money through increased hospitalizations and needless incarceration.

A ten-state study of Medicaid prescription drug policies revealed that use of preferred drug lists was association with 5.4 higher odds of medication access problems, including inability to get refills or new prescriptions, discontinuing or temporarily stopping a medication, and being prescribed a medication that was not clinically preferred. Use of prior authorization was associated with 7.8 times higher odds of a medication access problem. Behind those statistics are lives thrown tragically off course because of the inability to access needed or the correct medication.

6) KENDRA'S LAW:

We urge the legislature to Make Kendra's Law permanent. Two studies over 10 years have shown that Kendra's Law reduces hospitalization, incarceration, suicide, and violence. Consumers who have experienced Kendra's Law report that it has improved their lives; they overwhelmingly support it. Research further shows that Kendra's Law has resulted in improvements to the mental health system and that it saves money by reducing the use of more expensive hospitalization and incarceration services. Permanency will ensure that these gains can become an integral part of the mental health system.

Our goal is to PROTECT and PRESERVE what we have; our hope is to PROGRESS and PROVIDE...for the present and for the future. You have come through for us in the past, we are counting on you to come through again. Thank you for listening...and thank you for caring.

NAMI-NYS IS COMMITTED TO THE ELIMINATION OF DISPARITIES IN MENTAL HEALTH CARE FOR DIVERSE COMMUNITIES AND IS COMMITTED TO CULTURAL COMPETENCE IN RESEARCH, TREATMENTS, AND SUPPORT.

Joint Legislative Hearing
2010 Executive Budget
Mental Health
February 3, 2010

Federation of Mental Health Services, Inc.
NYS Licensed Agencies Providing Mental Health Services
Dr. John C. Rossland, President

Good Morning and thank you for the opportunity to present testimony today at the Joint Legislative Executive Budget hearing for Mental Health. I am Dr. John Rossland, a licensed psychologist and the President of the Federation of Mental Health Services, Inc. We are a consortia of New York State Licensed Agencies providing Mental Health Services- often referred to as Article 31 clinics. Traditionally, we are known as Non-COPs clinics. I am pleased to be a part of the community of professionals with a strong leader and advocate at the helm of the Office of Mental Health (OMH)- Commissioner Michael Hogan.

Today, I want to bring to your attention a way for the State to increase patient care while keeping costs stable or even reducing costs. The way to do this is to continue with the current rate reform effort, which OMH has initiated and worked very hard on with its stakeholders over the last two years.

Because of dramatic disparities in reimbursement, in 2006, the Legislature provided money to fund an independent study of the mental health clinic reimbursement system. The purpose of the study, as stated in the 2006 budget, was "...to make recommendations for changes designed to ensure that the financing and reimbursement system provides for the equitable reimbursement of providers of mental health services and is conducive to the provision of effective and high quality of services." The study was completed by Public Consulting Group, Inc. (PCG) in June, 2007.

The system reviewed by PCG was the structure which was established in 1991- namely the use of regional fee schedules for recognized services (a base rate) with the addition of provider specific supplemental payments (add-ons) to compensate providers for the cost of providing services. This system still exists with the COPs and Non-COPs structure which has been in place for over two decades with widely variable provider payments—often by as much as $200 per unit of service. This payment variation is often seemingly arbitrary as it isn't based on case mix or services provided. The study states that "at times the same service is reimbursed at different rates based solely on the facility's license." In fact, the study concludes "...the current system of financing outpatient mental health services ...should be replaced with a more equitable and more rational system of payment. The current system is outdated, inequitably funded and is based on a rate structure that has outlived its usefulness."

This PCG study was the beginning of a laborious process spearheaded by OMH to provide much needed rate reform. OMH has in fact drafted regulations, and should be commended for providing significant opportunity for input from the provider community. Unfortunately, some providers have become aware that Rate Reform will impact the dollars they receive and they now seek to forestall the process. Rate reform should not be stalled for the following reasons:

Rate Reform is needed to save the State money and Prevent loss of Federal Funds. Medicaid rules and policies under the Deficit Reduction Act of 2005 have specifically targeted payments like COPs for elimination. Accordingly, CMS will be mandating this restructuring. Failure to implement the restructuring could result in a loss of $170 Million dollars. (*6/2009 study done by DMA Health Strategies for OMH.)*
Additionally, the current payment system costs the State significant dollars and in these times of fiscal crisis, the State can ill afford to continue COPs payments without quality of care and sufficient access to COPs clinics by patients. If rate reform stalls, it could have catastrophic effects on the cost of clinic care in New York State because COPs clinics will continue to receive upwards of $200/session instead of the proposed $125/session.

Rate Reform is needed not only for cost savings but equally or more importantly, to increase the productivity of clinics- meaning that clinics will serve more recipients with Rate Reform. In short, Rate Reform is needed to enhance consumer access and support quality treatment. The bifurcated system (COPs vs. Non-COPs) results in complicated financial disincentives for COPs clinics to see more recipients thereby resulting in long waiting lists for patients and limited access to care.

Conversely, Non-COPs clinics provide more services to more recipients in proportionately greater numbers for less money than COPs clinics. Non-COPs clinics see 2-3 times the number of patients for the dollars expended by the State. (*Public Consulting Group report for OMH 6/13/2007)* Additionally, many Non-COPs clinics serve large numbers of Hispanic patients. Without rate reform and its inherent change to financial incentives based on productivity, the limited access to care will not change. The bottom line is that Rate Reform will make payments comparable for similar services delivered by similar providers across service systems. Payments will have adjustments for factors which influence the cost of providing services thereby eliminating the financial disincentives for reduced access to care by COPs clinics.

Rate Reform is needed to provide incentives for quality treatment. With OMH's release of their standards of care and Part 599 Regulations as a first step, the requirement to meet standards of care through rate reform will provide financial incentives to provide quality treatment by all clinics. Included in this "first step" is a newer method to address the funding of indigent care. We do applaud OMH for tackling this serious problem. Additionally, quality will improve with Rate Reform because the current "add-on" system can lead to unintended use of funds and Rate Reform will mean that the money follows the patients, not the specific agency. With significant dollars invested in the COPs supplements and without concurrent quality of care incentives, there is no ability to improve treatment quality.

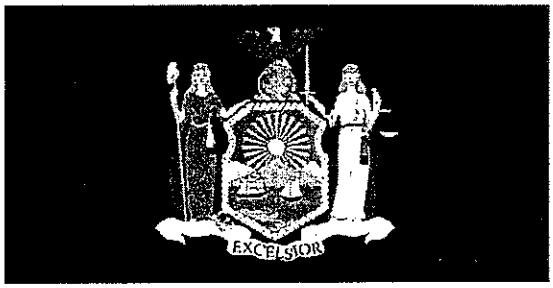
Please keep it a priority to move rate reform ahead as has been intended by the Office of Mental Health. Another area that the Executive Budget addresses that will impact Article 31 Mental Health Clinics is the licensure of professional staff. The existing law waives the licensure requirement for social workers who are employed by a program or service operated, regulated, funded, or approved by the NYS Office of Mental Health or the

Office of Children and Family Services, or a local governmental unit as that term is defined in Article 41 of the Mental Hygiene Law or a social services district as defined in Section 61 of the social services law. The Executive budget extends this waiver into the year 2014. This extension is critical to enable clinics, who are currently licensed by OMH and who provide supervision to these professionals who work in their facilities, to both retain staff and to seek funding to locate and train professionals with the applicable licenses. Not only is it critical, it is vital for the service of Spanish speaking patients. There are large numbers of Hispanic recipients of mental health services in Article 31 clinics and there are not sufficient numbers of licensed professionals to provide service. There are, however, clinics that hire trained professionals to treat this population and who, with the appropriate supervision, are able to both relate well to the clients/patients and demonstrate success with that population. The extension of the waiver is vital to maintain the level of patient services for Hispanic populations.

On behalf of the many providers of mental health services, I thank you in advance for your due consideration to allow the rate reform process to proceed as rapidly as possible and for your understanding of the importance of allowing the extension of the waiver for licensure that was proposed by the Governor. I am available now or at your convenience for questions.

PUBLIC CONSULTING GROUP

148 State Street, Tenth Floor
Boston, Massachusetts 02109
Tel: (617) 426-2026 Fax: (617) 426-4632
PublicConsultingGroup.com



STATE OF NEW YORK

OFFICE OF MENTAL HEALTH

Provider Reimbursement System

June 13, 2007

EXECUTIVE SUMMARY

The 2006-2007 Enacted Budget directed New York State Office of Mental Health (NYS OMH) to conduct a study of the mental health reimbursement system. The budget language stated:

> *For services and expenses associated with a study to review the current system of financing and reimbursement of mental health services provided by clinic, continuing day treatment and day treatment programs licensed under article 31 of the mental hygiene law, and to make recommendations for changes designed to ensure that the financing and reimbursement system provides for the equitable reimbursement of providers of mental health services and is conducive to the provision of effective and high quality of services. Such study shall be coordinated by the commissioner of the Office of Mental Health and shall be completed and submitted to the legislature no later than March 1, 2007.*

Public Consulting Group, Inc. (PCG) was engaged by NYS OMH to conduct this study. New York State currently uses a funding and reimbursement methodology for their clinic, continuing day treatment (CDT) and day treatment programs that includes the use of a regional fee schedule for recognized services (the base rate) with the addition of provider specific supplemental payments (known as "add-ons") to compensate providers for the costs of providing services. This system was established in 1991, and at the time it was a creative solution that provided the funding needed to meet the growing demand for and cost of these services. With the passage of time, however, the existing funding and reimbursement system has become antiquated and is not able to keep pace adequately with the needs of the providers and their consumers.

Based on this study, PCG has concluded that the current system of financing outpatient mental health services using an add-on structure should be replaced with a more equitable and more rational system of payment. The current system is outdated, inequitably funded and is based on a rate structure that has outlived its usefulness.

The COPs/Non-COPS structure that has been used for nearly two decades has resulted in provider payments that vary considerably (by over $200 a unit after cost outliers are removed), and these payment variations cannot be uniformly explained by differences in case mix or service intensity. In fact, at times the same service is reimbursed at different rates based solely on the facility's license. Overall, reimbursement for facilities licensed by NYS OMH is divorced from reimbursement for facilities providing the same or similar services under licenses from the Department of Health (DOH), the Office of Alcoholism and Substance Abuse Services (OASAS) or the Office of Mental Retardation and Developmental Disabilities (OMRDD). This discrepancy in reimbursement methodology is particularly striking given that, in some instances, the same individuals are served by all of these facilities. The irrational nature of the current reimbursement system is in part of a function of reimbursement and licensing freezes around which providers have learned to work.

What is needed is a complete overhaul of the current payment system. However, no changes to the reimbursement methodology for outpatient mental health services can be done without considering New York State's overall health care policy goals. In writing this report, we understand that our study is narrowly focused, but that any solutions would have to include a much broader perspective of the state's Medicaid reimbursement system as a whole.

NYS OMH Service Delivery Models and Reimbursement Rates

The current Medicaid reimbursement structure for outpatient mental health services includes basic components: a Medicaid base rate and supplementary payments. The base rate is determined in one of two ways. For free standing providers (Article 31) it is determined regionally with providers in the New York City metropolitan area receiving a higher rate than providers in Upstate New York. Hospital (Article 28) base rates are determined on a cost related, provider specific basis composed of an operating component capped at $67.5 and an uncapped capital component. There are three main supplementary payments, or add-ons:

- Comprehensive Outpatient Programs (COPs),
- Non-COPs, and
- Community Support Programs (CSP).

This study focuses on the COPs and Non-COPs add-ons. However, the State also needs to update the way the base rate is developed as well. The designation of COPs or Non-COPs plays a significant role in determining a provider's available revenue – and in many cases its expenditures. Historically, COPs providers were the providers who received state aid in the 1980s. Today, the COPs designation translates to increased revenue and increased regulatory obligations. COPs providers must adhere to nine specific regulations that include the provision of free care and 24 hour services and the ability to intake consumers from inpatient or hospital settings with 5 business days.

Non-COPs providers are those who did not receive state aid in the 1980s. While they do not have to adhere to the same regulations as COPs providers, they are only expected to adhere to four (4) of the nine (9) specific regulations for which they receive a Non-COPs add-on to help them cover the cost of providing mental health services. The Non-COPs add-ons tend to be nominal compared to the COPs add-on.

Community Support Payments (CSP) fund community based mental health programs that serve the severely and persistently mentally ill (SPMI) population.. CSP add-ons deliver community supports such as psychosocial clubs.

Whether they are provided in clinic or hospital settings, outpatient mental health services in New York State include the following program models:

- Clinic treatment: Traditional outpatient therapy for children or adults, which includes clinical support services, health screening, symptom management and medication therapy.
- Continuing Day Treatment (CDT): Mental health services for adults who need help developing the skills necessary for independent living; CDT visits last longer than clinic visits and occur more often.
- Day Treatment: Mental health services for children who need help acclimating to or re-entering a traditional education setting. Day Treatment visits last longer than clinic visits and occur more often.

The New York Medicaid State Plan authorizes reimbursement for specific services for each of these program models.

Analysis of NYS OMH Data

This report relied on several sources of quantitative data, including:

- Consolidated Fiscal Reports (CF)
- Medicaid Management Information System (MMIS) claims data
- Institutional Cost Reports (ICR)
- Patient Characteristics Survey (PCS) Data

The main themes include:

- Clinic programs shows considerable aggregate losses of $54.5 million, while Day Treatment shows a small deficit of $2.0 million and CDT programs show gains of $5.9 million.
- Eighty nine (89%) of the deficits incurred in the clinic are attributable to 10% of the provider population. However, it is not clear if this phenomenon is due to data quality problems, actual provider performance or a combination of both.
- The ninety percent of the provider population represents 309 programs and accounts for $11.0 million in deficits.
- COPs providers generate almost twice as much revenue per unit as non-COPs providers but COPs providers' expenditures are twice as high leading to slightly greater losses and higher costs than Non-COPs providers.
- COPs providers in the clinic program represent 80% of the providers, render 80% of the services but generate 90% of the Medicaid revenues due to the COPs supplemental payments. Although this is the case, the COPs providers have the highest deficits.
- Variances in revenue and costs are significant between COPs and Non-COPs when comparing clinic programs, but are not as significant in Day Treatment or CDT Programs, which do not utilize an add-on reimbursement rate.
- Net gains and losses are heavily influenced by where a provider is located.
- Variations between providers' costs and revenue indicate huge differences in how providers are controlling costs and billing revenue sources.
- The effects of size and location on provider costs and revenue vary and do not follow a consistent pattern.

Findings and Conclusions

Based on our review, PCG has concluded that the current system of financing and reimbursement must be overhauled completely. Changes to the system should be guided by the physical and behavioral needs of Medicaid enrollees receiving services and the research about the most effective models of care. Any restructuring should be done with the goal of creating a system that is more equitable across the provider community and aligned with the state's mental health and overall health care goals. Our Findings and Conclusions are summarized below.

Findings

Finding 1: Reimbursements, costs and deficits vary substantially among providers.

There is substantial variance in the reimbursements providers receive and in the costs and deficits providers report. The reimbursement variance is attributable to the COPs, Non-COPs and CSP add-ons as well as the inconsistent COLA adjustment for some providers. Specifically, reimbursements for services vary by hundreds of dollars from provider to provider:

- Continuing Day Treatment, 1 hour service for units 1-50: $12.65 to $225.32
- Clinic Regular: $49.64 to $567.25
- Day Treatment, full day - $70.93 to $332.83

Costs per unit of service vary considerably with some providers' expenses reported as being thousands of dollars higher than those of other providers. Even when the top 5% and bottom 5% outliers are removed from the analysis, because we question the accuracy of the reported data, expenses vary over $200 per unit.
The average cost per unit follows:

- Continuing Day Treatment-$19.28
- Clinic Regular-$122.55
- Day Treatment-$67.40

Provider gains and deficits vary considerably with some providers reporting over $13 million in losses while others report over $2 million in net gains. While some of this variation may be attributable to poor data, when outliers are removed losses and gains ranged from ($1.5 million) to $2.3 million.

Finding 2: The current reimbursement system is complex and is not transparent or easily understood by providers.

Providers feel the system is arbitrary, has negative cash flow impacts on their business practices and is difficult to manage. For example, providers are required to estimate and set aside any over allocation of rate supplement funds that could be recouped by the state on an annual basis.

Finding 3: New York State collects a significant amount of detailed data from providers.

Through the CFR and ICR reports and the Patient Characteristics Survey, the State collects a significant amount of data from providers that can be utilized in the development of a reimbursement methodology and later in ongoing reimbursement updates. Although the infrastructure is comprehensive, there are some issues of data quality and comparability that would need to be addressed if the data were to be used for this purpose.

Finding 4: Providers recognize the importance of Quality. Providers are conducting various continuous quality improvement (CQI) initiatives and are measuring various outcomes.

Many providers are taking part in the state's continuous quality improvement (CQI) initiative for which they receive additional reimbursement. Additionally, many providers have established their own quality initiatives. The degree to which quality measures are implemented varies by provider, with many larger

providers employing a dedicated quality assurance staff and smaller providers relying on administrators to fulfill that role.

Finding 5: There are several cost drivers that significantly impact clinic, CDT and day treatment.

Provider costs are impacted by many factors that include, but are not limited to: geographic location, client need and characteristics, staffing models, productivity and no-show clients, provider size, and the provision of non-reimbursable services, as well as serving Medicaid Managed Care and uninsured consumers.

Finding 6: In total there was a 50.7 million net deficit for the agencies and programs included in this study. (346 out of approximately 455 in the New York State mental health reimbursement system).

Providers reviewed reported an overall program deficit on their cost reports. The $50.7 million includes state and local net deficit funding of $25 million reimbursed to the providers included in this study. (The deficit is $75.7 million when the state and local net deficit revenue is removed.) Even when the outlier providers (10% of the top) are excluded, the remaining 90% of providers have an $11.4 million net deficit for all of the programs combined. The loss appears to be based on a combination of uncompensated care and limits and rate inadequacies by Medicare, managed care companies, and other insurance programs.

Finding 7: Providers are performing Medicaid outreach services to increase client enrollment in Medicaid.

Although they are not required by NYS OMH and are not currently billed to Medicaid administration, some providers perform outreach services to clients, including providing Medicaid informational material, assessing clients for Medicaid eligibility, and helping set up appointments with Medicaid eligibility workers.

Finding 8: New program funding, changes to state law, and changes to the SCHIP program will reduce the size of the un- and underinsured population.

Recent changes in funding, law and policy in New York State will impact the availability of funding to support mental health services. Timothy's law the expansion of Child Health Plus and the removal of administrative obstacles to Family Health Plus will increase the amount of private insurance and Medicaid/State Children's Health Insurance Plan coverage available to mental health clients and thereby decrease the pressure of the un- and underinsured population on mental health providers.

Finding 9: Providers cited difficulty in recruiting appropriately licensed staff, particularly in specialty areas.

Providers say they have a difficult time recruiting appropriately licensed staff, particularly in specialty areas such as children's psychiatry and bilingual staff. Providers cited low salaries/salary competition, tough work environments and fewer licensed providers than actual demand as impacting their ability to recruit and retain staff. The staff recruitment problem is exacerbated among providers who serve large Medicaid Managed Care populations because many Managed Care Organizations have higher standards for provider qualifications than the state Medicaid program. These problems are compounded by the fact that rates have not kept pace with increasing costs.

Finding 10: The existing reimbursement system has not kept up with changes in the delivery system. It does not have a process in place to adequately adjust the baseline from which funding add-ons were originally calculated.

The initial funding calculations that determined the amount of the provider-specific "add-on" payments were largely based on the overall financial performance and funding sources of the provider in the 1989 base year and its designation as either a COPs or Non-COPs provider. There is no mechanism within the system to rebase these add-on payments to maintain a consistent relationship between costs and funding at a provider level. As a result, inequities among like providers have become significant over an 18 year period.

Finding 11: Providers indicate that the distinctions differentiating providers have narrowed since the original funding formula was developed.'

Over the years, services offered by various providers have become more comparable, consumers served and payer types have become more consistent across providers. As a result, anecdotal evidence suggests that the distinctions that originally separated some types of providers have disappeared.

Finding 12: If the resources in the existing system were redistributed, a significant increase in the clinic base rate could be financed.

The current rate structure roughly reflects the average cost of services but is disproportionately distributed. Hypothetically, an average per visit increase of approximately $70 could be supported if all current add-ons were evenly distributed.

Finding 13: Low Medicaid managed care reimbursement and the subsequent addition of the COPs add-on managed care reimbursement has eroded the financial health of providers and created a duplicative, costly state payment mechanism.

Individual providers must negotiate the Medicaid managed care rate with the managed care organization. For COPs providers, the COPs add-on amount is paid separately to the provider for outpatient services provided to a Medicaid managed care consumer. This system exacerbates financial strain on the system both by providing a reportedly insufficient payment to providers and by eliminating state savings gained through a managed care capitation.

Conclusions

As New York State moves forward in considering whether to restructure its Medicaid reimbursement methodology for outpatient mental health services, there are a number of items the state should consider. First and foremost, the state should consider how outpatient mental health services fit into the state's overall health care policy objectives. Second, it should create a system that is based on validated, consistent and up-to-date data. By ensuring consistent data collection and using the most current data available, the State of New York could create a reimbursement system that is based on current costs. The state can also use this opportunity to tie the reimbursement methodology more closely to the mission and goals of NYS OMH.

The new system should also give due consideration to the following reform principles and ideas for redistribution of resources:

- Medicaid payments should address the reasonable and necessary cost of providing services to Medicaid enrollees.
- Medicaid payments must take into account the multiple needs of individuals requiring mental health services, including integration with general health care, substance abuse, and mental retardation services.
- The payment method should be built on an econometrically sounds basis, taking into account differences in provider service type, case mix, service intensity, geography and volume.
- Financial incentives must be aligned across facility licenses and settings.
- Add-on payments should be eliminated. The savings should be reinvested into a new payment structure that takes case mix into consideration and that would apply to all providers.
- NYS OMH should consider the use of more appropriate, HIPPA-compliant codes, where the type and amount of services delivered are consistent with CPT-4 definitions.
- Further consideration should be given to the development of incentive payments that tie to measurable indicators of quality, such as outcomes accountability, individualized services, and overall responsibility for the client.
- The state needs to recognize the need for indigent care and should consider developing an Indigent Care Pool, which would address issues related to net deficit financing and wrap-around services. Indigent care payments to providers should be based on the relative percentage of uninsured patients in their caseload.

2010-2011 Office of Mental Health Update and Executive Budget Testimony

Governor Paterson's Executive Budget Recommendation for the Office of Mental Health (OMH) for 2010-2011 is tough and fair. It institutes key reforms to put New York on the road to economic and fiscal recovery. It demands that OMH remain focused on finding solutions to many challenges in mental health care and to maintain a high quality of care. If we maintain focus, the resources the Governor has proposed are adequate. But, there is little margin for error, and no room to reduce the Governor's Recommendation. In this testimony, I will outline why mental health care is so important for New Yorkers, highlight progress we have made, and discuss the challenges we face to implement this Budget.

Mental Illness is Widespread and Disabling

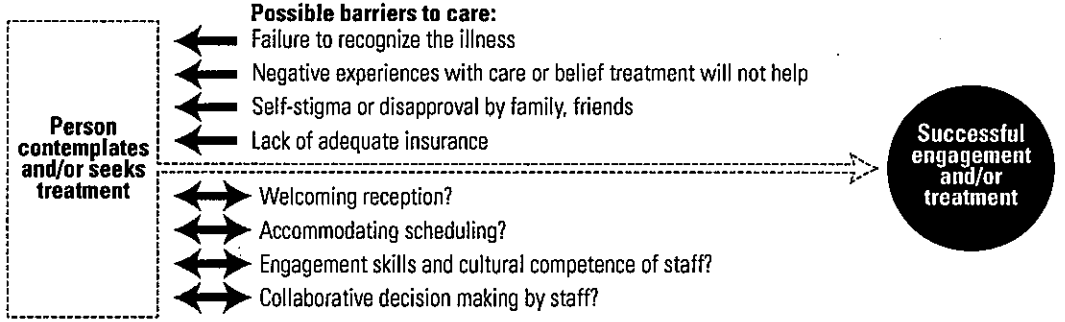
Mental disorders are common. Every year, more than one in five New Yorkers has symptoms of a mental disorder. In any year, one in 10—adults and children—has mental health challenges serious enough to affect functioning in their family, at work or school. Mental illness accounts for more than 15 percent of the burden of disease (total cost), exceeding the disease burden caused by all cancers.

Despite these compelling facts, the stigma of mental illness—and the discrimination that results—continues to hinder treatment and stands in the way of an adequate response. Getting good care is often like running a series of hurdles. The obstacles include symptoms that can reduce one's ability to recognize the problem, the stigma attached to receiving treatment, insurance limits, challenges in finding the right therapist or treatment, and staying engaged in care when relief does not come quickly.

In any year, one in 10 New Yorkers—adults and children—has mental health challenges serious enough to affect functioning in one's family, at work or school.

Successful engagement and or treatment is anything but assured

Some of the factors contributing to the difficulties of engaging in treatment



These barriers add up. On average, in the United States, people enter care nine years after problems first appear. We also now understand the significance of mental health problems as the leading health challenge for children; half of all lifetime cases of mental illness begin by age 14, while three-quarters begin by age 24. Mental disorders that appear early on, when left untreated, are associated with disability, school failure, teenage childbearing, unstable employment, marital instability, death by suicide, and violence.

Delays in entering care, or not receiving it at all, result in staggering invisible costs of mental illness. Nearly $200 billion is lost in reduced earnings due to mental health problems each year nationwide. The excess costs of untreated or poorly treated mental illness in the disability system, in prisons, and on the streets are part of the mental health care crisis. We have been spending too much on treating mental illness in its debilitating late stages, and not enough in early and effective care.

Despite the difficult times we are in, addressing the cost of mental illness must be part of New York's recovery agenda. We must sustain safe, quality care while controlling costs. We must continue reforms that improve quality, fairness and accountability. The underpinnings of good care are early access, clinical and cultural competence that considers individual needs, continuity and integration of care, and a focus on practical goals (helping people to live, learn and work productively in their communities) rather than just treating symptoms.

The Core Mission of OMH: Sustain the Mental Health Safety Net

The majority of people in New York who find treatment for their mental health problems do not receive it in State psychiatric hospitals or even in OMH operated, funded, or regulated program. Instead, individuals often see private therapists, rely on self-help and peer support, or simply receive medication treatment from pediatricians, geriatric specialists or other primary care physicians. Sometimes these alternatives are sufficient. For those people whose illness is complex or results in substantial disability—or for those who lack insurance coverage or have inadequate mental health benefits—more is often required. This is where the OMH "safety net" is essential.

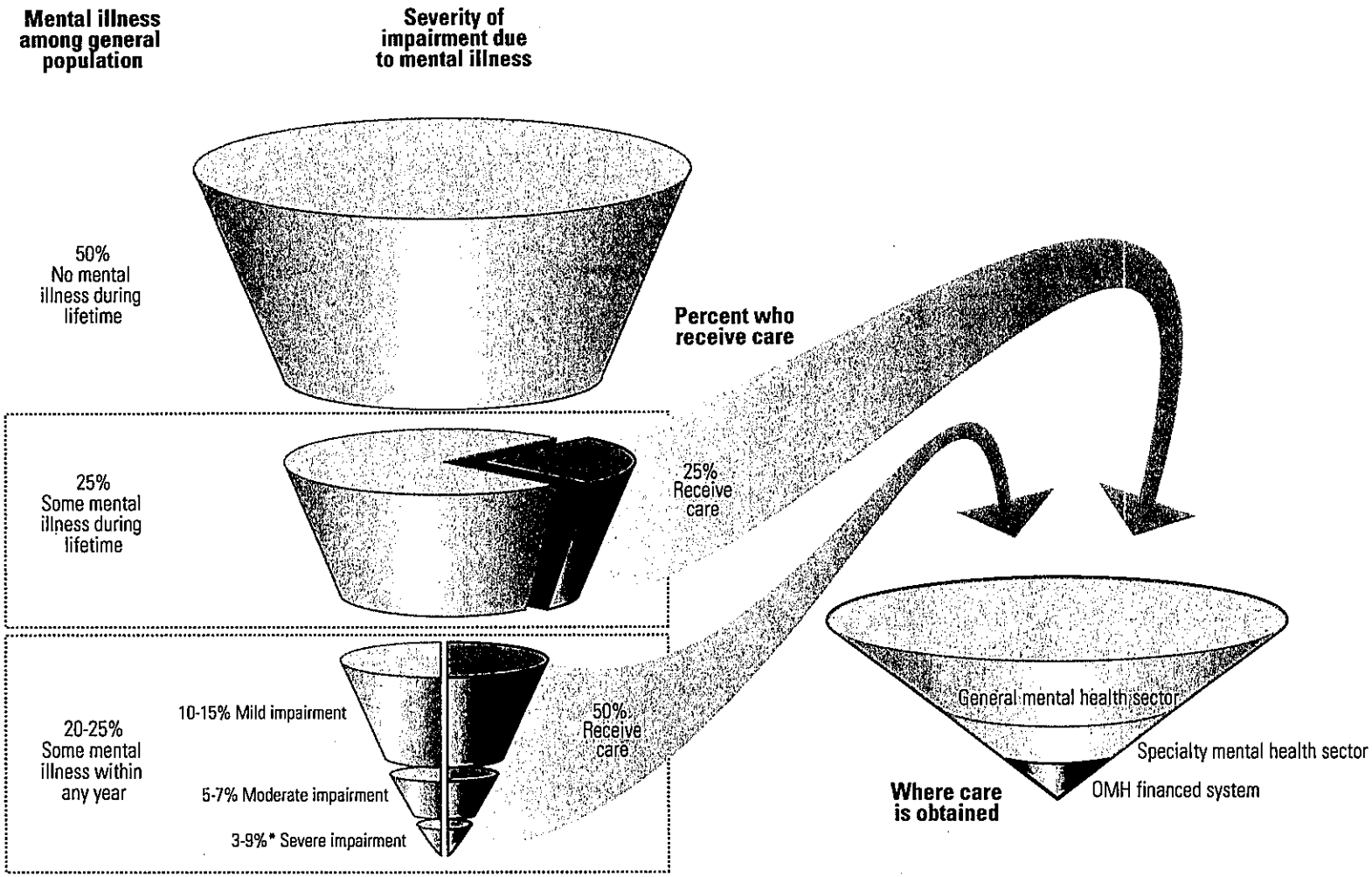
The OMH Safety Net Provides Care for People Most Affected by Mental Illnesses

When people with mental illness cannot afford private care or when the illness results in disability, people tend to "fall into" the safety net of programs operated by non-profits, counties, hospitals and the State. The core mission of OMH is to sustain and build this safety net for adults living with serious mental illness, and children and youth with serious emotional disturbance. This role is consistent with the central role of government: to provide support for those who need it most. In tough times, when rates of mental illness and suicide increase and private care can be less accessible, this challenge is urgently important.

The OMH "safety net" is essential for those people whose illness is complex or results in substantial disability—or for those who lack insurance coverage or have inadequate mental health benefits

While mental health care in the general medical sector is more convenient and less stigmatizing, it is not always available and does not always work. Part of OMH's role is to encourage and support the larger health system to do its job with respect to mental health care. Medical doctors are often neither trained nor reimbursed adequately to provide the best care for mental illness. Our work with the American Academy of Pediatrics, as a part of The Children's Plan, illustrates this priority. While working to improve access to mental health care within the health system is timely given Timothy's Law and possible national reform, our most fundamental priority is to sustain an accessible and competent public mental health system.

Patterns of mental illness and mental health care



* Rate for children is 5-9%. Rate for adults is 3-5%.

Governor Paterson's 2010-2011 Budget Proposal Sustains the Mental Health Safety Net

The Governor's Budget, while imposing significant savings, is sufficient to preserve the essential services that make up the mental health safety net, both with respect to State-operated facilities and local assistance/community programs. The core of this approach is:

1. Providing adequate resources to maintain quality and access in State-operated hospitals and outpatient programs, including those serving inmates in Department of Correctional Services (DOCS) prisons
2. Providing Local Assistance resources including Medicaid support to allow us to reform and sustain outpatient clinic services, to convert other outpatient programs to the Personalized Recovery-Oriented Services (PROS) model, and to preserve housing programs that provide a foundation for recovery

OMH has already taken substantial cuts since 2008 and as part of the Deficit Reduction Plan in 2009-2010. Fortunately, we have been able to manage those cuts carefully and few programs have been seriously impacted. While poor access to care is a problem, we have worked hard to prevent further erosion, making support for Governor Paterson's Proposed Budget for OMH all the more imperative.

Mental Health Update: Sustaining Quality and Reform in Tough Times

Our mental health system faces the greatest challenges of its time. Yet, the work of helping people recover from illness and build meaningful, productive lives in their communities goes on. While this Budget initiates no new services, it will not seriously disrupt or stall the essential reforms that are under way in New York.

Improving the Productivity and Focus of OMH Hospitals

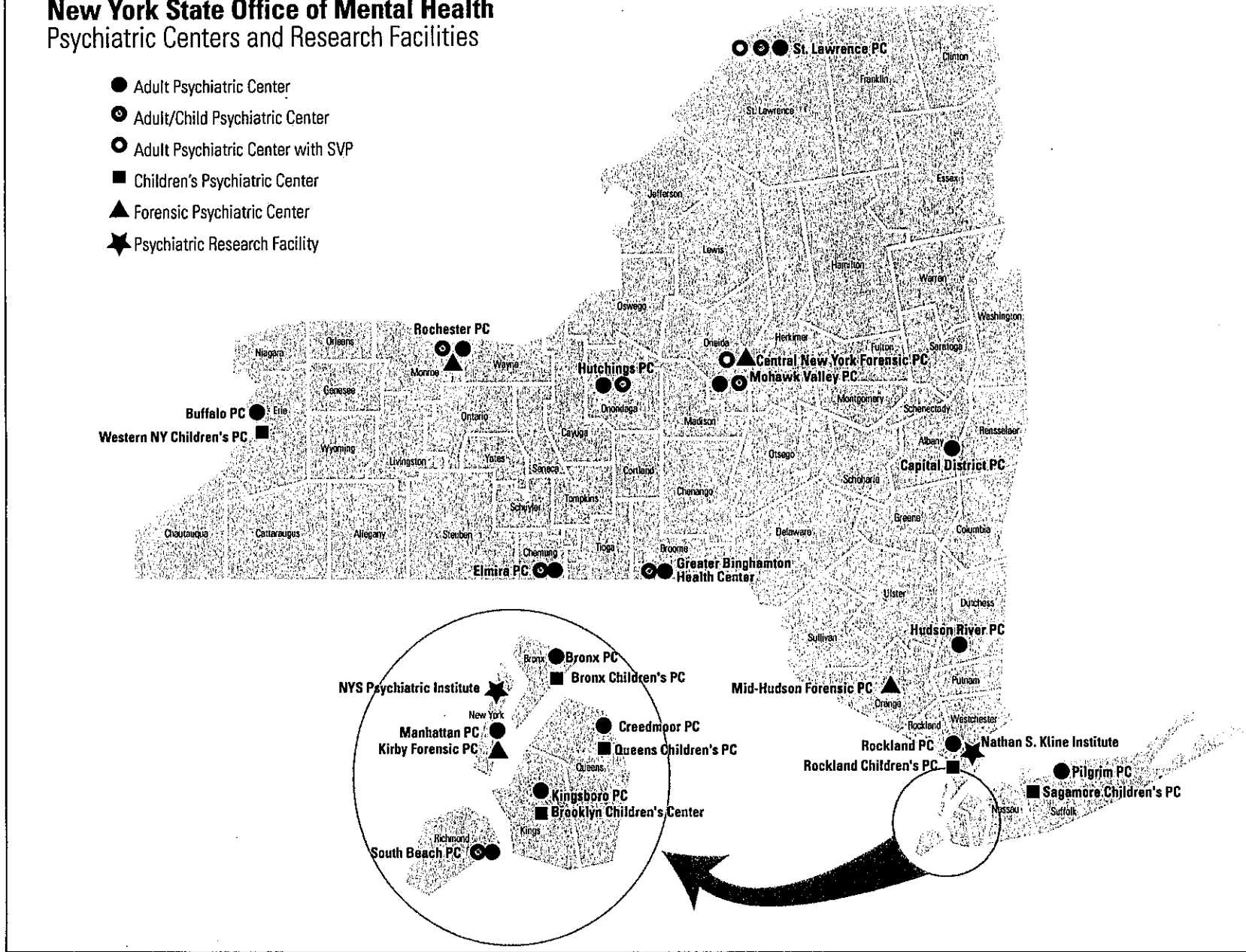
Over the past 50 years, the public mental health system in New York has evolved from one dominated by large State psychiatric hospitals serving a tiny fraction of those with serious mental illness, to a highly dispersed system of non-profit organizations, county mental hygiene departments, and State and private hospitals serving about 650,000 individuals yearly. Currently, OMH funds and/or licenses more than 2,500 mental health programs operated by local governments and private agencies. They provide outpatient, inpatient, emergency, residential, community support and vocational care and services.

OMH is the only State agency to operate a substantial network of accredited hospitals serving children, adults and court-involved (forensic) patients—all with the most intractable mental illness. These hospitals (psychiatric centers) provide both inpatient treatment and community care programs that serve as a backup to local community programs. (Within the DOCS-run State prison system, OMH provides hospital care at Central New York Psychiatric Center and outpatient programs within many DOCS facilities.) Most OMH State operations resources are devoted to adult services, with a capacity of about 3,600 current hospital beds and more than 20,000 individuals cared for in community programs.

Overall, New York seeks to meet most of the need for brief hospital care in general hospital units; the OMH facilities provide "backup" intermediate- and long-term care that represents the ultimate safety net. This division of labor is encouraged by Medicaid rules that reimburse psychiatric care for adults within medical centers, but not within State-operated or Article 31 psychiatric hospitals. Access to hospital psychiatric care when it is most needed—in the context of acute illness—is at risk in today's health care environment. Mental health care is often not valued or reimbursed on an equal basis within hospitals, and there is an emerging trend among general hospitals to close psychiatric units. OMH is responding to this challenge by improving access to its State hospitals.

Last year, OMH began a series of focused actions to improve the efficiency and productivity within its hospitals and to increase access to acute care. It built on successes from 2008 where admissions to adult hospitals increased modestly, while showing a decline in census. During 2009, adult hospitals admitted 4,644 individuals into about 3,600 beds. This

New York State Office of Mental Health
Psychiatric Centers and Research Facilities



represents 425 more admissions than in 2008, an increase of 10.1 percent (and an increase of 27.8 percent over the 3,634 admissions in 2007). These gains have occurred with fewer beds and with substantial reductions in overtime among staff, reflecting increased productivity and efficiency in hospital operations.

These gains in access have occurred in part by reducing very long-term hospitalization (lasting over a year), which is extremely expensive and often counterproductive. People who are long hospitalized can become dependent on institutional life. OMH is addressing this challenge in part via a new residential approach in many of the adult psychiatric centers. The Transitional Placement Program (TPP) is designed to aid the transition to community care for persons who have received maximum benefit from inpatient treatment, but need help moving to community care. By the end of this fiscal year, we will have converted 325 hospital unit beds to TPPs; the 2010-2011 Budget Recommendation calls for further limited development of transitional capacity. In addition to OMH efforts to increase access to hospital care, we are working with the Department of Health (DOH) to revise Medicaid hospital inpatient reimbursement so that it is fairer and rewards good care.

OMH is also working to improve the focus, effectiveness, value and efficiency of its hospital-operated community services. We are working with local mental hygiene directors and others to ensure that outpatient programs deliver value and are complementary to services provided by community agencies.

Sustaining the quality of care in these times is very difficult. Moerover, while additional constraints have been imposed, OMH is coping with eroded staffing, challenges in recruiting and retaining psychiatric nurses and psychiatrists, leadership retirements, increased service expectations, and tougher accreditation/certification expectations. OMH is now engaged in intensive review of the quality, staffing and leadership in every hospital to allow us to meet these challenges. The Governor's Proposed Budget for 2010-2011 will allow us to sustain and strengthen vital hospital services.

Reforming Mental Health Clinic Financing

OMH continues to focus on financing reform in tandem with improving service delivery. Our immediate challenge is implementing reform in the financing of mental health clinic services, as required by the 2009-2010 Budget. The current clinic approach is outdated and out of step with quality expectations. It necessitates changes to adhere to federal billing and Medicaid requirements. Thus, reform is needed for quality, fairness, and consistency with federal requirements and for sustaining current investment levels. It will support an improved model of care, which was designed with significant stakeholder participation and input at every step of the way.

The reform plan encompasses five key elements:

1. *Redefined and more responsive set of clinic treatment services and greater accountability for outcomes*
   Clinic care is a level of care analogous to that provided by physician practices or medical/health clinics in the health system. Within this level of care, specific services that are encouraged and reimbursed include outreach, evaluation, individual and group therapy, and medication management. Clinic treatment—like primary care

Discreet Clinic Services Reimbursement APG Methodology

Required Services
- Outreach and Engagement
- Initial Medical Assessment/Health Screening
- Psychiatric Assessment
- Crisis Intervention
- Psychotropic Medication Administration
- Psychotropic Medication Treatment
- Psychotherapy (individual/group/family/collaterals)
- Complex Care Management

Optional Services
- Psychotropic Medication Administration for Children
- Developmental and Psychological Testing
- Wellness Screening and Monitoring (to reduce co-morbid illness risk associated with mental illness and its treatment)
- Offsite Psychiatric Consultation

in the health system—is the foundation of the mental health system, which includes other services, such as case management, vocational support and inpatient care. Paying for those specific services that are needed within clinics is a dramatic improvement over the current "threshold visit" method, which makes payments that are consistent for widely variable services within a clinic, but inconsistent for equivalent services across different clinics.

2. *Increased, consistent Medicaid clinic rates and phase out of "COPs"*
The complex Comprehensive Outpatient Services (COPs) supplemental rate strategy was developed about 20 years ago to provide Medicaid coverage as an alternative to general fund budget cuts. COPs is a complicated "workaround" that has become a dominant and dysfunctional financing model. Under reform, payments will be comparable for similar services delivered by similar providers, adjusted for the cost of providing services. Called Ambulatory Patient Groups (APGs), the new outpatient reimbursement methodology parallels the same methodology for medical outpatient services and provides for necessary consistency across outpatient programs supported by DOH and the Mental Hygiene agencies. Payments targeted to costs and service intensity will replace the mental health "threshold visit" methodology for reimbursement, under which physician and therapist services, as well as complex assessments and simple interventions, have all been paid at the same level in the same agency (with widely variable payments for equivalent services in neighboring clinics).

3. *HIPAA-compliant, procedure-based payment system*
The federal Health Insurance Portability and Accountability Act (HIPAA) sets national standards for electronic health care transactions and billing. Under reform, billing for clinic services will be HIPAA compliant. Reform will allow payment to reflect differences in costs for services, such as those offered during night and weekend hours or in languages other than English.

4. *Managed care underpayments*
Medicaid managed care, Family Health Plus and Child Health Plus (CHP) plans frequently underpay for mental health clinic services. The average managed care payment for clinic services is approximately one-third to one-half of actual cost. This is significant because Medicaid managed care alone (not including CHP) represents 12 percent of clinic visits, a figure that will grow as the State expands managed care enrollment. To ensure continued access to clinic services, OMH is working with DOH to address payment and access issues for consumers in health plans.

5. *Indigent care provisions*
Assuring access for the uninsured to mental health clinic services is essential. As part of restructuring, the State has formally requested a federal match for the existing State-funded indigent care pool for Diagnostic and Treatment Centers. Under the waiver, access to reimbursement for indigent care will expand to include freestanding OMH-licensed mental health clinics. Funding from the pool will support care to uninsured middle class and working poor individuals and families who receive care at OMH-licensed clinic sites.

The new reform plan begins this spring and will be phased in over four years, very gradually replacing COPs. This gradual phase-in provides time for providers to adjust. It will also allow for assessment of impact and for OMH to make any necessary "mid-course" corrections.

As necessary reform of OMH payment for clinic services proceeds, the mental health community remains concerned about the ability of families with private insurance and those with no insurance to access mental health services for themselves and their children. Timothy's Law and federal parity requirements have helped, but many barriers still exist. Insurers must do a better job of assuring access to needed mental health services.

Urgent Services Priorities

Three areas of intense concern and activity are the emotional and mental health of New York's children (which we address through The Children's Plan), reducing fragmentation and improving service integration, and housing for people with a mental illness, where efforts are sustained by the Governor's Proposed Budget.

Implementation of The Children's Plan

In August 2009, Governor Paterson signed an amendment to the Children's Mental Health Act of 2006 that reflects the evolving nature of the Plan from one that focuses solely on mental health to one that takes into account a more holistic view of children's social emotional development and learning. The amendment recognizes and makes formal the involvement of the nine State child-caring agencies and family and youth partners and places the role of coordinating the specific recommendations of the plan within the Council on Children and Families (CCF). It underscores the importance of creating shared approaches across systems of care that strengthen social emotional development, promote resilience, and prevent mental health problems from developing later in life.

Legislative support is crucial to implementing The Children's Plan and to reform of children's services. Through interagency and stakeholder collaboration, we are making strides—from offering training and support to pediatricians and other primary care physicians so they may better identify and treat children with serious mental health challenges to fostering strong youth leadership that gives rise to the youth voice in policy development and service provision across child-serving systems.

Implementation of the Plan benefits from the leadership of CCF, and the ongoing guidance of the State Commissioners' Committee on Cross-Systems Services for Children and Youth. Senior staff from participating agencies meet monthly between the quarterly meetings of the Committee and oversee day-to-day implementation of the nearly two dozen modestly funded, cross-system Children's Plan initiatives. These efforts aim to strengthen child and family resilience and reverse patterns of maltreatment, neglect, school expulsion, academic failure, violence, substance use, institutionalization and premature death. As part of the OMH contribution to this ongoing effort, we will be gradually phasing in family support services to Child and Family Clinic-Plus this year. These services are crucial in helping parents navigate the intricate system of care and partner with clinical staff; their implementation has been phased back, in recognition of the difficult budget environment.

> There is strong evidence linking social-emotional health in the early childhood years (birth to 6) to subsequent school success and health in preteen and teen years, and to long term health and wellbeing in adulthood. However, research also shows that effective programs that address social-emotional health early in life can promote resilience and actually prevent mental health problems later in life.
>
> — *National Center for Children in Poverty*

Two major initiatives begun this year to advance goals of The Children's Plan are:

- *Creating Promise Zones*
  "Promise Zones" are community collaborations in which local school districts partner with State and local child-serving agencies to create healthy and engaging learning environments, with a focus on the highest-need schools. The major goals are to reduce absences, truancy and classroom incidents, while providing teachers with more time for student learning and better educational outcomes. OMH, CCF, the State Education Department, Office of Children and Family Services, and Division of Criminal Justice Services are working with schools in Buffalo, Syracuse and the Bronx to develop plans to support and replicate Promise Zones in their communities.

- *Promoting education and consultation services for pediatricians and primary care physicians*
  OMH has formed a partnership with DOH, American Academy of Pediatrics, American Academy of Family Physicians, and the New York State Conference of Local Mental Hygiene Directors to implement the first phase of a planned statewide program comprised of three interrelated services. These include child and adolescent psychiatric consultation, linkage with community-based services, and pediatrician and primary care physician training and education. The intent is to respond to the shortage of child psychiatrists and create a solid platform statewide for better identifying, treating and making appropriate referrals to specialty care for children with social emotional challenges and their families.

Better Integration of Care and Focus on Wellness

People with mental illness get other illnesses and diseases as well. These other health problems, however, are even more challenging to individuals with serious mental illness. Nicotine dependence, lung and cardiovascular disease, obesity, hyperlipidemia and other effects linked to psychiatric medication treatment are not unusual. Moreover, people with the most serious mental illnesses can fall through the cracks between multiple providers and experience lapses in care that put them at even greater risk of bad health outcomes. For these reasons, OMH has continued efforts to better integrate care. A number of projects continue to address these urgent concerns, including:

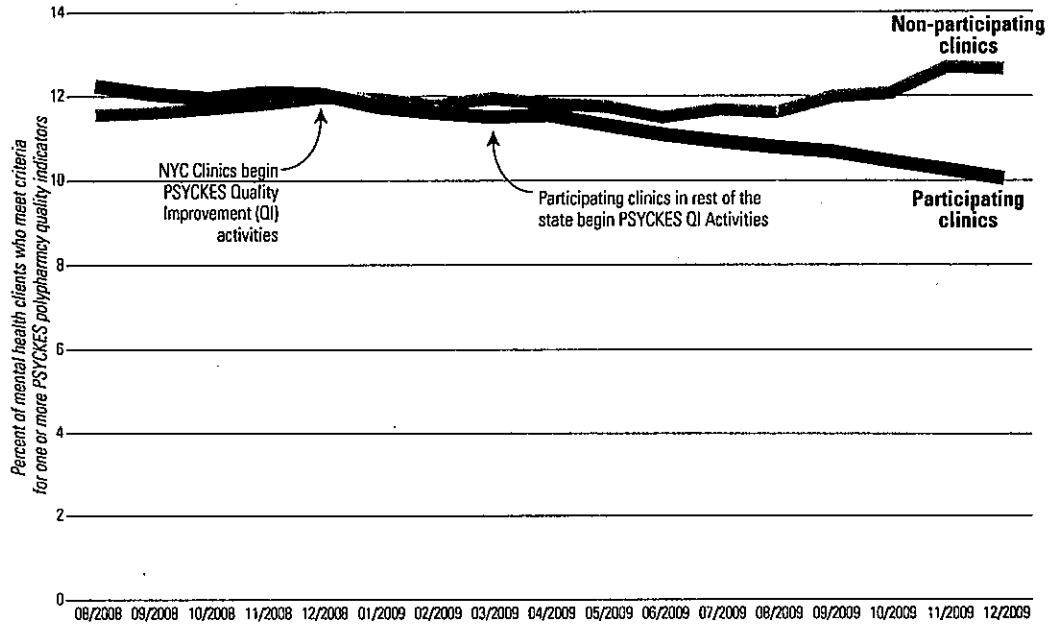
- *Coordination of care pilot projects*
  The Proposed Budget continues funding for care coordination pilot programs in New York City and Western New York. Integrated Wellness Partners is leading the City program in partnership with ten major behavioral health providers. The intent is to create a recovery-based approach to integrating mental health and health care delivery so that it is cost-effective and leads to improved health outcomes.

  The Western New York Care Coordination Program works toward the same goal. Recent progress includes streamlined application processes for case management and housing services; preparations to introduce complex care management for 400 persons with intensive mental, physical and chemical dependency needs; and development of fiscal incentives for achievement of quality care and fidelity to person-centered care.

  Other important care coordination projects are also taking place across the State. They include two major pilot programs funded through the Geriatric Mental Health Act. Gatekeeper demonstrations in three counties are helping to identify and connect to services at-risk older adults. Seven programs are examining integrated care models with the co-location of mental health specialists within primary care settings or improved collaboration between separate providers. The demonstrations seek to fully utilize Medicare resources to meet the health services needs of older adults.

- *Improved prescribing practices*
  In partnership with DOH, OMH continues strong leadership in the delivery of quality medication prescribing practices based on the latest scientific knowledge. The vehicle for this effort is the Psychi-

Declining use of two or more antipsychotic medications among Medicaid mental health beneficiaries in clinics participating and not participating in PSYCKES quality improvement activities



atric Clinical Knowledge Exchange System (PSYCKES), a nationally recognized clinical decision-making and quality improvement tool now in use among State-operated psychiatric hospitals and nearly 350 licensed outpatient clinics serving Medicaid beneficiaries. Using Medicaid data, clinicians are focusing on the appropriate use of multiple medicines to manage serious mental illness and the reduction of risk from cardio-metabolic conditions associated with medication use, including diabetes, obesity, hypertension, and elevated lipid levels. Continuing medical education courses are guiding clinicians in providing quality care and contributing to improved health and mental health outcomes for persons with serious mental illness.

Currently, a consumer version of the tool, called MyPSYCKES, is under development to enable individuals to be full, effective participants in their mental health care. It will provide them with access to their personal medication histories and an online library of health and mental health resources. External funding has been secured to support testing and implementation of MyPSYCKES, which should aid consumers in discussing the pros and cons of specific medications, use of medication therapy to enhance recovery goals, and the detection and management of side effects.

- *Intensive care monitoring*
  In the wake of several highly publicized violent incidents involving individuals with mental illnesses, the New York State Governor and New York City Mayor convened a panel in 2008 to examine such cases, consider opinions of experts, and recommend actions to improve services and promote the safety of all New Yorkers. The Panel recommended the development of a database to monitor and follow-up on problems in care—for instance, frequent use of emergency department care—for people with substantial histories of mental health care who could benefit from intensive care.

  Over the past year, the New York City Mental Health Care Monitoring Project has identified risk groups for screening, created a data system to flag gaps in services, engaged with an expert behavioral health organization, built support with stakeholders and the community, and launched its first borough care monitoring team in Brooklyn. Between April and June 2010 a second team will launch, an ensuing project evaluation will guide program modifications, and in January 2011, the project will operate fully in the five City boroughs.

Care Monitoring in Action—An Example

A recipient who received case management services in early 2009 had no record of recent outpatient mental health services. When contacted by the Care Monitoring Team, the case management program indicated that the client left services to move to another state. It had not confirmed, however, that the recipient made the transition to a new provider.

The case management program followed up with the individual who had since returned to New York and was homeless and living in a van. The recipient expressed gratitude for outreach and indicated a desire to re-engage in services. The recipient is now in services with the program.

- *Enhanced care coordination for persons enrolled in health maintenance organizations (HMOs)*
  DOH and OMH continue their collaboration to improve care for people in HMOs who receive community mental health care. The collaboration, which extends to plans and providers, is examining the adequacy of care networks, appropriateness of reimbursement patterns for providers, and coordination of mental health and other health care. This work is especially important because of the vital need to address the co-morbid illness and complex needs of people with serious mental illness.

- *Improving care for people with co-occurring mental health and alcohol/drug problems*
  People with dual disorders have a much better chance of recovery from both disorders when they receive integrated mental health and substance abuse treatment from the same clinician or treatment team. Success, however, hinges on having care delivered by either mental health or addiction treatment providers who have the right training and support. Both State agencies continue to promote integrated care, and provide ongoing guidance on how it can be

done in both OMH- and OASAS-licensed settings. The New York State Health Foundation has provided funding for the Center for Excellence in Integrated Care (CEIC) which is providing technical assistance to providers. Governor Paterson's Budget provides resources to allow this important initiative to continue, by supporting the hands-on training that mental health providers must have to treat co-occurring substance use problems, and vice versa.

Expanding and reforming housing

Demand continues to outstrip the supply of affordable housing in New York for persons with serious mental illness. While the State has led the nation in creating housing solutions (with about 33,000 units), we are now in a very challenging environment. Our successes have been substantial: the internationally recognized "Housing First" approach, single-room occupancy supportive housing programs, and the New York/New York housing agreements. Stable housing linked to supports provides a foundation that helps people with serious illness succeed, engage in treatment and community life, and recover.

The link between disability and housing problems is glaring. People with serious mental illness and disability often must rely upon Social Security Income (SSI); this contributes to their being among the poorest people in New York and nationally. In 2008, the annual income of a single American receiving SSI was nearly 30 percent below the federal poverty level of $10,400. Between 1998 and 2008, the gap between housing rents and SSI increased markedly by 62 percent for a modest one-bedroom unit and 71 percent for a studio apartment. In fact, the average percent of SSI needed to rent a single-room unit in New York in 2008 was 141 percent and 129 percent for an efficiency unit. Between 2002 and 2007, according to the Furman Center at New York University, the supply of housing affordable to low-income individuals (not the very poor, but those with incomes less than about $24,000 annually, almost three times as much as SSI Level I provides) in New York City fell by about 10 percent or 40,000 units. Tellingly, this loss of affordable private housing units in NYC was greater than the supply of all OMH-supported housing and residential programs statewide (about 33,000 units/beds). The result of this erosion in the housing market is that thousands of persons with serious mental illness have trouble finding places to live in the community.

> The lack of decent, safe, affordable, and integrated housing is one of the most significant barriers to full participation in community life for people with serious mental illnesses.
>
> The shortage of affordable housing and accompanying support services causes people with serious mental illnesses to cycle among jails, institutions, shelters, and the streets; to remain unnecessarily in institutions, ...to live in seriously substandard housing [or to be] repeatedly homeless or ...homeless for long periods of time.
>
> — *2003 New Freedom Commission on Mental Health*

Reducing reliance on more costly traditional mental health housing models and improving the supply of supportive housing are top priorities for OMH. We maintain our strong collaborations to pursue joint development of mixed-use housing with the State Housing Financing Authority (HFA), the Division of Housing and Community Renewal (DHCR), and the provider community. This past year, supportive housing rental units for persons with psychiatric disabilities opened in several communities. Governor Paterson's Proposed Budget does as much as possible in this difficult budget environment to continue momentum in mental health housing development. It provides the resources needed for newly established housing programs and those that are under development under the New York/New York III agreement or are shovel ready. No new housing programs are proposed. The Governor's Executive Budget also recommends resources (about $1M—the only new initiative in the OMH Budget) to commence assessments and education of individuals with psychiatric disabilities living in adult homes, as the first year of a proposed multi-year remedial plan responding to a federal court decision.

In 2008, the annual income of a single American receiving SSI was nearly 30 percent below the federal poverty level of $10,400.

Continuing Efforts: Interagency Coordination and Collaboration

As crucial is our collaboration with DOH, so too are a number of other interagency partnerships. They point to the reality that people with mental illness are served by many of our State agencies—education, health care, social services, housing/homelessness, disability/income support, criminal justice/probation and others. The collaborations extend beyond each single agency, involve others with a stake in the outcomes, and lead to solutions that exceed what any one participant may have seen as possible.

Collaboration among Mental Hygiene Agencies

The "People First" forums of 2007 continue to serve as a firm foundation for essential work taking place among the three Mental Hygiene agencies—OMH, OASAS, and OMRDD—under the auspices of the Inter-Office Coordinating Council and its Chair, OASAS Commissioner Carpenter-Palumbo. Under its umbrella, the Mental Hygiene County Planning Committee, in collaboration with the Conference of Local Mental Hygiene Directors, is promoting a more efficient and uniform local services planning process that links more closely local governmental and State planning.

The Most Integrated Setting Coordinating Council (MISCC) continues to work diligently under Commissioner Ritter's leadership to better address the housing, employment, and transportation needs of New Yorkers with disabilities. In collaboration with the MISCC Employment Committee, the Burton Blatt Institute at Syracuse University and the Employment and Disability Institute at Cornell University, New York State has been awarded over two years a $12 million Medicaid Infrastructure Grant. The award, made available through OMH, is helping to remove obstacles and develop pathways to employment for all New Yorkers with disabilities. Called "New York Makes Work Pay," the initiative intends to improve the rate of employment dramatically for these individuals.

> Collaboration is a process through which people who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible.
>
> — *Building a Collaborative Workplace*
> *www.anecdote.com*

Criminal Justice Collaborations

Studies find that contact with the criminal justice system for people with serious mental illness is a burden on the law enforcement, court, and corrections systems. Our goal is to ensure quality care for persons who are incarcerated and have serious mental illness, while improving our community response to people with mental illness who have contact with the criminal justice system—across the continuum from first contact with law enforcement to Court programs to improving the safe re-entry of inmates with a mental illness to communities. All of these efforts involve collaboration and a focus on connecting offenders with mental illness to supervised treatment.

Through collaboration with DOCS, OMH offers a full complement of mental health services to State prison inmates. OMH and DOCS have worked together to create additional specialized services for inmates with disciplinary confinement sanctions and provide a host of other treatment modalities that meet inmates' individualized needs. On December 15 of last year, New York opened its first-in-the-nation 100-bed Residential Mental Health Unit (RMHU) at the Marcy Correctional Facility. It serves inmates in this difficult-to-treat population using various treatment interventions and strategies that have demonstrated effectiveness. The RMHU, the hallmark of the 2007 court-approved private settlement agreement the State reached with Disability Advocates Inc., is the most comprehensive mental health prison treatment program developed in the United States in the past 20 years. Of note, a second Unit is planned at Five Points Correctional Facility in the future.

Collaborations with other State agencies are also ensuring compliance with the Sex Offender Management and Treatment Act (SOMTA), which targets those sex offenders with mental abnormality that predisposes them to commit sex offenses, and those hav-

ing serious difficulty in controlling their conduct. Under the law, two options exist: individuals may be placed by a judge on strict and intensive supervision and treatment (SIST), living in the community under close supervision by the Division of Parole; or, if they are more dangerous, they may be ordered by a judge to be civilly confined and provided treatment in distinct sex offender facilities within OMH psychiatric hospitals. The population receiving intensive OMH services under civil commitment has continued to increase; growth up to 230 individuals is anticipated in the coming year and transportation and security costs will be contained by encouraging courts to rely on video-conferencing for certain judicial proceedings.

Finally, OMH remains committed to collaborations that divert adults and youth from correctional systems wherever appropriate. These collaborations span from training initiatives with local law enforcement to strengthening law enforcement responses to community mental health crises. They include collaborations with courts to reduce the frequency of contact with the criminal justice system through court-provided resources that improve social functioning and link individuals to employment, housing, treatment, and support services. And, collaborations involve technical support and expertise aimed at improving the social and emotional well-being and mental health of New York's most vulnerable children and youth.

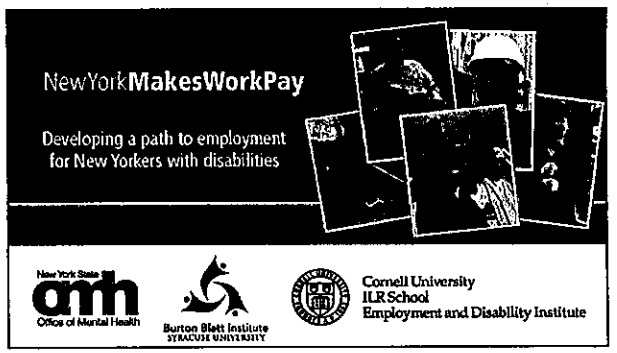
Recovery, Resiliency and Transformation in Action

In mental health systems across the nation, including New York's, three major mental health concepts—recovery, resiliency, and transformation—are the bedrock for reform of mental health services. For OMH, these concepts share two fundamental truths: first, each reflects a journey rather than a destination. Increasingly, this is the message of recovery—not remission or a miracle cure—but the process of taking on life's challenges and living a good life despite illness and loss. Second, each of these concepts recognizes that change is ultimately the responsibility of the individuals who must achieve something different. Treatments that are theoretically the best but not accepted by an individual are unlikely to be effective.

Mindful that change is a "bottom-up" as much as a "top-down" process, OMH is adjusting processes that lead to the best outcomes for the adults, children and families it serves. The assessment, planning, delivery and evaluation of mental health services in New York State recognize very challenging fiscal times, a mature mental health system, no new resources, tremendous stressors, and great diversity in local needs. We look for feasible effective actions and intentions to promote mental health at every level of the system of care and to build empowering services from the ground up. We take approaches that strengthen our capacity to enable people to direct their own recovery from illness. We are constantly looking for simple, yet powerful ways we all can support recovery, resiliency and healthy growth. Some examples include:

- *New York Makes Work Pay*
  We are working on solutions to address the State's estimated 70 percent unemployment rate among working-age people with disabilities (85 percent for people with serious psychiatric disabilities). As noted previously, the project is being advanced in collaboration with employment and disability experts at Cornell and Syracuse Universities. Early successes include training more than 3,000 individuals to assist consumers to obtain and manage benefits so that they do not create a disincentive to working, and increasing use of the State Medicaid Buy-In Program (under which people with disabilities can go back to work but keep their health insurance) by more than 20 percent.

- *PROS*
  This best-practice modality assists individuals in recovering from the disabling effects of mental illness through coordinated and customized rehabilitation, treatment and sup-



port services. OMH has made regulatory changes intended to diminish programmatic barriers to PROS adoption, including simplifying registration, documentation requirements, and billing requirements for clinical practice. PROS has more than doubled the number of licensed programs, from 13 at the end of 2007 to 28 today. Moreover, 42 agencies have confirmed their interest in seeking PROS licensure.

- *Peer Recovery and Technical Assistance and Recovery Centers*
  Through targeted investments in last year's Budget, modest federal grant funding and active stakeholder participation, OMH is promoting peer leadership and creating a best practices model for peer recovery centers. In the current year, we will begin assisting local peer programs to make the journey toward becoming full-fledged recovery centers.

- *OMH Statewide Comprehensive "5.07" Plan*
  This year's annual Plan was developed to rest on the stories and experiences of individuals who are or have been engaged in services, their friends and family members. While each person's background and experiences are uniquely their own, the insights and experiences are inspiring, give us glimpses into recovery, and serve as a strong source of motivation for change. The voices of these individuals give rise to our shared humanity and our collective desire to support them and other New Yorkers as they continue on their journeys toward improved health and well-being. They also underscore the meaning of recovery to individuals as a process by which they rebuild their lives while managing their illnesses and symptoms.

> Recovery gives us a whole new way of looking at the world. Instead of focusing on symptom relief or functional disabilities, we focus on rebuilding lives.
>
> — *Dr. Mark Ragins*
> *Medical Director, The Village,*
> *Long Beach, California*

Budgeting and Management in a Fiscal Crisis

Even as we recognize the vital nature of good mental health, we realize the serious state of the economy and the severe economic downturn that took hold last year. Governor Paterson has responded by taking bold steps to weather the rough times, to keep annual spending in line with reasonable revenue assumptions, and to achieve structural balance in the Budget. Current economic conditions make it imperative that we not only hold down mental health spending while preserving and sustaining clinical safety and quality, but also continue the restructuring of services to achieve better value at a lower relative cost.

> Today is not a day to look back. It is a day to turn crisis into opportunity, to reclaim our government and recommit ourselves to doing better for the people of New York.
>
> — *Governor David A. Paterson*
> *2010 State of the State*

New York State has made substantial steps to control mental health spending and has additionally shifted away from a reliance on State general funds. From 2001 to 2007, the increase in OMH expenditures was almost 40 percent below the average spending increase for state mental health agencies. The shift toward Medicaid highlights the importance of rationalizing the relationship between Medicaid and mental health. Moreover, it reminds us that reductions in relative general fund support for mental health care may have reached their limit.

Multi-Year Savings Actions and 2010-2011 Executive Budget Recommendation

Taking inflation into account, funding for mental health has remained essentially flat for a decade. In response to the worsening budget crisis, spending for mental health care in New York State was reduced through two rounds of budget actions in 2008—the first in the Enacted Budget and the second at Governor Paterson's direction and in the special legislative session in August of 2008. OMH identified more than $100 million in savings actions.

The 2009-2010 Enacted Budget reflected a commitment to sustain core programs while staying focused on an agenda of recovery for individuals with mental illness. We continued

to restructure our large, complex system of care by increasing access to acute inpatient care, while repurposing unneeded capacity; increasing the focus of State-operated community services; reorienting programs toward recovery and resiliency, while reducing the growth in spending through efficiencies; and continuing to defer new spending commitments when feasible. During 2009-2010, further savings efforts were required to respond to the ever-increasing gap in the State's financial plan. Through two more rounds of cuts—the first focused on reductions in spending in State operations and the second on the Deficit Reduction Plan (DRP) passed in November by the Legislature—OMH generated savings totaling $87 million.

This year Governor Paterson proposes a 2010-2011 Executive Budget for the State that makes significant spending reductions to eliminate a $7.4 billion deficit and institutes key reforms to put New York on the road to economic and fiscal recovery. The Executive Budget for OMH balances the competing challenges of achieving savings while ensuring that essential mental health obligations continue to be met.

Aid-to-Localities Budget Recommendation

Aid-to-Localities funding in the 2010-2011 Executive Budget continues to be targeted toward improving access to community supports and services, fostering interagency partnerships, and orienting services to be consumer and family driven. The Proposed Budget Recommendation aims to lower the rate of growth in spending by promoting efficiencies and restructuring funding models, converting under-utilized resources into sustainable cost-effective alternatives, and continuing a multi-year delay of prior-year initiatives until they are fiscally feasible.

Major themes guiding the Recommendation include:

- *Continuing ambulatory restructuring* Expands access to outpatient clinic treatment, and supports implementation of the APG rate methodology to rationalize reimbursement and ensure consistency with federal requirements

- *Restructuring existing services for the implementation of The Children's Plan* Redesigns base resources for Clinic-Plus services to improve clinical and operational functioning of children's clinic treatment, and redirects under-utilized resources for residential units to expand community capacity (e.g., Home and Community-Based Waiver services) to serve children and their families at home

Aid-to-Localities Budget Recommendations

	GF/Mental Hygiene Program Fund	Other Funds	Total Operating	Capital Fund
2009/10 Available	$1,085,344,000	$52,430,000	$1,137,774,000	$61,000,000
2010/11 Executive Recommendation	$1,180,730,000	$52,680,000	$1,233,410,000	$61,000,000
CHANGE:	**$95,386,000**	**$250,000**	**$95,636,000**	**$0**

Note: These highlights reflect Financial Plan cash spending projections for OMH Aid to Localities funding in the 2010/11 Executive Budget.

- *Continuing commitments to expand capacity for peer support and improve employment opportunities for individuals with disabilities*
  Annualizes funding to support Peer Recovery and the Technical Assistance and Resource Center development, and includes an additional $6 million in federal grant funding awarded to New York for continuation of the New York Makes Work Pay program

- *Proposing a multi-year remedial plan in response to a federal court ruling in the Adult Home litigation*
  Includes funding to begin assessments and expand supported housing capacity for individuals leaving adult homes under the proposed remedial plan

Building on $57.9 million in savings as part of the 2009-2010 DRP, OMH proposes various savings actions during the 2010-2011 Fiscal Year totaling $21.4 million as follows:

- Maximizing recoveries of State Aid funding and COPs to become current with past-due reconciliations
- Recovering exempt income from community residences and family-based treatment programs consistent with contract agreements for retroactive time periods
- Carving out pharmaceutical purchasing from the Medicaid methodology for children and youth residential treatment facilities to improve access to care for high-need children and generate Medicaid rebates savings for fee-for-service billing
- Annualizing 2009-2010 cost savings resulting from the DRP
- Eliminating enhanced funding for the Unified Services program in five counties consistent with the 2009-2010 Enacted Budget
- Continuing to support a multi-year restructuring of prior-year initiatives to defer costs for new commitments until fiscally feasible (community residential and family-based treatment model enhancement, family care reimbursement upgrades, the addition of family support services to Clinic-Plus, establishment of managed care demonstration programs, and care management for co-occurring mental health and substance abuse disorders)

As the 2010-2011 Executive Budget recognizes significant savings, it also includes funds to annualize prior-year commitments and underscores the Governor's support for essential community-based mental health services. The Proposed Budget includes funds for the following:

- Reinvestment of funds resulting from residential development delays to support a proposed multi-year remedial plan to provide supported housing for individuals currently in adult homes. One million dollars will be made available to begin assessments for adult home residents, with funding of $20 million annually in five years, for 1,000 additional supported housing units, education, skills development, and ongoing assessment of remaining adult home residents
- Continued development of priority and/or shovel-ready residential initiatives (e.g., New York/New York III agreement, supported housing units) and annualizing units opened in the current year and the more than 1,300 new units scheduled to open by the end of 2010-2011. At the same time, the Budget Recommendation maintains the 2009-2010 freeze on new construction of approximately 1,600 units. During the moratorium, we will continue to explore restructuring capital commitments into lower-cost, mixed-use housing and rental units.
- Annualization of funding for prior-year initiatives including ambulatory care restructuring, implementation of Children's Plan recommendations, operation of the peer-support resource center, model adjustments for community residences and family-based treatment programs, enhancement for family care reimbursement, the addition of family support services in Clinic-Plus, and managed care demonstration projects
- Funding to annualize programs already in development by supporting conversions to recovery-oriented PROS
- Annualization of funding for program conversions (such as the restoration of State Aid for hospitals exceeding disproportionate share caps) partially offset by cost savings measures initiated in the 2009-2010 Enacted Budget
- The addition of a new $6 million appropriation (federal funds) for the New York Makes Work Pay employment program, bringing the total funding level for New York to $12 million
- Capital disbursements for community facilities, for ongoing maintenance and continued development of units already in design or construction, as well as priority housing initiatives excluded from the freeze

State Operations Budget Recommendation

The State Operations Executive Budget provides funds for OMH's network of psychiatric health care settings. OMH psychiatric centers are required to meet national accreditation standards set by The Joint Commission and the Centers for Medicare and Medicaid Services. These standards establish that hospitals meet conditions of participation and coverage for Medicare and Medicaid, and protect the health and safety of beneficiaries. Maintaining accreditation is critical for sustaining approximately $1.3 billion in revenue streams to the State.

While significant savings have been identified in the budget development process, the net growth in spending must be used to maintain safe, quality care for the vulnerable population served by OMH. The growth supports negotiated salary increases, related general State charges (e.g., pension costs), and restores funds for energy, pharmacy and medical expenses.

Added to the $29.2 million of savings in 2009-2010, savings proposed in 2010-2011 total $63.9 million (including related fringe and indirect savings). The 2010-2011 Executive Budget annualizes the savings measures initiated during the 2009-2010 Fiscal Year as part of the Voluntary Severance Program (VSP), which resulted in a reduction of 290 full-time equivalent (FTE) positions. The Proposed Budget also continues non-personal service savings measures taken through agency operating efficiencies as part of the 2009-2010 DRP.

Specifically, proposed savings during the 2010-2011 Fiscal Year come from:

- *Ward efficiencies*
  Up to 250 adult inpatient beds are authorized for reduction or replacement through conversion to TPPs, which enables individuals to move into community care.

- *Operating efficiencies*
  Examples include the conversion of certain information technology contracts to State jobs, overtime savings, reduced salary enhancements for selected clinical titles, teleconferencing of certain SOMTA judicial proceedings, and OMH's share of proposed statewide collective bargaining savings.

Consistent with OMH's requirement to maintain core-mission operations, the Proposed Budget provides funds to annualize prior year commitments and savings initiatives as follows:

- Prior-year initiatives adjustments related to the annualization of 2009-2010 adult inpatient restructuring; SOMTA expansion to support projected census growth to 230 individuals; annualization of the VSP savings; and continuation of other hospital programs
- $160 million in funding for base operations, including negotiated salary increases, salary increases for State employees not yet at job rate, fringe benefits and indirect costs, and restored energy, pharmacy and medical expenses

State Operations Budget Recommendations

	Mental Hygiene Program/PIA Funds	MH/PIA Fringe & Indirect Funds	Other Funds	Total Operating	Capital Funds
2009/10 Available	$1,400,533,000	$516,311,000	$7,025,000	$1,923,869,000	$250,751,000
2010/11 Recommendation	$1,449,436,000	$580,927,000	$7,325,000	$2,037,688,000	$268,464,000
Change	**$48,903,000**	**$64,616,000**	**$300,000**	**$113,819,000**	**$17,713,000**

Note: These highlights reflect Financial Plan cash spending projections for OMH State Operations funding in the 2010/11 Executive Budget

- Appropriations to recognize grant funding received by certain New York City area psychiatric centers participating in New York City's Healthcare Emergency Preparedness Program
- All Funds support an estimated 16,169 FTEs at the end of Fiscal Year 2010-2011, reflecting a net budgeted reduction of 128 authorized FTEs from March 31, 2010
- Ongoing support for 3,380 adult inpatient beds, 538 children and youth inpatient beds, 715 forensic inpatient beds, and a projected SOMTA census of 230; in comparison, in 2007-2008 OMH supported 4,030 adult inpatient beds, 526 children and youth inpatient beds, 695 forensic inpatient beds, and a SOMTA census of 123 individuals.
- Capital disbursements targeted toward support of building preservation, design, and construction, health and safety, accreditation, energy conservation and environmental protection

Conclusion

To meet the State's major mental health obligations, Governor Paterson has proposed a Budget for 2010-2011 that sustains essential mental health services at a time when many New Yorkers are severely challenged by the current economic climate. This Budget preserves necessary clinical safety and quality while balancing numerous savings actions with support for prior-year commitments. The Budget continues to defer multi-year obligations, freeze residential development and constrain spending, while preserving programs that meet the basic mental health obligations of New Yorkers with the most serious mental disorders. It also sustains urgently needed reforms that will increase quality, accountability and efficiency.

We look forward to the discussions and deliberations needed to advance this Budget and help sustain the progress we have made to date. We are committed to move forward with you in shaping a system of care premised upon good mental health and improved well-being for New York's most vulnerable citizens.

David A. Paterson
Governor

Diana Jones Ritter
Commissioner

NYS Office of Mental Retardation & Developmental Disabilities

Putting People First

2010-2011 Executive Budget Recommendation

Senate Finance and Assembly Ways and Means Committees' Joint Legislative Hearings

OMRDD Testimony, February 3, 2010

Good morning Senator Kruger, Assemblyman Farrell, Senator Morahan, Assemblyman Rivera, distinguished members of the Legislature, colleagues, advocates and guests. It's an honor to be with you today. I am looking forward to bringing you up-to-date on the progress achieved by the Office of Mental Retardation and Developmental Disabilities (OMRDD) during the past year and how Governor David Paterson's 2010-11 Executive Budget Recommendations support our mission and the critical supports and services we provide to people who have developmental disabilities. I also want to talk to you about how the Governor's Executive Budget Recommendations support our policy priorities, how they acknowledge our system challenges, and how we are managing them in a cost-effective and fiscally prudent manner.

OMRDD continues to invest wisely to build a system of supports and services focused on a very simple mission: Helping people with developmental disabilities live richer lives. We have just completed a year of making significant strides towards our administration's goal of realigning our system to be more reflective of the needs of individuals and their families, despite facing difficult challenges. In response to Governor Paterson's call to focus on New York's core mission of maximizing supports and services to individuals with developmental disabilities, OMRDD has expanded service opportunities that "put people first."

In addition, the agency is working to eliminate non-mission-critical activities and to ensure that all others are properly directed to our core mission. That this goal was advanced during a year of grim fiscal challenges underscores OMRDD's leadership, creativity and willingness to share in the sacrifices necessary to move New York State beyond the current fiscal crisis.

Turning Crisis into Opportunity

As Governor Paterson indicated, over the last two years he has already closed more than $33 billion in deficits. He is proposing a recovery budget that makes significant spending reductions in order to eliminate a $7.4 billion deficit and institute key reforms to put New York on the road to economic and fiscal recovery. This is a budget of necessity, not of choice. New York is facing a long-term structural deficit of $60.8 billion over the next five years. Both are addressed in Governor Paterson's budget through necessary, but very difficult decisions. Nobody wants to make these cuts. They are painful, they are difficult and they will have a real impact on people's lives. But delaying action will not only make the problem worse, it will make it harder to solve in the future.

What this says to me is that the level of intensive work to identify efficiencies and to implement structural improvements will not be short-term and that we must implement improvements today, tomorrow and for several years into the future.

Although the Governor's overall Executive Budget Recommendation reflects a series of difficult choices, it is a clear signal that the days of overspending and overtaxing are finished and the era of accountability is here. It paves the way for a new approach to streamlining and consolidating government to make it more efficient and cost effective at all levels, and it ensures that future Governors and legislators do not

face the difficult decisions we face today. OMRDD, as a State agency, will work alongside the Governor to re-build New York's economy to a national model of innovation and strength, and to rebuild the people's trust in the fiscal stability of our State. As the Governor said, "we will rebuild New York, and we will work together to do this, despite adversity, finding strength and the perseverance to do so."

To support these outcomes, the Governor's 2010-11 Executive Budget Recommendations for OMRDD reflect total funding of $4.8 billion. Included in the recommendations are a series of actions that either enhance funding and services or require greater efficiencies. The Executive Budget Recommendations for OMRDD:

- Continue to promote the balancing and limited expansion of supports and services by offering person-centered, innovative and efficiently delivered opportunities that give individuals with developmental disabilities greater choice in their lives. More than 6,900 individuals with developmental disabilities will receive residential and/or day opportunities through new development or backfills into existing vacancies. Of these, nearly 6,500 will be nonprofit agency opportunities and more than 400 will be State-operated opportunities.
- Continue Medicaid funding rationalization, restructuring and reform by streamlining rate and price-setting methodologies in such areas as HCBS Waiver Day Habilitation services, Medicaid Service Coordination (MSC), and supervised Individual Residential Alternative (IRA) residential habilitation services. In addition, greater efficiencies in the administration and oversight of Family Care will be achieved with no impact on services to individuals living in Family Care homes.
- Support interagency collaboration by forging stronger partnerships with our sister State and local human service agencies.
- Improve management in State Operations by further streamlining DDSO operations and by refining OMRDD's research agenda to better focus on core mission activities.
- Continue to support the State and nonprofit agency workforce that is so critical to the delivery of high quality supports and services.
- Promote further efficiencies and/or revenue maximization in several non-Medicaid spending areas such as State aid.
- Strongly emphasize program integrity and personal responsibility by holding all OMRDD employees and stakeholders accountable for outcomes.

These basic, but critical, commitments position the agency to better respond to the Governor's directives, and strengthen OMRDD's capacity to weather the current fiscal storm by improving the agency's overall long-term fiscal integrity and OMRDD's accountability to its constituents.

Progressive Policy in a Challenging Fiscal Environment

New York continues to brave a new fiscal reality, grappling with conditions not seen since the Great Depression. Under Governor Paterson's leadership, OMRDD has responded to the serious nature of this crisis by implementing deficit reduction measures to help the Governor close a $3.2 billion budget gap in 2009-10. OMRDD has helped address the budget gap, in part, by aggressively reducing spending in non-personal service areas and by inspiring greater productivity from a significantly reduced State workforce. OMRDD has reserved almost all actions to fill vacant positions to those that provide direct supports to the people we serve. OMRDD, in concert with the Governor's Office of Taxpayer Accountability (OTA) has produced major reductions, such as a 25 percent reduction in travel spending since 2008-09 and significant progress toward other savings (e.g. utility cost savings of $40,000 in six months at OMRDD's Central Office alone) derived from more efficient office practices, leveraging technology and retooling Developmental Disabilities Services Office (DDSO) business practices. All of this accomplished with a commitment to preserve appropriate and necessary services and supports. Similar efficiencies have been introduced into Aid-to-Localities-funded supports and services.

But the economic forecasts in New York and the nation portend greater fiscal stress to come, leaving OMRDD's fiscal picture clouded through 2011-12 and 2012-13. Over this three-year period, New York's deficit is projected to reach a cumulative total of more than $41 billion. Governor Paterson's strategy is to "directly address New York's long-term structural budget challenges" by changing the way the State does business. OMRDD's proposed savings actions for 2010-11 respond to this challenge by restructuring a number of services currently being delivered and by redirecting resources to support safety-net services during this time of change in the scope and pace of new development. This focus on greater efficiencies in how, when and where certain services will be delivered will not materially alter OMRDD's capacity, quality or commitment to meet the needs of those receiving supports and services.

OMRDD will meet the Governor's challenge of 2010-11 and future years in partnership with all of its stakeholders, including people who have developmental disabilities, families, advocates, parents, and nonprofit agencies. This tight-knit community will continue to emphasize the values of equity, fairness, quality, cost effectiveness and accountability in the use of the finite level of resources that will be available in the future.

Effective Collaboration Is More Critical Than Ever

Effective collaboration among government agencies is essential to ensuring that people get the services they need, and that they receive those services in a coordinated and cost-effective manner, especially in difficult financial times. For example, individuals with developmental disabilities have the right to receive equal access to supports from the educational, health, mental health, social service, and transportation and housing agencies at the local, State and federal level.

OMRDD has established strong partnerships with its sister agencies in several critical areas. Working jointly with the Department of Health (DOH), OMRDD is continuing to identify areas for potential

reform, restructuring and reinvestment. OMRDD's focus in this effort is to support the right services for people and exact efficiencies that are consistent with good business practice, good public policy, managed growth and fiscal accountability. For example, in 2009-10, OMRDD collaborated with the DOH, Office of Mental Health (OMH) and Office of Alcoholism and Substance Abuse Services (OASAS), to implement a reform of clinic licensure and reimbursement.

OMRDD has long been concerned about the appropriateness and cost of children with developmental disabilities living in out-of-state residential schools. Building on an initiative begun in 2009-10, OMRDD is continuing a joint effort with the State Education Department (SED) to develop in-state residential and educational opportunities for those children living out of state, or who are at risk of being placed in an out of state school (Billy's Law). OMRDD is also working closely with SED to implement the Autism Platform, as well as to transition individuals with developmental disabilities from the education system to adult supports and services.

OMRDD has a long history of working closely with OMH – especially in transitioning individuals living in OMH facilities who are dually diagnosed with mental illness and developmental disabilities – to OMRDD residential settings. Efforts continue to solve individual issues at the local level through collaboration while developing better ways to navigate our support systems, coordinate clinical supports and to model best practices. Co-sponsored training to staff and practitioners is also continued in the new fiscal year.

OMRDD supports OASAS in its efforts to combat Fetal Alcohol Syndrome and collaborates with the Office of Children and Family Services (OCFS) to create cross-systems solutions for children and youth in foster care who have developmental disabilities.

OMRDD continues to work closely with the Division of Housing and Community Renewal (DHCR) and Empire State Development Corporation (ESDC), as well as federal housing agencies, to maximize integrated housing opportunities (ownership or leasing) for people with developmental disabilities.

In addition, the Most Integrated Setting Coordinating Council (MISCC) is a statutorily created council that is developing and implementing a plan to ensure that all people with disabilities receive services and supports appropriate for their needs in the most integrated setting. As OMRDD's appointed Commissioner, I chair this council, which is comprised of 13 State agency representatives and nine public advocates. This collaboration provides the opportunity to address cross-system issues, including creating employment opportunities, access to affordable housing and access to transportation. These combined voices have informed the development of a draft 2010 MISCC plan and collection of housing and employment data.

The draft 2010 MISCC plan was a significant accomplishment for both council members and stakeholders. Since 2002, MISCC has produced retrospective annual reports focused on activities from the previous year. MISCC, however, did not provide a plan for moving forwarding until now. There is now a draft 2010 MISCC plan in addition to the annual report. The draft MISCC plan focuses on short term priorities that agencies will work on over a two-year period to assist individuals with disabilities to live in the most integrated setting. There is definitely more that must be done to finalize the short term

plan and develop a longer term Olmstead Plan; however, the draft is an important first step. Finalizing the plan will be a priority over the next year.

Key Priorities for OMRDD:

'Putting People First' – OMRDD's Cornerstone Philosophy

In our efforts to weather a fiscal storm, OMRDD's mission continues to serve as our compass. Putting people first is the heart of OMRDD's mission and underlies every plan and every action taken by the agency. We do this by offering high quality and fiscally responsible yet individualized and person-centered supports and services to more than 125,000 individual with disabilities, hoping they will enjoy four basic outcomes they and their families have repeatedly expressed as having the utmost importance to them:

- Living in the community in a home of their choice;
- Working or engaging in activities that contribute to their communities and personal growth;
- Enjoying meaningful relationships, and
- Maintaining good health.

The foundation for pursuit of these outcomes is the over-riding principle of Putting People First. People who have developmental disabilities and the families and workforce who support and love them are the heart of everything we do, and this person-first ethic is embodied in the way we express ourselves, and in the way we conduct our business.

OMRDD's Transformational Agenda – A More Person-Centered, Self-Directed and Sustainable Future

Due to limited resources, OMRDD and its nonprofit agencies, working with people who have developmental disabilities and their families, must ensure that the supports and services being developed are clearly tailored to the individual's desires and needs, while also supporting choice and self-direction.

In doing so, three things must be accomplished:

- Improve timelier access to supports and services, through a more customer friendly and streamlined process, while still assuring appropriate public responsibility and accountability;
- Further develop a sustainable method of merging all available resources (natural supports, community supports, generic services, OMRDD and other government-financed services) that support each person's life of distinction; and
- Continue to establish and maintain new financial platforms that are reasonable, efficient, appropriate and transparent, and which will also allow individuals with developmental disabilities to achieve outcomes consistent with their needs and choices.

Recognizing and Supporting the Direct Support Professional Workforce

We all recognize that a stable and well-trained direct support professional workforce holds the key to providing high quality person-centered supports and services to people with developmental disabilities. Accordingly, OMRDD has undertaken several initiatives and will implement certain actions in 2010-11 as outlined below:

First, the 2010-11 Executive Budget Recommendations for OMRDD support enhancement of its direct support professional recruitment and retention efforts. They include resources that, in addition to covering inflationary cost increases, are strongly encouraged to be used to support enhancements to the salaries and benefits of the nonprofit agency direct support professionals to assist in recruitment and retention efforts. The voices of advocacy for the trend were loudest and steadfast in the need to enhance the salaries and/or benefits of direct support professionals to assist in recruitment and retention. I will be strong, therefore, in my expectations that the trend be used to do just that. I will be requiring each provider agency to submit a plan to me which details how they plan to use the trends so I can monitor progress in responding to the voices we heard.

The Executive Budget Recommendations for OMRDD support voluntary provider agency's efforts to recruit and retain direct support professionals in two major ways. It provides two trends, and also provides for both the continuation of existing funding (phase I-V) as well as new funding for an additional phase (VI) of the Health Care Initiative to be implemented effective April 1, 2010.

In addition, the Real Choice Systems Change Grant, funded by the federal Centers for Medicare and Medicaid Services, has become a major vehicle for strategic change in how OMRDD conducts business. Among the strategies contained in the work plan is one devoted to the recruitment and retention of a high quality direct support workforce. Using federal funding allocated for this purpose, the Direct Support Advisory Committee, working with OMRDD's Division of Workforce and Talent Management, will employ literature reviews, survey tools and data analysis to understand how these elements can be practically applied to ongoing workforce development efforts.

OMRDD's Direct Care Initiative

The quality of care for individuals with developmental disabilities is also tied to the positive relationships in their lives, especially with the staff that support them in their day-to-day activities. External pressures and factors, just like any relationship, can have positive or negative impacts on that relationship. Therefore, our ability to recognize and address these factors is critical to the attainment of our mission and to the quality of life of the individuals that we support. In recognition of this, OMRDD continues to expand and refocus training and to engage in discussions with the workforce and labor/management on ways to reduce stress in the work environment.

One notable example of this effort was begun in 2008, through a partnership with the School of Social Welfare at Stony Brook University designed to recognize and develop excellence in our State's direct care

workforce, both state and not-for-profit. This statewide program called the *Extraordinary Caregiver Recognition Program* recognizes excellence among our direct care workforce. Since then, approximately 600 direct care support professionals have participated in a two day development program designed to recognize excellence and foster positive relationships between direct care support professionals and the individuals that they support.

I am happy to inform you that we have expanded our partnership with Stony Brook University and that, as part of our direct care initiative, we will be rolling out a new training program for Managers and Supervisors designed to provide them with the skills necessary to effectively recognize and address the impact of employee caregiver fatigue. Over the course of the next 6 months and beginning in March, 300 managers and supervisors will be participating in this program.

OMRDD has developed a three-pronged approach to reduce the incidence of abuse, neglect and serious incidents across the breadth of New York's system of services and support for people with developmental disabilities. In partnership with self-advocates, unions, the private provider community, the School of Social Welfare at the University at Albany, and other local and national experts, a prototype has been created in the Capital District DDSO. The initial stages of the prototype reaffirmed the existing body of research about the importance of caring, connected relationships and suggested a variety of initiatives and activities which OMRDD has begun to roll out statewide. The goals of the initiative are to gain shared, concrete understanding and commitment to promoting positive relationships between staff and the individuals with developmental disabilities whom we support; to equip staff with the competencies to nurture and develop those relationships; to engage staff in identifying issues within the work environment, both physical and practical that either miss opportunities to nourish those relationships or that actually contribute to the stresses that undermine them; and to develop reasonable, sustainable responses to those issues. To complement and extend these efforts, OMRDD has begun working with its labor and other public partners to create the administrative and workforce platforms to enhance the initiative.

The combination of all of theses initiatives and actions will provide the necessary foundation to support and increase the competency of staff, both state as well as the 70,000 voluntary agency staff that is so critical in carrying out the OMRDD mission of helping people with developmental disabilities live richer lives.

People Living in the Home of Their Choice

Supporting individuals and families who wish to stay together as a family unit is a core principle underpinning much of OMRDD's planning for supports and services. Families provide a natural means to help people live in the home of their choice and to enjoy and sustain meaningful relationships with friends, family and others. Living with the natural support of family can be vital to assisting individuals with developmental disabilities to remain connected to community support systems as well as to remain integrated in community networks. In addition, supporting families in their desire to stay together is a very person-centered and cost-effective way to meet the needs of people with developmental disabilities. With appropriate community supports, many individuals with developmental disabilities and their

families can address challenging behaviors or weather a crisis, thus maintaining the family unit and averting an undesired and more costly out-of-home residential placement.

Over the last two decades, New York State has significantly increased resources to OMRDD to expand supports and services to people with developmental disabilities who live with their families. In particular, the Home and Community Based Services (HCBS) Waiver, which was recently approved for renewal by the Federal Government, and Family Support Services (FSS) have been the primary mechanisms used to expand supports and services for individuals who live with their families.

More than half of the nearly 69,000 individuals with developmental disabilities enrolled in the HCBS Waiver live with their families or other caregivers. The supports and services they access are primarily day services, at-home residential habilitation (AHRH) supports, employment supports, respite and environmental modifications and adaptive devices.

The Governor's 2010-11 Executive Budget Recommendations for OMRDD:

- Provides funding for 1,000 new at-home residential opportunities that may be used to support individuals that live with others, as well as those that want to live on their own.
- Provides 133 new residential and day opportunities for those aging out of the residential school system.
- Provides the funding for more than 1,600 new employment and other day opportunities for those graduating from the educational system and others in need of employment and other day service supports.
- Includes $7 million in new funding on a full annual basis for new Family Support Services to support new and emerging needs of individuals with developmental disabilities and their families. This funding will support more than 4,000 individuals.

Supporting Service Options that Maximize Opportunities

OMRDD will continue a multiyear process of balancing base resources to offer traditional services balanced with a number of options that support the independence and choice that is being requested by many individuals and families.

- **Balancing Supports and Services.** The balancing effort supports investments that respond to the demands from individuals and families for more person-centered, innovative and efficient service approaches. These include addressing urgent needs like at-home residential habilitation and family supports, including crisis intervention, respite services, and services to address challenging behaviors, including those related to autism and autism spectrum disorders.

- **NYS-CARES Remains Prominent.** In the forefront of efforts to balance the service portfolio is New York State – Creating Alternatives in Residential Environments and Services (NYS-CARES). The NYS-CARES initiative is a comprehensive, multi-year plan to address the needs of people with

developmental disabilities who are seeking out-of-home residential options, either certified or non-certified depending on each person's choice and the appropriateness of the opportunity. NYS-CARES is nationally recognized in the developmental disabilities field and remains unrivaled among state plans in scope and comprehensiveness. NYS-CARES is also a true partnership among government, citizens and nonprofit agencies.

- **New Opportunities.** The Governor's 2010-11 Executive Budget Recommendations for OMRDD provide funding to support the opening of 530 new out-of-home residential opportunities. By the end of the 2010-11 fiscal year approximately 18,500 individuals will have received residential services through NYS-CARES.

- **Promote Use of Flexible Options.** With the expectation that families and individuals with developmental disabilities are at the center and core of development, OMRDD has encouraged the growth of supportive and other less than 24-hour residential options for individuals who are interested in living as independently as possible. While this is clearly not an option for everyone and traditional supervised residential development will continue to be available for those who need it, OMRDD and its nonprofit service providers will increase its efforts to support individual choice and self-determination in facilitating life decisions. The new "Portal" represents an OMRDD effort to improve and enhance the experience of individuals and families who are seeking such supports and services not easily or typically available to them. So far, more than 130 individuals have partnered with OMRDD to explore ways in which OMRDD can individualize and expedite access to supports and services that represent a broad range of existing options. Once our pilot effort is evaluated and improvements made, the Portal will offer people who have developmental disabilities and their families an improved customer service experience when accessing a broad range of services.

- **Vacancy Management.** Given the limited resources for developing new residential supports and services, it is critical that OMRDD and the nonprofit provider community continue to partner with people who have developmental disabilities and their families to explore how vacancies in the existing 37,000 community residential opportunities can meet their needs. This will be done in a way that supports local or statewide priorities while also minimizing the length of time that such opportunities are held vacant. The goal will always be to match individuals with opportunities that meet and "fit" their individual needs.

Continuing the Commitment to Downsize and Redefine Institutional Capacity

In acknowledgement of past practices in New York State and the national consensus that life in the community affords significant opportunities for positive personal outcomes, Governor Paterson remains committed to downsizing and redefining OMRDD's institutional capacity. Key elements include:

- Closure of the West Seneca campus of the Western New York Developmental Disabilities Service Office (WNYDDSO) by transitioning the remaining 44 individuals into community settings through state-operated development (more than 50 new community residential opportunities overall) by approximately March 2011.

- More than 300 State-operated community residential opportunities that will enable OMRDD to:
  - Achieve closure of all developmental centers – a transition of more than 400 people to integrated community living over the next several years.
  - Move individuals residing in special units to live in the most integrated community setting appropriate to their needs as they become ready to do so.
  - Transition skilled nursing home residents with developmental disabilities whose needs can be met in the community.
  - Close the Multi-Disabled Unit (MDU) on the Taconic DDSO campus (leaving only the LIT on this campus).

Increasing the Number of People with Developmental Disabilities Who Are Working In Their Communities

The 85 percent unemployment rate among people with developmental disabilities continues to be exponentially higher than that of the general public. Despite the expressed interest in employment, only 15 percent of approximately 57,000 people engaged in day services funded by OMRDD are employed.

Unemployment deprives people who have developmental disabilities of the hope of income and any level of self-sufficiency, the recognition as contributing members of their community's economic fabric and their full engagement in their communities. Two years ago, to put muscle and impact behind this vision of employment and to demonstrate its commitment, OMRDD made a key policy and organizational change by declaring that the employment of people who have developmental disabilities be treated as a workforce and talent issue, not a programmatic issue. OMRDD believes very strongly that employment should not be viewed as a program or service to people with disabilities. It is an investment in the availability of a qualified and talented labor pool for NYS' economy.

This is why even in these tight fiscal times, OMRDD will continue its commitment to *Employment First* as a policy that affirms that people who have a developmental disability are part of New York's *workforce and labor strategy* and is working with all State agencies via the Most Integrated Setting Coordinating Council (MISCC) to increase the number of New Yorkers with disabilities who are competitively employed in their communities.

OMRDD's efforts in this area will ensure that the promise of Governor Paterson's workforce and economic development agenda rings true for all New Yorkers, including those with developmental disabilities. The Governor has promoted the increased employment of people with disabilities, not only because hiring a qualified worker with a disability makes good business sense, but also because employing people with developmental disabilities helps to grow the New York State workforce and economy.

The 2010-11 Executive Budget Recommendations for OMRDD support efforts to achieve that goal by:

- Advancing its comprehensive *Employment First Platform;*

- Intensifying the level of coordination and partnership with the NYS Education Department's system; and
- Crafting a more flexible set of supports and services called Pathway to Employment. This service will provide a focused and time-limited employment opportunity for people in day habilitation programs to assist them to develop the skills and work habits necessary to achieve their employment goals. It will also provide individualized job supports, resulting in competitive employment within the first year of service

OMRDD's Autism Platform

Of the 125,000 individuals with developmental disabilities OMRDD supports, approximately 21,000 have autism or disabilities within the continuum known as Autism Spectrum Disorders (ASD). OMRDD is committed to increasing both the effectiveness and capacity of its supports for individuals and families faced with autism and ASD. The 2010-11 Executive Budget Recommendations continue to fund both research and supports and services for individuals with disabilities within the autism spectrum. In its Autism Platform, OMRDD has committed to confronting autism on multiple fronts – expanding research and training, developing effective treatment, and providing expanded family and individual supports – immediately and in the years to come. The Platform commits OMRDD to doing so within a system of supports and services that responds to the needs of a much broader universe of people with developmental disabilities. Progress toward Platform goals has been significant.

The Institute for Basic Research in Developmental Disabilities (IBR), OMRDD's basic and applied research arm, is staffed with national experts in autism research and treatment and continues to pursue a wide range of scientific research into the causes, manifestations and treatment of ASD. IBR research will directly enhance services provided in new homes being developed for 20 individuals with ASD, as well as future treatment and service practices for both children and adults.

Progress continues on the development of other community residential opportunities specifically for people with ASD. In addition, OMRDD, IBR, the New York State Education Department and New York City's Department of Education are partnering to provide behavioral assessment and intervention services to students in public school settings who present severe behavioral challenges. The program will serve students with developmental disabilities, including autism, who display severe aggression and/or self-injurious behaviors that pose a significant health and safety risk.

In a striking demonstration of cross-agency initiative and investment, the Interagency Task Force on Autism, co-chaired by OMRDD and the State Education Department (SED), collaboratively examined the challenges of ASD and how 10 New York State agencies have created programs that support people diagnosed with ASD within existing service systems. Over the course of one year, Task Force workgroups assessed where and how New York's service agencies should be moving to improve interagency coordination of services, maximize the impact and effectiveness of services and agency functions, elevate New York's ASD competency, and identify opportunities for government to partner more effectively with private enterprise in support of individuals with ASD.

The work of the Task Force was informed by public outreach via an on-line survey and through regional forums that were coordinated by the regional Centers for Autism and Related Disabilities (CARDs). In its final report, issued on January 27, 2010, the Task Force presented 27 distinct recommendations to guide New York service agencies in addressing the current and emerging needs of individuals with ASD. To initiate real action during this difficult fiscal climate, the Task Force further articulated numerous short-term steps for agencies to take toward the accomplishment of each recommendation. In addition to its report, the Task Force agencies joined together to develop a new web site, NY ACTS (an initiative for Adults and Children on the Spectrum). This web site is designed as a "one-stop" location where families and individuals living with ASD can learn about ASDs and the resources available in New York State for services and supports. The Web site was launched publically in early January 2010.

Delivering the Highest Quality Supports and Services

More than 125,000 New Yorkers with developmental disabilities now receive some level of supports and services through OMRDD's network of nonprofit agencies and its State-operated programs. The supports and services provided to each citizen must be high quality, and supported by informed choice. Each support or service should enhance the everyday life of the individual who receives them.

Ensuring the quality of services is an enterprise-wide responsibility. OMRDD's Division of Quality Management, which is comprised of professional staff with specialized training and expertise, is responsible for the agency's quality management strategy and related oversight and compliance activities. The Division of Quality Management will continue to identify opportunities from OMRDD to further its goal of ensuring the delivery of the highest quality person-centered supports and services to citizens who have developmental disabilities. OMRDD has, and will continue to refine its review procedures to ensure a strong emphasis on quality outcomes for individuals. Quality Management activities will promote quality improvement by providing new training and technical assistance to service providers, and emphasizing the need for provider agencies, in cooperation with the stakeholders, to self-identify opportunities for improvement in the quality of their services. OMRDD will continue to reengineer quality management and compliance practices to introduce more efficiency while protecting individuals' health and safety, program quality and fiscal accountability.

To support these quality outcome efforts, OMRDD has moved forward on two substantial initiatives: the implementation of a web-based application for incident reporting called the Incident Reporting Management Application (IRMA), and participation in the National Core Indicators (NCI) project.

The 2010-11 Executive Budget Recommendations for OMRDD help ensure total focus on the Division's quality management function by supporting a transfer of 10 positions to the Office of the Medicaid Inspector General (OMIG), which is charged with improving and preserving the integrity of the Medicaid program. These positions, which are responsible for conducting Medicaid compliance reviews of the nonprofit provider network, are more appropriately assigned to the OMIG. This action is consistent with the directive issued by the Governor's Office of Taxpayer Accountability to consolidate duplicative administrative functions within more appropriate "host" agencies. We expect to work intensively with the OMIG on new audit protocols which enhance the quality of our work and improve the accountability in ways that are helpful to OMRDD and the voluntary provider agencies.

Personal Responsibility and Accountability

OMRDD recognizes that providing high quality supports and services to individuals with developmental disabilities demands an appropriate level of personal responsibility and accountability, especially given the current Budget constraints and the number of people with developmental disabilities who are receiving or are in need of services funded through OMRDD.

OMRDD recognizes the need to ensure that the nonprofit providers, parents, families, advocates and the people who have developmental disabilities receiving or seeking supports and services funded by Medicaid, Medicare or other available programs (e.g., food stamps) fully understand that individual responsibility and accountability cannot be dismissed in the process. All who participate, not just State government and the nonprofit agency, are responsible for generating the right outcomes. OMRDD continues to partner with the nonprofit provider associations to keep in motion plans that require families and individuals with developmental disabilities to either apply for benefits (Medicaid, Medicare, food stamps) or pay for the cost of care. OMRDD will continue to offer benefit development education and assistance to individuals, families and nonprofit agencies when seeking OMRDD supports and services funded by Medicaid and/or Medicare.

Continue Reforming Medicaid Funded Services

In support of the Governor's Health Care reform, and working in collaboration and partnership with its nonprofit agencies, OMRDD will continue to restructure its rate/price setting methodologies to produce $68 million in efficiency savings when fully implemented, without directly impacting individual support and services, by considering the following actions:

- Restructure the Medicaid Service Coordination (MSC) program and financial platform, including the streamlining of service delivery and a comprehensive review of the levels of service provided.
- Implement efficiencies in residential habilitation services in supervised Voluntary Operated Intermediate Care Facilities (VOIRA). This action will be effective 10/1/10. This action does not impact funding for those residing in supportive settings.
- Initiate efficiencies in Family Care administration and oversight.
- Implement the 2009/10 Budget action that takes an efficiency adjustment in HCBS Waiver Day Habilitation Services.
- Achieve savings in new development through natural delays. This is not an elimination of this development. These opportunities are all still expected to open in later years.

Improved Collaboration with Counties

OMRDD has also worked to improved collaboration with counties and encouraged them to work with us to minimize the impact on existing services. In early December, OMRDD sent a letter to the Counties asking each for a plan on how they would propose achieving the 10% savings required by the

legislatively enacted DRP. We asked them to work with our local DDSOs in constructing their plans. In addition, we are working with the 5 counties that are part of Unified Services (Warren, Washington, Rensselaer, Rockland and Westchester) on plans to deal with another reduction of $1.5M that was part of the 2009/10 budget but effective July 1, 2010. Lastly, we stressed that all efforts should be made to achieve these savings without impacting services. This would be primarily done by seeking alternative funding sources to support the services.

Organizational Agenda to Achieve the OMRDD Mission

Over the past two years we have faced difficult budgets and fiscal challenges. Despite the fiscal challenges, OMRDD continues to move forward with an ambitious agenda in support of its mission. This agenda addresses system-wide priorities for OMRDD, which include: enhanced performance measurement, workforce diversity, staff development and training for the State and voluntary workforces, rate setting and reimbursement reform, improved and expanded interagency collaboration, and true program and service reform. The outcome of these actions will be realized in more individualized and integrated services for people with developmental disabilities, better opportunities for the workforce, and improved and less burdensome processes for nonprofit agencies.

However, the Governor's budget requires us to continue to elevate our efforts by applying this same discipline in the upcoming year. The good news is that we have additional opportunities to reexamine our base of resources, embrace our workforce and advance some new supports to keep us moving in the right direction. To accomplish these important activities in the current fiscal climate, which has required the significant reduction of administrative staffing levels, it has been necessary for all divisions within OMRDD to identify areas where workload and administrative processes could be improved, streamlined, or shed altogether, without impacting the quality of services.

OMRDD has taken a significant number of critical steps to ensure fire safety for people with developmental disabilities in our care, and for those who receive services from the not-for-profit voluntary provider agencies we oversee. At the end of 2009, I created an Office of Fire Safety and Security that will oversee guidance, guidelines, and procedures related to fire safety and prevention, as well as taking the lead with a newly formed Community of Practice that will assist us in guiding fire safety as we move forward. OMRDD will also consider and implement recommendations from its National Fire Safety Panel of Experts. OMRDD has also been in active discussions with OFPC regarding a partnership with OFPC for a more vigorous role in fire safety training. Those discussions have led to a partnership agreement in principle that OFPC will take an active role in fire safety systems training going forward. OMRDD and OFPC have been discussing a range of possibilities in order to create and implement systems and controls that make the best sense for providing enhanced protections for the people supported and served by OMRDD.

Business process analyses and reengineering activities also continue to be used to reduce inefficiencies and increase performance. For example, to address the attrition of critical DDSO and Central Office leadership, OMRDD has reinvented and streamlined its statewide organizational structure to provide

improved oversight and direction. This new structure will result in enhanced coordination and implementation of both regional and enterprise-wide initiatives and activities.

In addition, this is the third year of OMRDD's participation in the National Core Indicators (NCI) Program. NCI allows OMRDD to benchmark its performance against that of other state developmental disabilities systems. Our continued involvement in NCI also allows OMRDD to track its own performance over time, identifying areas of performance above the national average as well as those deserving of greater attention to achieve improvement.

This activity is in lock step with the Governor's goals of a more efficient and effective State Government that provides for the on-going assessment of performance of each State agency. As part of this effort, OMRDD continues to work closely with OTA to build on the successes of 2009 by continuing to examine ways to be more efficient which potentially will produce additional savings.

Continued Commitment to the State Workforce in Difficult Financial Times

OMRDD's overall authorized staffing level will increase by a net of 89 Full-Time Equivalents (FTEs) to 21,857 on March 31, 2011. This change reflects an increase of 172 positions related to community development, offset by a decrease of 83 positions to be achieved via attrition/transfer. The decrease results from the streamlining and consolidation of various administrative functions, efficiencies in the delivery of services and elimination of research functions not related to OMRDD's core mission.

Closing Remarks - Our Journey from Good to Great and To Put People First

While we have not escaped the impact of actions to close the prior and current fiscal deficits, I believe that we have a fair and reasonable budget that allows OMRDD to maintain its base of quality supports and services while allowing for the advancement of our key priorities.

I hope you agree that this budget affirms Governor Paterson's support of New York's citizens with developmental disabilities and his endorsement of the appropriateness and effectiveness of the path OMRDD has chosen for supports and services to Put People First.

- This budget continues the direction of this administration: to provide sufficient choice and opportunities across the full spectrum of supports and services,
- This budget advances our goals to cascade the discipline of life planning and person-centered, customized supports for everyone regardless of where they live or spend their days,
- This budget continues efforts to rationalize how we deliver, fund and reimburse for our supports. It requires us to consider new strategies to sustain our comprehensive system of supports. It supports our efforts at controlling growth rates in Medicaid spending, as we take some giant steps forward, looking closely at our investments, utilization and expenditures.

- This budget positions us to facilitate innovation and priorities in research including our response to people with Autism Spectrum Disorders,
- It is grounded in our commitment to improve quality and outcomes in health, meaningful relationships, productivity and community integrated living.
- This budget supports our desire to create a better experience for those seeking services, and to strengthen recruitment and retention of our most valuable asset – our workforce.

Our greatest challenge in this Budget, as I see it, is to once again implement efficiencies and achieve cost savings without cutting essential services to those currently receiving them. And we can not turn our backs on new people who are in need of critical services and we can not turn our back on our workforce. We must move forward with the goal of maintaining stability within our nonprofit agencies who provide the majority of services to people with developmental disabilities. We must take on the hard work, be managers of change and make difficult choices.

Overall, given the State's continued fiscal stress, we have a Budget that generates extraordinary opportunity, with significant effort, to continue our journey from good to great and to Put People First. I have attempted to discuss the major areas of challenge and opportunity and to provide you a glimpse of the context of our work to come.

Again, I'd like to thank the Legislature for its continued support of OMRDD, the individuals who work in our field and most importantly the individuals and families we support.

Thank you.

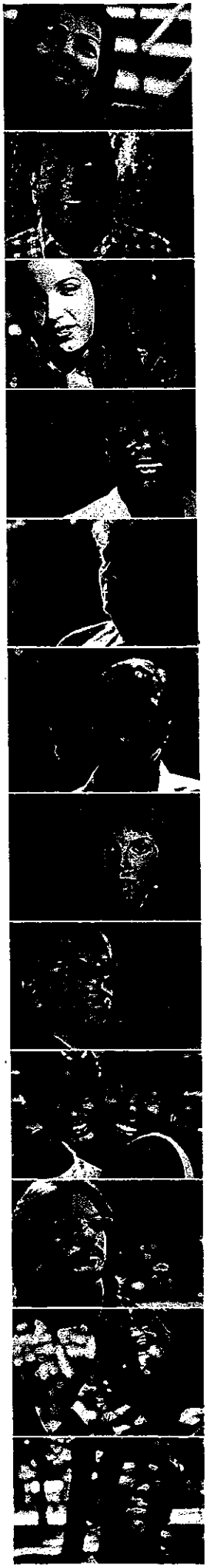
OASAS
Improving Lives.

NEW YORK STATE
OFFICE OF ALCOHOLISM & SUBSTANCE ABUSE SERVICES
Addiction Services for Prevention, Treatment, Recovery

2010-11
Executive Budget Testimony

OASAS Presentation to:
Senate Finance Committee
Assembly Ways and Means Committee

Governor David A. Paterson
Commissioner Karen M. Carpenter-Palumbo



"The individuals who choose to share their stories at www.iamrecovery.com represent the future and the reality of the state's Recovery Movement. They are our hope, inspiration and proof that recovery is happening every day in this great state.

Through these stories of courage, second chances, gratitude, and potential, New Yorkers will walk proudly in celebration of recovery in a society that welcomes their achievements.

I am confident that 2010 will show us that day."

- Commissioner Karen M. Carpenter-Palumbo

OASAS
your story matters.
I am. We are. Recovery.

www.iamrecovery.com

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Office of Alcoholism and Substance Abuse Services
Commissioner Karen M. Carpenter-Palumbo
Presentation of 2010-2011 Budget

Good morning, Chairmen Kruger and Farrell, committee members and my fellow New Yorkers.

It is a privilege to once again join my colleagues from the Office of Mental Health (OMH) and the Office of Mental Retardation and Developmental Disabilities (OMRDD). We continue to make collaboration among our systems a priority. Though our systems have distinct missions and differences, we are committed to working with each other and all other sister agencies toward the common goal of offering quality services that the most vulnerable New Yorkers need to live healthy, productive lives.

As I come before you to discuss this year's Executive Budget, we are again faced with significant challenges: a $7.4 billion budget deficit; a long-term structural deficit of $61 billion over five years; and the continued need for addiction services, with one of every seven New Yorkers dealing with drug, alcohol or gambling addiction. That totals 2.5 million people.

The strength of Governor Paterson's Executive Budget is that it institutes key reforms to put New York on the road to economic recovery. In addition, this budget also reflects his commitment to continuing the services that are so critical to New Yorkers involved in the OASAS system of care.

The Office of Alcoholism and Substance Abuse Services oversees one of the nation's largest addiction services systems, including more than 1,550 providers that treat 110,000 New Yorkers on any given day. Our field also encompasses a workforce of 35,000 paid and volunteer talent, including nearly 7,400 OASAS-credentialed prevention and treatment professionals.

Our agency mission is: **To improve the lives of all New Yorkers by leading a premier system of addiction services through prevention, treatment, recovery.**

Within this budget plan for fiscal recovery, OASAS is committed to increasing access to prevention, treatment and recovery services, insuring a gold standard of high-quality care and improving outcomes for long-term recovery.

To reach these outcomes, OASAS has enacted a strategic framework for performance management that is aligned with the accountability standards of the Governor's Office of Taxpayer Accountability. This framework is comprised of five Destinations, which include measurable outcomes that operationalize, track and verify progress:

Mission Outcomes: Establish an effective, science-based system which integrates prevention, treatment and recovery;
Provider Engagement: Develop a Gold Standard system of service provision;
Leadership: Be the state resource on addiction and lead the nation in the field of chemical dependence;
Talent Management: Become a Profession of Choice for attracting, selecting, retaining and developing talent;
Financial Support: Create a system with strong return on taxpayer investment and stewardship of resources.

2010-2011 OASAS Budget Recommendations

Governor Paterson's 2010-2011 Executive Budget for OASAS totals $721 million for All Funds, which is $30 million or a 4.4 percent increase from 2009-2010. This year's proposed fiscal plan streamlines Agency operations, continues necessary investments in our State-operated and voluntary infrastructure and supports core Prevention, Treatment and Recovery services.

The year-to-year increase includes: funding to expand clinical services necessary to support the drug law reforms championed by Governor Paterson and enacted by the Legislature as part of the 2009-10 budget; operating dollars for residential bed expansion authorized in previous budgets; and

anticipated increases in federal grants for Shelter Plus Care housing and other grant awards. In order to limit spending, planned program expansions to provide gambling prevention and recovery services, as well as funding to support increased fringe benefit, utility and pharmaceutical costs for our voluntary provider network have all been deferred.

Despite the proposed net increase in the OASAS budget, there are no funds in this budget to offset the loss of federal prevention funding that has been eliminated by Congress through the Safe and Drug-Free Schools and Communities grant program.

While OASAS leads the nation in its percentage of people served at 15 percent, we continue to face the ongoing challenge of unmet need for the 2.5 million New Yorkers who are dealing with drug, alcohol or gambling addiction.

No one wants to make cuts, they are painful, difficult and have a real impact on people's lives. But during these tough times, cuts need to be made. During these past two years, OASAS has taken numerous steps to reduce its operating budget to help address the state's continuing fiscal challenges. For example, the OASAS workforce has been reduced by more than 10 percent since 2008, and the agency's staffing level is now at its lowest since 1992, the year OASAS was created. In addition, we have eliminated the use of temporary service personnel, reduced travel costs by over 25 percent, and eliminated other non-essential, non-personal service expenditures. We have strictly adhered to the Governor's directive to fill only health and safety, revenue-generating or mission critical positions.

Another issue of critical importance in the Executive Budget is the proposal to extend current social worker and mental hygiene professional licensing exemptions for the Department of Mental Hygiene, the Office of Children and Family Services and local government programs. Failure to extend this exemption beyond June 1 of this year would generate costs in our provider network and endanger more than 20,000 public and private jobs.

These challenging fiscal times have brought forth renewed efforts to innovate, streamline and collaborate with other agencies in order to advance our mission in prevention, treatment and recovery services. Highlights of these collaborations include:

- Governor Paterson's ***Addictions Collaborative to Improve Outcomes for New Yorkers (ACTION)***, a council of 20 state agency leaders addressing the impact of addiction in public health, public safety, public education and public welfare;
- ***Communities of Solution***, a planning process introduced by OASAS statewide to mobilize local government, business, non-profit entities and individuals in recovery to manage resources for improved access, quality and efficiency of services. Two current initiatives in development are a co-occurring project to provide "no wrong door" to access mental health and addiction services, and a Web-based assessment and linkage tool to improve services and referrals for adolescents and their families. More than 75 percent of New York counties have engaged their providers about potential Communities of Solution initiatives.
- Development of a patient-centered, ***Recovery-Oriented System of Care***, for all our levels of care. In 2010-2011 the focus will be on our outpatient programs that will offer a full range of services that address the acute as well as the chronic phases of substance use disorders, from detoxification through recovery management. Our new Medicaid reimbursement methodology, Ambulatory Patient Groups (APGs), will support the use of evidence-based counseling and medication management practices that will be delivered through this more comprehensive and integrated model of outpatient care.
- Implementation of ***The Gold Standard Initiative*** for Addiction Services (GSI), which includes a performance measurement system to improve access, quality, outcomes, efficiency, and compliance. In OASAS' continuing partnership efforts, the GSI framework will articulate consistent performance expectations for the addictions field and provide toolkits, technical assistance and provider forums to assist in meeting those expectations. Provider Scorecards, issued to 1,000 programs last year for the first time, are being refined, and will be made available to the public in 2011.

Drug Law Reform

The Governor's commitment to implementing a system designed to treat, rather than incarcerate, those who are struggling with the chronic disease of addiction has prompted unprecedented cooperation among OASAS and its sister agencies. Collaboration with the Office of Court Administration (OCA), OASAS, Division of Criminal Justice Services (DCJS), Department of Correctional Services (DOCS), Parole and Probation has been critical as we implement the changes in this landmark reform. OCA and OASAS have also partnered to provide special regional trainings to serve the various courts throughout the state. A report summarizing the first months of implementation is planned from DCJS in late February 2010.

The Executive Budget includes an additional $13 million for outpatient, assessment, and clinical case management. OASAS will expand residential treatment capacity to meet the projected additional demand created by drug law reform, through millions of dollars of federal Byrne stimulus funding over a two-year period.

The proposed budget also continues support for four re-entry initiatives at the Orleans, Bayview, Hudson, and Edgecombe Correctional Facilities. OASAS will also be awarding a $220,000 grant in coming weeks to support scattered-site permanent supportive housing units for parolees in New York City.

Supporting Core Services in Prevention, Treatment, Recovery

The Executive Budget supports core services in the three foundations of the OASAS mission, Prevention, Treatment and Recovery.

Prevention

Science-based strategies are a key component of the OASAS prevention focus. Last year, OASAS issued revised guidelines for prevention services for the first time in nearly 15 years. This laid the

foundation for a more effective, performance-based system and by the end of 2010, prevention provider scorecards will be issued to assess outcomes for all programs.

The Governor's Budget continues his commitment to prevention services by supporting five Regional Prevention Resource Centers, which are designed to provide communities with resources to support the coalitions that address alcohol, drug and problem gambling behaviors.
The budget also continues $4.3 million to support 41 problem gambling prevention and treatment programs in 22 counties.

Treatment

OASAS continues its national leadership role in addiction treatment. The Executive Budget continues funding for the operation of our 12 Addiction Treatment Centers, as well as core treatment services provided by more than 1,550 community-based treatment providers.

Our field of care is to be commended for taking steps to improve the health and well-being of those being served in our system with implementation of New York's first-in-the-nation tobacco-free initiative. Up to 92 percent of the individuals in our treatment system smoke and we know that tobacco-related illness causes more deaths than alcohol, drugs, HIV, homicides, suicides, fires and accidents combined. Today, more than 80 percent of OASAS programs now have tobacco-free policies and surveys of patients as they leave treatment are indicating successful cessation rates.

This Executive Budget also supports continued funding for the ongoing capital development of 320 community-based residential treatment beds for high priority populations: 100 beds for veterans; 100 beds on Long Island; and 120 beds in upstate New York.

A total of $5.4 million is continued in the Executive Budget to continue Managed Addiction Treatment Services (MATS) case management in five counties (Orange, Suffolk, Dutchess, Westchester, and Erie) and to expand services in New York City.

In order to ensure the effectiveness of programs, OASAS will be responsible for oversight of screening and treatment for people who are arrested for driving while intoxicated. The Executive Budget also includes the transfer of oversight for the Drinking Driving Program from the Department of Motor Vehicles to OASAS, effective Jan. 1, 2011.

Recovery

Supporting people in long-term recovery is a core function of the OASAS system. OASAS has worked for the past three years to educate and inform New Yorkers that successful long-term recovery is more than just abstinence, but also includes health and wellness, housing, education and employment.

This Executive Budget supports recovery services in the state, with more than $500,000 in funding to operate three Recovery Community Centers in Brooklyn, Rochester and Oneonta. These centers offer services for individuals in recovery, including groups, transportation, training in parenting skills, nutrition and meal planning, financial management, education and career planning.

Also within this budget, OASAS will issue a single award of up to $60,000 annually in its Recovery Community Organizing Initiative, created to build and mobilize a strong, grassroots recovery organization across the state.

Housing is a major component of long-term recovery and OASAS is a national leader in regard to homeless families with addiction issues. In just two years, apartments have increased from 856 in 13 communities to nearly 1,300 apartments in 22 communities statewide. Within this Executive Budget, funding may be transferred from OTDA to OASAS for supportive housing under the NY/NY III initiative.

OASAS is also taking a leadership role in the national recovery movement by bringing together 37 states for the nation's first large-scale survey of the recovery community. This study will characterize

the experience of persons in recovery, identify best practices and the cost-effectiveness of recovery resources, and quantify the number of Americans in long-term recovery.

Governor Paterson demonstrated New York's ongoing commitment to recovery when he delivered a keynote address before 10,000 supporters at the nation's second annual Rally for Recovery last September in Brooklyn. The Governor and Legislators also showed their support of recovery in New York, with the proclamation of *Your Story Matters Day* last May, created to honor individuals in recovery who inspire hope and reduce stigma by sharing their story of recovery at *iamrecovery.com*.

ACTION

As referenced earlier in this testimony, the fiscal constraints now facing our state require a resolve to use existing resources with greater efficiency to innovate and collaborate. The ACTION initiative is a prime example of this innovation and collaboration. Established by the Governor in April 2009, 20 agencies are working together to address the costly impact of addiction in public education, public health, public safety and public welfare.

Public Education

- Efforts are being coordinated to reduce the incidence and consequences of addictive behaviors in all school settings. The State Education Department and OASAS are planning coordination of school surveys, including how to involve additional districts and provide technical assistance to districts on how to effectively use the data for improvements. OASAS is also working with the State University of New York to address underage drinking on all of its campuses.

Public Health

- Focus in this area includes fostering interagency collaboration regarding Fetal Alcohol Spectrum Disorders, preventing opioid overdoses, treatment for co-occurring disorders, and promoting and strengthening wellness self-management.

Public Safety

- This area focuses on ensuring that individuals with substance use disorders who are involved in the criminal justice system are diverted to treatment or are engaged in re-entry services. This

collaboration also involves working with DCJS to provide appropriate treatment services for those with substance use disorders while they are incarcerated.

Public Welfare

- Coordination among agencies in this area focuses on including addiction prevention, treatment, and recovery services as part of the continuum of assistance provided for individuals, children, and families who receive child welfare, juvenile justice services, temporary assistance and other human services.

Going Forward

Governor Paterson has committed to continue the delivery of prevention, treatment and recovery services during these difficult times. OASAS will accomplish its mission and meet its strategic Destinations by ensuring the highest quality of care for those we serve while streamlining programmatic operations and efficiently managing costs. Through collaboration, innovation and dedication, we will address the challenges on behalf of all the 2.5 million New Yorkers who are still dealing with the chronic illness of drug, alcohol or gambling addiction.

Thank you.

Good morning ladies and gentlemen.

My name is Kimberly Sullivan-Dec, Vice President of Program Operations for Liberty Resources. Liberty Resources is a large, diversified human services agency providing services throughout Central New York. We also provide services in Florida and Texas. Our organizational footprint affords us an opportunity to understand and compare systems of care at a local level as well as the effectiveness of services in different locales such as other states.

I would like to appeal to everyone in this room in terms of your own family. Imagine having an elderly parent residing with you suffering from depression and not being able to get access to mental health services which will allow your parent to live with you. Or you have a child that is having difficulty in school and you cannot get access to a child psychiatrist. This is the reality in many parts of New York State, in particular throughout Central New York.

I am appealing to you today to advance and implement Clinic Restructuring so as to improve the mental health care delivery system in New York.

Recently, Liberty Resources assumed operational responsibility for a mental health clinic that had been operating since the 1970's. The Board of Directors of that clinic voted to close the doors to the community because it was no longer financially viable. This would have denied care to thousands of clients in Onondaga County, most of who are from our most disenfranchised populations, struggling with extreme poverty and multiple life stressors. We assumed operational responsibility in 2007 and have invested significant economic resources into

sustaining these services in the Central New York community. Over the course of the past two years, we have focused our efforts on improving access to services, growing the Clinic to serve more than 2,000 clients and nearly doubling our annual volume to provide more than 35,000 individual, group or family visits in 2009. Without clinic restructuring, the opportunity to continue to provide these services will be severely limited. And, in fact, another provider in our community is in danger of closing its doors without the economic relief of clinic restructuring.

The notion of rationalizing mental health services in New York State is long overdue. However, clinic restructuring is polarizing our state due to structural financing problems in the Child Health Plus and Medicaid Managed Care administered by the Department of Health. While clinic restructuring will generally be favorable to most providers, the reimbursement rates for Child Health Plus and Medicaid Managed Care are woefully inadequate. Presently, we receive approximately $87 per treatment session under Medicaid and $63 under Medicaid Managed Care or Child Health Plus. As such, implementing clinic restructuring is a critical first step. However, the legislature must also address through the Department of Health, the inadequacies of reimbursement in Medicaid Managed Care and Child Health Plus. Most private practitioners, psychiatrists and therapists, do not take Medicaid Managed Care, Child Health Plus, Medicaid or Medicare due to low reimbursement. This leaves only not-for-profit entities such as Liberty Resources and governmental entities to care for the millions of New Yorkers on Medicaid/Medicare, Medicaid Managed Care and Child Health Plus.

With a severely constrained New York State budget, expanding State or County clinics is not rational or affordable. Accordingly, sustaining private not-for-profit clinics is critical to an

already fragile system of care. Clinic restructuring is an absolute necessity in maintaining the safety net of mental health services at the community level.

The resolution to the public policy question of sustaining mental health services can be achieved by the following two actions:

1. Implement clinic restructuring no later than July 1. It has already been delayed twice.
2. Structurally address rates of reimbursement in Medicaid Managed Care, Child Health Plus and Family Health Plus, utilizing existing financial resources within State agencies to underwrite these costs.

There are others that will tell you that clinic restructuring will have a negative impact for New York State. We are an example that clinic restructuring will be positive for our community and the sustainability of mental health services in Central New York.

We urge you to move forward with clinic restructuring and support Commissioner Hogan in this critically important initiative.

Thank you for your time.

Kimberly Sullivan-Dec, MPH
Vice President, Program Operations
Brownell Center for Behavioral Healthcare
Liberty Resources, Inc.
1045 James Street
Syracuse, NY 13203
(315) 425-1004
kdec@liberty-resources.org

Good morning and thank you for the opportunity to speak with you today. I'm Bob Long, the Commissioner of Mental Health for Onondaga County, a community of just under a half million people centered around the City of Syracuse.

There are six licensed mental health clinics in Onondaga County, operated by not for profit or governmental entities, and they are losing hundreds of thousands of dollars a year as a result of inadequate reimbursement for services rendered. Our clinics are the primary contact for people in need of mental health treatment, and our clinics are on the verge of financial collapse.

This is not how it is supposed to be. Medicaid states that services will be reimbursed at rates that are sufficient to cover the "reasonable costs of an efficiently operated provider". In Onondaga County, our providers' costs are reasonable and our clinics are operating at maximum efficiency, with staff productivity at levels that threaten quality of care in some cases.

The loss of these mental health clinics would be not only be a human tragedy, but an economic one as well. Fifty percent of students with mental disorders drop out of school. It is estimated that more than half of all prison and jail inmates have a mental health or addictive disorder. Mental health and addictive disorders are the leading cause of combined death and disability for women in the United States, and the second leading cause of death and disability for men. Mental illness and addictions cost the United States $171 billion dollars per year in lost productivity alone.

Something must be done to sustain our capacity to treat people with mental disorders in our community, and it must be done now. That said, I am *not* here to ask you for more money. Instead, I am here to ask you to enact mental health clinic restructuring included in the executive budget request to maintain and improve critical mental health services in communities like mine across New York State, and to help put New York on the road to economic recovery by increasing the productivity of the work force.

These clinic reforms are 'budget neutral' for the State and will assure reimbursement equity to providers who have been arbitrarily penalized by Medicaid payments rates that are, by any measure, irrational. Supplemental Medicaid rates at mental health clinics in New York currently range from $7 a visit to $300 a visit for the exact same services. These rates are an historical artifact of a financial gimmick and are *un*related to quality of care, geographic variances in the cost of living, or the nature of the clinic programs. Under proposed clinic restructuring, developed by the Office of Mental Health over months of discussion with providers, trade associations and local government officials across the State, programs that were struggling under artificially low rates will be placed on the road to fiscal recovery.

Budget neutrality is possible because the proposed restructuring will reduce the rates of some clinics that are currently overpaid relative to the reasonable costs of operating these Medicaid funded services. Some of you may hear from Clinics whose rates will be reduced, and when you do, I would ask you to bear two questions in mind:

1) If these Clinic providers contend that they cannot afford to operate with a supplemental rate of less than $300 a visit, how can we expect other clinics in New York State to continue to operate with a supplemental rate of $7 a visit?

2) If we don't equalize funding among clinics based on the reasonable costs of an efficiently operated provider, where will we find the money to provide a reasonable rate to clinics that are now grossly underpaid for the critical services they provide and on the verge of financial collapse?

Although the cuts to highly paid providers are deep in some cases, New York can no longer rely on fiscal gimmicks to finance unsustainable spending. Clinic restructuring, implemented over a three year period to ease the transition for those who rates will be reduced, will place the emphasis on quality of services and efficiency, achieving a higher standard of care through better engagement and follow through on services.

For the first time in 20 years, all clinics across New York State will have the resources and tools needed to deliver quality treatment. In these difficult and stressful times, we cannot afford to forgo this opportunity to better serve the most vulnerable people in our society.

Thank you for your time, and for your anticipated support of mental health clinic restructuring in New York State.

Respectfully submitted,
Robert C. Long
Onondaga County Commissioner of Mental Health
421 Montgomery Street – 10th floor
Syracuse, New York 13202

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Testimony Before the NYS Legislative Joint Fiscal Committees

Mental Hygiene Budget Hearing February 2, 2010

Presented by
Harvey Rosenthal Executive Director
New York Association of Psychiatric Rehabilitation Services

On Behalf of NYAPRS Members and
The NYAPRS Public Policy Committee
Co-Chairs: Ray Schwartz, Carla Rabinowitz

NYAPRS Board of Directors
Co-Presidents William Sullivan, Robyn Krueger President-Elect Doug Hovey

The New York Association of Psychiatric Rehabilitation Services represents a statewide partnership of 40,000 New Yorkers who use and/or provide community mental health services who are dedicated to improving services and social conditions for people with psychiatric disabilities
www.nyaprs.org

Thank you, Chairman Kruger, Chairman Farrell, Chairman Morahan, Chairman Rivera and the other members of the Committees for this opportunity to present to you the concerns of the thousands of New Yorkers represented by the New York Association of Psychiatric Rehabilitation Services. NYAPRS is a unique statewide partnership of New Yorkers with psychiatric disabilities and the community mental health professionals who support them in over 120 community-based mental health agencies from every corner of the state.

I'm Harvey Rosenthal, NYAPRS Executive Director. The following testimony that I will present incorporates the direct input of many hundreds of NYAPRS members who gathered at local forums that were conducted this past fall and winter in localities across the state including Amityville, Binghamton, Brooklyn, Buffalo, Rochester, Westport, White Plains and others.

After decades of being represented by others, New Yorkers with psychiatric disabilities are at long last speaking for themselves. This was once again evidenced by this past Tuesday's Legislative Day that NYAPRS co-organized with our friends at the Association for Community Living and the Mental Health Association of New York State and backed by all of the other leading state and regional mental health advocacy groups. Throughout that day, the Capitol was filled with 1,500 yellow-hatted New Yorkers with psychiatric disabilities and the community mental health staff who support them came to urge their state legislators and Administration officials to "Protect the Community Mental Health Safety Net."

State mental health policy is a very personal matter for our NYAPRS community. Many of our members, our board members, our staff including Chacku and me all share a common personal journey of recovery from a psychiatric disability. We believe this strengthens our ability to speak to you on behalf of the tens of thousands of New Yorkers with psychiatric disabilities we represent.

Our community greets this year's Executive proposal with mixed reactions.

Budget Agenda
OFFICE OF MENTAL HEALTH
Summary

We are pleased and grateful for the efforts put forward by the Governor, the Division of the Budget and the Office of Mental Health in constructing a budget that finds savings in state hospital downsizing and increases in state efficiencies without making an across the board cut to the community safety net. At the same time, we are very concerned about both preserving current funding levels during the budget process and addressing the steadily increasing demands and ever rising costs that are stretching this safety net to its limit.

Further, the Executive budget finds a way to make small strategically wise increases in progressive community based approaches that foster a more independent and integrated life in the community. Accordingly, we want to extend our continued appreciation to OMH Commissioner Michael Hogan's progressive leadership that is helping to transform our community and state operated service systems to move from a chronic long-term illness management based system to a more dynamic one that fosters wellness, empowerment, employment and community integration.

FUNDING FOR THE COMMUNITY MENTAL HEALTH SAFETY NET

Over the last two decades, the Office of Mental Health has developed and provided funding for an essential array of community based treatment, rehabilitation, residential, peer run, case management and related support services that make up the state's community mental health safety net.

This community system has helped bring stability, support, hope, recovery and increasing opportunities for integration into local communities by facilitating the health, housing, employment, social and family-based goals of hundreds of thousands of New Yorkers with psychiatric disabilities.

OMH has done a valiant job in absorbing almost ¼ billion in savings over the past two years without having to damage the safety net, including $87 million in last year's budget, $59 million in last December's Deficit Reduction Plan and now $86 million in this year's proposed budget.

However, NYAPRS and many of our colleagues believe that critical actions are needed from state legislators over the coming weeks to protect and promote our capacity to serve some of our state's most vulnerable citizens.

At minimum, we must **Preserve and Protect Current Funding Levels for the Community Mental Health Safety Net!** As I mentioned earlier, over 1,500 New Yorkers with psychiatric disabilities and their supporters came to Albany in record numbers last week to give powerful testimony to the critical role community mental health services play in supporting their health and recoveries and, at the same time, helping them to avoid costly stays in emergency, inpatient, homeless and criminal justice settings. But that basic funding may not be safe! We stress this given the example of last year's DRP, when the cut to OMH actually increasing from 10 to 12%. As the legislature and the Administration make their adjustments to the budget in the form of restorations, increases or deeper cuts, we need your full support to prevent any further erosion in funding for the safety net.

Further, we find numerous reasons to urge our state legislators to find the funds, even during these very difficult times, to fund a **2% Cost of Living Increase** to solidify and support the safety net's capacity to continue its critical mission and preserve the workforce that is our strongest asset:

- **Rising Costs and Demands**: as the economy has worsened, mental health services are seeing an unprecedented increase in emergency, inpatient and community services! As our friends at MHANYS often point out, the economic crisis is a mental health crisis for New York State. At the same time, rising operational, healthcare and fuel costs provide daily challenges to many community agencies to keep pace, let alone stay solvent.
- **Historic Disparity in Community Funding and Workforce COLAs**: what message is New York giving to our community workforce when its continues to provide necessary cost of living increases for the state workforce and for nutritional assistance groups, school health, asthma services, pre-natal care, lead poison prevention, regional prenatal centers, Alzheimer's research, tobacco control, rabies, developmental disabilities and tuberculosis control groups but withholds a promised COLA for the community mental health workforce for the second year in a row?

- **Cost Benefits to the State:** Keeping our community mental health safety net strong not only save lives, it saves the states untold millions in prevention and diversion from costly emergency, inpatient, homeless and criminal justice settings.

Recommendation: NYAPRS is joined by a number of our colleagues in the state's mental health advocacy community in asking for a 2% increase to the community mental health safety net, which is expected to cost $20 million.

HOUSING FOR ADULT HOME RESIDENTS WITH PSYCHIATRIC DISABILITIES

Sadly, New York State has achieved national recognition for the shameful treatment we have afforded thousands of New Yorkers with psychiatric disabilities who were wrongly dumped into adult care facilities that were not designed to serve them and that are unable to offer them the modern recovery-centered approaches that the majority of New Yorkers in need get from the community safety net.

A federal judge recently ruled that our state was violating the residents' Americans with Disabilities Act rights by denying them their rightful access to a life in recovery in the most integrated community setting, rights that have received the strong support of the federal Department of Justice.

The state has provided a paltry response to the lawsuit as reflected in the budget's $1 million allocation to prepare residents for more appropriate community settings and a commitment to fund 1,000 such beds going forward over the next 5 years. This is simply far too little too late! Justice for adult home residents should not have to wait and OMH should move much more quickly to provide transitional supports and community housing for thousands more residents, as was recommended by the Governor's Adult Home Work Group that I sat on over 7 years ago.

COMMUNITY SERVICES INITIATIVES

NYAPRS strongly supports the following progressive initiatives in the OMH budget, with the following comments:

a. We greatly support the planned expansion of the state's progressive new community outpatient licensed model, **Personalized Recovery Oriented Services (PROS)** that is transforming our ability to move from an outmoded focus on mere symptom management to a modern focus on the wellness, recovery and employment goals of those we serve.

At the same time, NYAPRS is concerned about a reduction in needed start up funds previously afforded to providers who converted to PROS and we urge the legislature and OMH to ensure appropriate funding and support is provided.

b. Similarly, we strongly support OMH's creative securing of federal Medicaid Infrastructure funds to advance the **Employment of New Yorkers with Disabilities** and federal and state funds to create Peer Recovery Centers that will act as innovative resource centers to help New Yorkers with psychiatric disabilities to integrate independently into local communities.

c. And we continue to support OMH's plans to reform mental health treatment to advance a recovery focus, implement more ambitious and innovative standards of care and add the use of peers and family members to conduct

outreach and engagement for 'hard to serve' individuals in its **Outpatient Clinic Restructuring** initiative. We are heartened by OMH's efforts to work with the Department of Health to see that Medicaid Managed Care rates for behavioral health treatment services are increased to help offset the loss of COPS funding that is deemed by federal Medicaid authorities as no longer tenable.

PARENTS WITH PSYCHIATRIC DISABILITIES

Despite the fact that over 50% of adults with psychiatric disabilities are parents, our community services and supports have not been structured to support and strengthen their parenting and parental rights. As a result, the legislature wisely allocated $850,000 in 2008 to fund:

- **a.** Legal Rights Advocacy and Parents/Family Court Judges' Training that has been very capably provided by grantees Central New York Legal Services and the Urban Justice Center via funds overseen by the Commission on Quality of Care and Advocacy for People with Disabilities
- **b.** Community Mental Health Provider training and curriculum that is under development by a Mental Health Association of NYS grant that includes NYAPRS supports.

Last year, the legislature took much appreciated action to extend the one year funding forward and **we urge you to once again re-fund these very important initiatives with another $850,000 re-authorization.**

STATE PSYCHIATRIC CENTERS

1. **NYAPRS again strongly supports OMH efforts to avoid further erosion of inpatient mental health services funding by making efficiencies within its statutorily mandated program to house and treat sex offenders** per the Sex Offender Management and Treatment Act. We urge the legislature and the Administration to keep previous promises to adequately fund these programs without jeopardizing OMH funds necessary to support our prime and rightful mission to serve New Yorkers with psychiatric disabilities.
2. On the other hand, **NYAPRS strongly opposes Administration efforts to once again seek to wrongly re-appropriate for budget savings SSI funds intended to help state hospital inpatients prepare for an appropriate and successful transition to the community.** The Governor proposes to amend Mental Hygiene Law to seize $70 million in patients' funds annually, which would come directly from Social Security funds which would otherwise be used for patients' comforts and necessities in the facility, and to enable patients to successfully establish themselves in the community upon discharge from the facility. Without funds to establish themselves after discharge, patients are likely to end up back in the facility or homeless. Last year, the Governor proposed nearly identical changes to the law, and the Legislature wisely rejected them. It should do so again.

OTHER BUDGET AGENDA

DEPARTMENT OF HEALTH

1. **Preserve Adult Home Resident Grants: NYAPRS strongly opposes Administration proposals to collapse into one funding stream several initiatives that have provided critical aid and guarantees to adult home residents with psychiatric disabilities.**

   Previously, the Executive and the Legislature recognized adult home deficiencies by collaborating to dedicate specific funds:

   - to advance **recovery initiatives for adult home residents with psychiatric disabilities (ENABLE)**
   - ensure that residents taking powerful psychiatric medications that produce dangerous ill effects during hot summer months get **financial assistance to turn on critically needed air conditioners** (the operators were charging poverty-level residents high monthly rates)

   Further, the state proposes to abandon **requirements that adult home operators consult with and get the formal support of resident councils for their applications to receive state Quality Improvement Program (QUIP) grants.**

   We urge state legislators to reject a further weakening of dedicated supports and rights protections afforded to residents with psychiatric disabilities at the exact time New York is under great public, federal and judicial pressure to provide them with more not less.

2. **Preserve Open Unrestricted Access to Antidepressant and Antipsychotic Medications in New York's Medicaid Program.** NYAPRS is greatly troubled about the state's decision to remove the historic and prudent exemption from the Medicaid Preferred Drug Program for medications for our most vulnerable groups: people with psychiatric disabilities, AIDS/HIV and who've received organ transplants. The Legislature has long rejected Administration attempts to weaken access to these medications and has maintained a strong wall of protection by insisting they remain out of the PDL and related Prior Authorization (PA)-driven access restrictions that could greatly jeopardize the health and sometimes life of these groups. It often takes years for such individuals to find the right medication and dosage and PA programs can serve to deny access patients to those exact medications in an effort to save the state money.

   While the state currently proposes to bring these drugs into the PDL to collect more rebate dollars from the manufacturers without currently subjecting them to Prior Authorization restrictions this year, it takes down a long respected "wall of protection" that moves them only one step away from that terrible possibility in the future.

   NYAPRS is beginning to hear growing allegations that the state's Prior Authorization process is more onerous than previously portrayed and we greatly fear that this proposal moves us down a slippery slope to subjecting mental health drugs to such a needlessly risky process. We strongly urge the Legislature to take corrective action here.

COMMISSION ON QUALITY OF CARE FOR PEOPLE WITH DISABILITIES

- **Restore Adult Home Resident Advocacy Funds:** The Administration proposes to eliminate scant funds that have gone a long way to **providing adult home residents with much needed education, empowerment and advocacy services through the valued efforts of the Coalition of Institutionalized Aged and Disabled (CIAD).** We urge you to restore the $75,000 necessary to assure critical rights protections for this deprived population.

OFFICE OF DISABILITY AND TEMPORARY ASSISTANCE

- **Support: No Cut To State Supplement To SSI:** After two previous efforts to deny SSI increases to our most vulnerable, low income New Yorkers, we greatly appreciate this year's proposal to leave these funds completely intact.
- **Restore $4.6 million to fully fund SROs in OTDA at $22.2 million and $5 million for OTDA's Supported Housing for Family and Young Adults.** SRO Support Services funding is one of the mainstays of supportive housing – affordable housing linked to critical on-site services. The Executive budget would zero out SRO funding for all new residences and cut funding for the existing portfolio of 13,000 units by 13%. **In NYC, we would lose funding for all 9,624 units**. There will be **NO SRO support funding for 38 new residences**, putting at risk the stability of **1,943** formerly homeless, disabled and at-risk tenants and negating the **$352 million** capital investment that the City and State already invested in these buildings. This cut would result in an estimated **863 layoffs** and the loss of **106 new jobs** in the new buildings, most of them low-wage positions. Every person made homeless as a result of these cuts could well cost the state an additional **$18,288** in other systems including emergency rooms, shelters, psychiatric institutions, jails and prisons. We strongly urge the Legislature to restore these funds.

LEGISLATIVE AGENDA

OFFICE OF MENTAL HEALTH

- **SUPPORT a Multi-Year Reauthorization of the Landmark Community Reinvestment Act** redirecting savings from state hospital downsizing into community service expansion.
- **REJECT** Forced Outpatient Treatment Initiatives Associated with **Kendra's Law**; The research mandated by the Legislature failed to provide the required comparisons with more active, accountable, responsive and well coordinated efforts by providers on a voluntary basis. The NYS Office of Mental Health and the NYC Department of Health and Mental Health's joint **Mental Health Care Monitoring Team Initiative** is producing impressive results and OMH is poised to launch a new Outpatient Clinic Initiative that will require much more active engagement, outreach and follow up of 'at risk' individuals. At minimum, the Legislature should extend but not make the Law permanent while it continues to carefully monitor this closely watched and very controversial program.

EXECUTIVE LAW

- **SUPPORT Legislation** (A.8699 and S.3369) Adding Consumer Representatives to the **Most Integrated Setting Coordinating Council**

STATE EDUCATION DEPARTMENT

- **SUPPORT Legislation Extending the Exemption for Social Worker and Mental Health Practitioner Licensing Requirements** for an additional four years through June 1, 2014 to allow localities and the field time to train and upgrade staffing to comply with licensing standards.

SOCIAL SERVICES LAW

- **Ending The Discrimination Against Parents with Psychiatric Disabilities** by Eliminating Section 384B of Social Services Law that Jeopardizes Parental Custody Rights for People with Psychiatric Disabilities.
- **Boost Adult Home Resident Abuse Reporting Requirements** by approving A.668 (Magnarelli) which amends Social Services and Education Law to require health care and other professionals to report cases of abuse, mistreatment, or neglect of residents in adult homes and assisted living residences and provides civil penalties for committing acts of abuse, mistreatment or neglect or failure to report such alleged acts committed by others.

Year after year, state Legislators have been tremendous partners in our joint efforts to advance the recovery, rehabilitation and rights of New Yorkers with psychiatric disabilities. I'd like to thank you for your extraordinary record of support and for your help going forward once again this year.

New York Association of Alcoholism & Substance Abuse Providers, Inc.

1 Columbia Place, Suite 400 • Albany, New York 12207
518-426-3122 • Fax: 518-426-1046 • E-Mail:asap@asapnys.org • www.asapnys.org

NEW YORK STATE SENATE FINANCE AND ASSEMBLY WAYS AND MEANS COMMITTEES

MENTAL HYGIENE BUDGET HEARING

WEDNESDAY, FEBRUARY 3, 2010

TESTIMONY BY:
JOHN J. COPPOLA, MSW
EXECUTIVE DIRECTOR

Good Morning. My name is John Coppola. I am the Executive Director of the New York Association of Alcoholism and Substance Abuse Providers, Inc. (ASAP). We are the statewide association that represents the interests of chemical dependence and problem gambling treatment, prevention, and recovery programs from throughout New York State. Included in our membership are more than 200 agencies that provide a comprehensive continuum of services, nineteen statewide and regional coalitions of programs, and a number of affiliate and individual members.

Our membership is committed to working with the Governor, the Senate, and the Assembly to ensure the responsible stewardship of valuable resources and the provision of excellent quality services that improve the health and quality of life for individuals, families, and communities throughout New York State. Chemical dependence and problem gambling treatment, prevention, and recovery support programs are an invaluable resource to state and local governments looking to address the needs of their communities in a budget environment that requires provision of cost-effective services that produce the desired results.

ASAP understands that these are very difficult economic times and that New York State has a significant deficit that must be remedied with a combination of reduced expenditures and increased revenue. As we have testified in previous years, the deficit can also be reduced by spending more on programs that create savings when they achieve desired results. Investing in treatment, prevention, and recovery creates savings for NYS. Successful chemical dependence and problem gambling outcomes mean less spending for healthcare, criminal justice, public assistance, child welfare, domestic violence services, and many other needs that occur when addiction goes untreated,

Unfortunately, chemical dependence and problem gambling programs have seen their program's financial bases erode because, looking back for more than a decade of NYS fiscal years, state funding has not even kept pace with inflation, healthcare benefits and other expenses have sky-rocketed, and unfunded mandates have been unabated, Chemical dependence and problem gambling programs have frequently been asked to do more with less to the point that programs are now being forced to merge or close under the weight of increased demand and ever shrinking resources. The hens have come home to roost.

Governor Paterson has proposed a budget for the NYS Office of Alcoholism and Substance Abuse Services (OASAS) that helps NYS realize a reduction in its deficit while supporting a significant expansion of treatment to address the need created by Governor Paterson's drug law reform. There is no way that drug law reforms could be implemented without additional resources for chemical dependence services, the cornerstone for the successful implementation of the reforms. We applaud the Governor for making drug law reform a reality and then following up to ensure that we are able to implement those reforms.

Governor Paterson eliminated the Cost of Living Adjustment (COLA) for chemical dependence and problem gambling and other human services workers in his budget proposal. With a workforce crisis impacting chemical dependence and problem gambling treatment, prevention, and recovery programs, elimination of the COLA will make it even harder for programs to attract and retain Community-based organizations are concerned about losing staff to state agencies and unionized programs that will be receiving salary increases. We are also concerned about crippling increases in health benefit costs and the continued pass through to us of the cost for the tax that was levied on health insurance companies last year. Our employees are paying for and more out of their own pockets for a shrinking menu of healthcare benefits as rates go through the roof. Our dedicated workers seem to be the last consideration. They pay the price for our economic crisis and get double billed when they pay the price for our recovery as well. ***We urge the Senate and Assembly to include additional funding for salaries and health benefit increases when you reach agreement on a 2010-2011 NYS budget.***

Governor Paterson's budget included a four year extension of the exemptions enumerated in NYS's social work licensure statute. This statute has a significant number of unintended consequences that threaten the very existence of chemical dependence treatment and early intervention services. Scope of practice language, if implemented, would result in thousands of layoffs of treatment staff who are currently providing intake and screening services, developing treatment plans, and providing an array of treatment counseling services. These lay-offs would result in significant service reductions and program closures all across the state. The extension proposed by Governor Paterson is needed to fix this and other significant and very complex flaws to this licensing statute. Four years is the minimum time frame needed to appropriately analyze issues related to the licensing bill and to formulate solutions that will work for all concerned parties. Governor Paterson included this four year extension after consultation with OASAS, OMH, OMRDD, OCFS, DOH, SED, and other state agencies. ***We urge the Senate and Assembly to support the Governor's proposal for a four year extension of the exemptions enumerated in the social work licensing statute.***

Prevention services in communities throughout NYS are at serious risk. President Obama and Congress eliminated the Safe and Drug Free Schools program when they passed the federal budget for 2010-2011. This means that NYS will lose $23 million that we have used to provide primary prevention and early intervention services in our schools. This, coupled with diminishing state support, has created an unprecedented crisis for prevention service providers. ***ASAP urges the Senate and Assembly to pass a resolution asking President Obama and Congress to renew the Federal commitment to prevention by restoring funding to a new prevention initiative that will support NYS's school and community-based prevention services.***

A serious threat to treatment programs has resulted from recent actions taken by the Office of the Medicaid Inspector General (OMIG). During audits in OASAS community-based treatment programs, disallowances have been made for reimbursement where there have been simple clerical or administrative errors having nothing to do with fraud, waste, or abuse. "Take backs" resulting from disallowances not related to fraud have totaled in the tens of millions, threatening the fiscal viability of affected programs. ***We urge the Senate and Assembly to pass legislation that limits OMIG's ability to penalize programs for simple human error not even remotely related to fraud, waste, or abuse.***

Chemical dependence and problem gambling programs cannot sustain additional cuts without significant lay-offs and service reductions, at a time when NYS needs to retain jobs and enhance services. We also cannot take on any more unfunded mandates. As OASAS and DOH continue to move toward implementation of the new Ambulatory Patient Group billing system, for instance, it is imperative that resources are made available for the billing software changes and additional billing personnel and training costs that will be incurred. We need the support of the Senate and Assembly throughout your budget discussions to ensure that we do not lose ground, are able to protect the resources we have, and can strengthen our workforce and services with the help of additional resources.

Aware that these are difficult fiscal times, ASAP has two recommendations that involve revenue generation that we would like you to consider:

1. According to Join Together's *Blueprint for the States*, "if additional funds are needed, states should consider raising alcohol taxes." We were pleased that the 2009-2010 budget included a modest alcohol beverage tax increase. The NYS Department of Health has shown that taxes (cigarette tax for example) can be used as an effective public health tool. Increasing the tax on alcohol would help reduce underage drinking and provide much needed resources that could be used to support our request for workforce and health benefit coverage.

2. Increasing the availability of gambling options in New York has created more risk for problem gambling, increased the need for problem gambling prevention, and increased the need for treatment services for individuals with gambling addictions. To address this increasing need, ASAP recommends that 1% of all revenues from new gambling initiatives be set aside for problem gambling prevention and treatment services throughout the state. We also suggest that these funds be used to help study the impact of problem gambling and assess the need for problem gambling prevention and treatment services.

ASAP opposes Governor Paterson's proposal to sell wine in grocery stores. It will lead to increased underage drinking and a consequent increase in teen deaths from accidents and alcohol poisoning. We are also concerned that the Governors proposal does not include increased funding for OASAS to provide the training of grocery store personnel, support community education and prevention, and resources for OASAS to monitor compliance with responsible grocery store policies.

ASAP is further concerned that the Governor has proposed expansion of gambling in NYS with no concurrent investment of resources for the treatment and prevention of problem gambling.

Additionally, as NYS continues to implement drug law reforms and as it begins to implement juvenile justice reform, ASAP strongly encourages Governor Paterson and the legislature to use some of the savings from prison and youth facility closures to support chemical dependence treatment, prevention and recovery services.

ASAP is committed to being a resource for the Senate and Assembly and a partner in your work to improve the quality of life in communities throughout NYS. On behalf of ASAP's membership, I thank you for your service to the public and assure you of our readiness to assist you. With gratitude, ASAP would also like to recognize the dedication and hard work done by Senate Finance, Assembly Ways and Means, Program and Counsel staff, and the DOB team.

Thank you.

the Network
Supportive Housing Network of NY

New York State Senate and Assembly
Joint Public Hearing on the
FY 2010-2011 Executive Budget for Mental Hygiene Agencies
February 3, 2010

Supportive Housing Network of New York
Ted Houghton, Executive Director

Good morning. My name is Ted Houghton, and I am the Executive Director of the Supportive Housing Network of New York. The Network represents over 180 nonprofit providers and developers who operate nearly 40,000 supportive housing units throughout New York State, the largest supportive housing membership organization in the country.

Supportive housing – affordable apartments linked to on-site services – is the proven, cost effective and humane way to provide stable homes to individuals and families who have difficulty finding and maintaining housing. The people we house and serve – people with mental illness, HIV/AIDS, substance abuse, physical disabilities and other barriers to independence – are typically frequent users of expensive emergency services like shelters, hospitals, prisons and psychiatric centers. Because placement into supportive housing has been proven to reduce use of these services, supportive housing saves State taxpayers money, often far more than what was spent building, operating and providing services in the housing. This has been proven, time and time again, by dozens of peer-reviewed academic studies.

The State Office of Mental Health was one of the first agencies – in New York State or anywhere else – to demonstrate the savings associated with supportive housing, and has wisely been investing in supportive housing for more than two decades now.

So it is no surprise that in this budget they have maintained their commitment to the New York/New York III Supportive Housing Agreement, the 10-year City/State commitment to create 9,000 new units of supportive housing in New York City. OMH leadership understands that it is a lot more expensive to leave people with disabilities homeless or in hospitals than it is to give them their own apartment.

Unfortunately, localities outside of New York City have seen OMH's investment in mental health housing come to a halt. In order to maintain funding for existing units across the state, while continuing to develop NY/NY III housing, the State was forced last year to "freeze" the statewide development pipeline of 1,600 OMH supportive housing units. This was a mistake. New York State has amongst the highest rates of

homelessness in the country, and at least one out of every two people who are homeless suffer from mental health issues. Moreover, countless people end up in expensive and restrictive nursing homes and adult homes each year, when they could be living in their own supported apartment at a fraction of the cost. As studies have shown, average Medicaid use plummets when people get housed.

In addition, supportive housing creates jobs. Freezing the statewide pipeline eliminates the need for thousands of construction jobs and hundreds of social service and property management jobs. No construction programs, especially ones where many of the sites are shovel-ready, should be frozen while our unemployment levels remain at record highs.

It is also important to note that the funding needed for these units are all in the out-years. OMH already has capital funding for these units, but since it takes an average of two to three years to build or rehab a supportive housing residence, the operating and service funding will not begin to appear in the OMH budget until FY2012, and mostly long after that.

We appreciate that OMH has managed to prioritize and protect supportive housing services in its budget. And we are heartened by OASAS's commitment to expanding supportive housing these past three years. We hope to work with OASAS to expand funding available for supportive housing for New Yorkers diverted from or leaving prison as a result of the Rockefeller drug reforms. We also hope that OMH is allowed to move more aggressively on new housing development and spend its allocated capital this year.

Thank you for this opportunity to testify.

Respectfully submitted by:

Ted Houghton
Executive Director
Supportive Housing Network of New York
247 West 37th Street
New York, NY 10018
(646) 619-9641
thoughton@shnny.org
www.shnny.org

Families Together in New York State

Testimony
On the Mental Hygiene Budget

Wednesday February 3, 2010

Before the
Joint Fiscal Committees of the New York State Legislature
The Honorable Carl Kruger
Chairman, Senate Finance Committee

and

The Honorable Herman D. Farrell, Jr.
Chairman, Assembly Ways and Means Committee

Presented by
Paige Pierce
Executive Director
Families Together in New York State

Good morning. My name is Paige Pierce. I am the Executive Director of Families Together in New York State, a statewide family-run organization that represents families of children with special social, emotional, behavioral and mental health needs. We represent thousands of families across New York State whose children have been involved in many systems including mental health, substance abuse, special education and child welfare. Our board and staff are made up primarily of family members and youth who have been involved with the children's systems. I am also a parent. My eighteen year old son was diagnosed with Asperger's Syndrome at the age of three, and we have been navigating the complex systems for the past fifteen years.

There are over half a million children and youth in New York State who have a mental or addiction disorder associated with significant functional impairment. Without access to appropriate services these children end up dropping out of school, in the juvenile justice system, with addiction problems, in expensive hospitalizations, and in the child welfare system. In this state, families still relinquish custody of their children in order to receive mental health services in residential settings. This is not acceptable. The state needs to support families in raising their children with special needs. Prompt access to appropriate community-based services saves money and improves the quality of life for children and youth and their families.

The Children's Plan: A Plan for All Children in Need:

In October 2008, in response to the legislature's request, the Office of Mental Health released *The Children's Plan: Improving the Social and Emotional Well Being of New York's Children and Their Families*. This document not only points us in the direction of building the family-centered, strength-based services that our families have been asking for-- but it demands that all child serving systems work together to achieve this goal.

We are truly excited to report that the commissioners of all child-serving systems have signed onto The Children's Plan. This group of nine commissioners, along with family and youth representatives, has been meeting quarterly to address systems barriers and

identify the need for systemic changes. They understand that all children and youth need access to supports: children and youth, in school, in foster care, in detention, with substance abuse issues, with developmental issues, with learning issues and with special health care needs. Family-driven family support is a necessity for everyone to improve mental health, improve school outcomes and keep our youth out of expensive residential programs.

Two of the five themes identified in *The Children's Plan* point to a commitment to families:

> 1) Every action should strengthen our capacity to engage and support families in raising children with emotional health and resilience; and
>
> 2) State agencies and service providers must be accountable to individual families for more integrated and effective care.

During this difficult financial time, The Children's Plan will lead us in the direction of helping families and youth. We must continue to implement the action plans and continue to build understanding from all the child serving agencies, both statewide and local, that joint efforts to implement The Children's Plan will benefit all. This new model of cross-system joint activity and planning will ultimately save the state money as expensive hospital and residential services are traded in for accessible, community-based, family centered services.

Here's what families have told me:

> "They took my child away from me and put her in foster care. They provided the foster parent with a case manager, with respite and with training on parenting a child with behavioral issues. Why didn't they have those kinds of supports and services for my family? That way we could have stayed together."
>
> "They sent my son to residential placement three hours away. There weren't enough Waiver slots in our county for me to keep my son at home."
>
> "My 18 year old son was depressed in high school and his grades were failing. I couldn't get him mental health services or help for his drinking. He ended up in

jail for 6 months and finally got some help. The cost to the County and State was much greater than if we had been able to access services in the community. And the cost to him and to our family was huge. He's doing better but now has a criminal record that will stay with him."

What Families Want

Families throughout the state have maintained that the services that are most important to them are those which work across systems and provide flexibility to meet the needs of the whole family. Family Support Services, Respite, and the Home and Community Based Waiver are the services that have most helped families and been most successful in helping them keep their child out of residential programs.

This is why we have identified Peer Run Family Support as our number one priority.

Budget cuts have hurt families and the small fragile non profit organizations that make up independent family support. There are only a dozen or so small independent family support programs in the state. If these programs close, the peer-run community-based family support movement will be set back years.

The good news:

We at Families Together would like to thank the Office of Mental Health (OMH), the Office of Children and Family Services (OCFS), the Council on Children and Families (CCF), the Governor, and all the other child serving systems for their thoughtful implementation of agency budget cuts. Throughout this difficult time, these agencies have continued the trend in children's services toward a cross-system, family-driven, youth-guided, community-based system which is consistent with The Children's Plan.

We support the proposed $3 million for Family Support for the Child and Family Clinic Plus. While so many choices in cuts and reductions need to be made, maintaining the momentum made in this area will serve New York's children and families well.

We also support the increase in Bridges to Health B2H Waiver slots in the OCFS budget. This program has been very effective in supporting youth within their communities.

The families that make up our board of directors and our ten regional chapters believe that the following services are essential for this new system of care for children with social, emotional and behavioral disabilities.

Policy Priorities for New York State:

1. **The small peer-run family support programs must be protected from any and all local budget cuts.**

2. **Support the proposed addition of $3 million in the OMH budget to begin implementation of the addition of family support to Clinic Plus,** including training and credentialing of family advocates in the family support model.

3. **Support the proposed increase in the OCFS budget to fully fund the Bridges to Health (B2H) Medicaid Waiver** from 1565 to 3305 slots. Increase the availability of respite services to all families in need.

4. **Restore the proposed TANF cuts to preventive services, alternatives to detention, Advantage Aftercare and home visiting.** These services are needed to keep children at home and out of expensive and often inappropriate detention facilities and hospitalizations.

5. **Reform the Juvenile Justice System** to create a safe environment for youth. Support the increase in mental health services for youth in the facilities. Savings from any downsizing of residential placements in all systems must be reinvested in cross-system, youth-centered services that are consistent with the implementation of the children's plan.

6. **Fund mental health clinic services for those who don't have Medicaid** through an Uncompensated Care Pool.

7. **Promote cross-system coordination at the statewide level. Support legislation in the budget to move CCSI to the Council of Children and**

Families, the cross-system agency that coordinates the meetings of commissioners of nine child serving and additional agencies.

8. **Provide adequate opportunities for safe, affordable, permanent housing with optional support services for families and transition aged youth.** Families can't help their children if they don't have a safe place to live. Restore the cut to supported housing for families and young adults in the OTDA budget and fund a range of support services for housing currently in development.

9. **Improve health insurance to cover the full range of mental health services.** Provide parity of mental health services in Child Health Plus and Family Health Plus.

We must use this difficult financial time to transform the system of care for children in need of social, emotional and behavioral supports and their families into a truly family centered, community-based system.

Summary

Families Together supports the Governor's budget proposal which recognizes the need to maintain the investment in community-based services for children. The commissioners have clearly designed their budgets to make good use of the available funds. But we must stress that community-based preventive alternatives are needed in order to reach the goals of serving children and families in a cost effective way in their communities. TANF cuts to preventative services must be restored.

All agree that *The Children's Plan* is the best way to move forward—and families are a central component in moving the plan forward. And all agree that developing a full array of community-based services is not only cost effective but is more effective in treating children and less likely to cause unnecessary trauma to the child or family.

The Children's Plan brings with it the opportunity of improving children's mental health services by developing a community-based family-centered system of care for children and families. Peer-Run Family Support, youth development and the Home and

Community Based Waiver provide the foundation for this plan and the means to keep their children at home.

We look forward to working with the Legislature, the Office of Mental Health and all child serving systems in future planning for children's services across systems to ensure that families are served appropriately in their communities and in their homes.

If there is one message that I could leave with you today, it is that families have an expertise and a greater vested interest in insuring the success of our children than any other stakeholder in our state. We are a strong informed voice that can be helpful to you as you make decisions that will affect our children's lives. Please view us a resource and as strong allies and partners.

Families Together's Legislative day is Tuesday, February 9' 2010. You are all invited to our luncheon at the Egg where you can meet constituents who can share their experiences in accessing services in the communities you serve.

Thank you.

Testimony of:

The Jewish Board of Family & Children's Services

Carmen Collado
Director of Public Policy and Government Relations
Director of Immigrant and Latino/Hispanic Services

To

Joint Legislative Public Hearings On 2010-2011 Executive Budget Proposal

The Honorable Senator Carl Kruger – Chairperson
The Honorable Senator Liz Krueger – Vice-Chairperson
The Honorable Senator Thomas Morahan – Co-Chair
The Honorable Assemblymember Herman D. Farrell, Jr. – Co-Chair
The Honorable Assemblymember Felix Ortiz – Co-Chair
The Honorable Assemblymember Peter Rivera – Co-Chair

February 3, 2010

Good morning, my name is Carmen Collado. I am Director of Public Policy and Government Relations at the Jewish Board of Family and Children's Services (JBFCS).

I would like to thank the Chairs of this meeting: Senators Liz Kreuger, Carl Kruger, Thomas Morahan and Assemblymembers Herman Farrell, Felix Ortiz and Peter Rivera. I'd like to thank all of our legislative leaders who work to serve New York and New Yorkers in need of Mental Health and Social services.

We are fortunate to live in a State with one of the finest public health systems in the nation and I am hopeful that we can continue to provide the safety net of critical services New Yorkers in crisis rely on.

As always, much is at stake in the Annual State Budget, and many line items will impact the services we provide to New Yorkers at risk of serious mental illness and with developmental issues. We understand the challenges the Senate and Assembly faces in negotiating a budget during the economic downturn and we urge you to keep long term consequences of budget decisions in mind.

As you know, cuts to services that save money in one fiscal year can easily create budget problems in future years. Furthermore, denial of services to your constituents today are likely to result in compounded problems for families in crisis.

The areas of specific concern I'd like to address today are:

1) The restructured system of reimbursing outpatient mental health clinics
2) Expenses Related to the Governor's Article 8 Bill on Social Work Licensing

New York's community-based public-private system of providing mental health care has many strengths we can be proud of. Licensed clinics serve over 80% of all the people who use mental health services in New York State. Now, however, in an attempt to preserve a part of the system, the state may endanger access for two-thirds of the people who use the community clinics. The threat of stricter federal enforcement of the use of Medicaid funds has led to the State focusing Medicaid funds in a way that will no longer support out-patient care for the majority of users of clinic services. Up until now, creative work by New York's policy makers, including more reliance on federal Medicaid funding, enabled the State to replace evaporating state and local tax money that had deficit funded mental health care for everyone who could not fully afford it—not just those "on Medicaid". The partnership worked so well that providers agreed and the State was able to expect that no one could be turned away from a clinic because of inability to pay. As long as New York State was doing everything it could to maximize public funding, the not-for-profit partners were willing to also "deficit fund" their own shortfalls by raising philanthropic dollars and managing ever changing regulations, licensing re-certifications, and the intensive audits that come with public funding.

With the State's plan to restrict Medicaid add-on payments for Medicaid managed care clients, the partnership is threatened and so is access to care. Not-for-profits cannot raise more money in this economy and this loss of Medicaid dollars will force clinics to close or limit access to clients of certain managed care companies.

We urge the Legislature to preserve services to families by working to assure comparable rates of reimbursement for the mental health care of all Medicaid recipients and those covered by related publicly funded plans.

We also urge you to create a state-funded Indigent Care Pool for Article 31 clinics, to ensure continued access for children and families with inadequate or no mental health insurance coverage.

Another change in policy and practice on the horizon is the Social Work Licensing requirements which are scheduled for implementation this June. The matter of licensing was an issue that our profession initiated in Albany and we thank you for your hard work. Our concern is that a lack of clarity on how licensing will impact the delivery of services is likely to create confusion, and potential disruptions of services as well as negative budget impacts. The Executive and Legislative branches of Government are on the right track in working with social services providers to achieve consensus and prepare the system for changes but we need more time. Thus we urge you to support the Governor's request to extend the practice exemption until June 2014.

We all understand the challenges our national financial crisis is creating for budgeting on all levels. However the needs of families and individuals cannot be put on hold. Mental health care requires continuity.

Thank you once again for your time this opportunity to testify.

THE COALITION OF BEHAVIORAL HEALTH AGENCIES, INC.

Testimony
of
Jason Lippman
Senior Associate for Policy and Advocacy
The Coalition of Behavioral Health Agencies, Inc.

Submitted at the
Joint Legislative Hearing on the 2010-2011 Executive Budget Proposal for Mental Health

The Honorable Karl Kruger, Chair, Senate Finance Committee

The Honorable Thomas P. Morahan, Chair, Senate Mental Health & Disabilities Committee

The Honorable Herman D. Farrell, Jr., Chair, Committee on Ways and Means

The Honorable Peter Rivera, Chair, Committee on Mental Health

The Honorable Felix Ortiz, Chair, Committee on Alcoholism and Drug Abuse

February 3, 2010

The Coalition of Behavioral Health Agencies, Inc.
90 Broad Street, New York, NY 10004-2205
ph. (212) 742-1600; fax (212) 742-2080
mailbox@coalitionny.org; www.coalitionny.org

Introduction

Good morning Senators Kruger and Morahan, Assembly Members Farrell, Rivera, Ortiz and distinguished members present at today's hearing. Thank you for allowing me the opportunity to testify before you today on the 2010-2011 Executive Budget Proposal. My name is Jason Lippman, and I am the Senior Associate for Policy and Advocacy at The Coalition of Behavioral Health Agencies (The Coalition).

Use New Revenues to Close the Budget Gap

The 2010-11 Executive Budget Proposal is a plan to close a $7.4 billion budget deficit that occurred as State revenue collections sharply declined due to the economic recession. As the economy worsened, income tax receipts, and revenue from sales taxes and fees, etc. all declined.

With some caveats and exceptions, The Coalition supports the Governor's budget proposal for OMH and OASAS programs.

While The Coalition is pleased that the Governor's gap-closing plan includes some proposals to offset cuts with new ways of raising revenue, we do not feel that it goes far enough. We support the $1 per pack increase in the cigarette tax ($218 million), and the new excise tax of approximately 1 penny per ounce on sugared beverages linked to obesity ($465 million). We would have also supported an increase in the excise tax on alcoholic beverages. We urge the Legislature to take up this cause and pass the bill proposed by Assembly Member Ortiz (Bill# A06738) to increase the tax on alcohol and place revenues into an alcoholism and substance abuse prevention and treatment fund.

The Executive Budget also proposes a significant amount of cuts to the Medicaid program. The Coalition recommends that the State offset Medicaid cuts with the

extension of the enhanced Federal Medicaid Assistance Percentages (FMAP) proposed by President Obama.

Reauthorize Exemption for Social Worker Licensing Requirements

The Coalition strongly endorses the Governor's proposal to extend the exemption of public sector social workers and other mental health practitioners from professional licensing requirements for an additional four years through June 1, 2014.

The current exemption is scheduled to sunset on June 30, 2010. If this is allowed to happen, a significant number of workforce problems emerge, placing even more pressure on a system that is already deprived of resources. Agencies will be severely limited in their ability to employ social workers, and would not be able to afford or provide for coverage under the law's requirements for supervision. Moreover, according to a survey administered by OMH, many social workers will be retiring within a few years, leaving huge gaps in the professional workforce.

Especially pertinent today: if the exemption is allowed to lapse, agencies will be forced to cut back on services. In some cases, clinics will close completely, creating a large amount of consumer displacement and perhaps greatly reducing access to care. We ask the Legislature to support the four-year extension as proposed in the Governor's Executive Budget. This will allow The Coalition and a diverse alliance of umbrella groups and professional associations to collaborate with the State to work out the existing issues on professional licensing standards.

Limit the Scope and Objectives of the OMIG

The Coalition is deeply concerned about increasing the Medicaid fraud and abuse target for the Office of Medicaid Inspector General (OMIG) by an additional $300 million. This target was just increased by $150 million in the Deficit Reduction Plan

(DRP) passed by the Legislature in December 2009. In total, the State now authorizes OMIG to recoup $1.17 billion from paid Medicaid claims.

The Coalition supports the sanction of OMIG to recover claims that rise to the level of fraud and abuse. However, we are worried that the tactics used in the field by OMIG auditors are forcing providers, who have delivered legitimate services to consumers, to pay the State back millions of dollars due to a simple omission or clerical error.

Under the State-Federal F-SHARP program, New York State is required to pay back dollars to the Federal government over a ten-year period of time, in increasingly greater amounts of money. If the OMIG fails to recoup these dollars, the State will be forced to pay the difference. Clearly, the provisions of the F-SHARP program places additional pressures on the OMIG to take back claims from providers for items not necessarily related to fraud and abuse.

Furthermore, we believe the OMIG should rely on the standards that were set by the certifying and licensing agencies and should not enforce retroactive new regulations and standards. Cases of omission or error; cases where agencies have followed expected rules; do not constitute fraud and abuse, and we urge the Legislature to closely examine the measures used by OMIG for fraud detection.

Maintain Supportive Housing Funding

We are pleased that the budget includes resources to continue the development of supportive housing under the New York/New York III agreement. Funding is in place to annualize the opening of 1,300 new units scheduled to open by the end of 2010-2011. At the same time, the Executive Budget decreases funding for SRO Support Services by 13% in comparison to last year. The Coalition is concerned that such a cut

will trigger New York City to also cut its 50% matching share. This would prevent the Office of Temporary Disability Assistance (OTDA) from opening thousands of new supportive housing units and eliminate hundreds of front desk security positions in New York City supportive housing developments. We urge the Legislature to reconsider this cut. Supportive housing has been proved to save money over the long run, and it allows consumers to live independently in the community.

Support Drug Law Reform

The Coalition supports the Executive Budget proposal to allocate $13 million to meet the projected need for chemical dependency treatment services associated with drug law reform diversions. This funding will support 621 residential treatment beds and an additional 1,000 outpatient slots.

We ask the Legislature to continue to support the long-term funding of drug reform. The Coalition also encourages the formation of an independent, nonpartisan prison closure commission to determine where State resources are underutilized, and direct funding earmarked for prisons into OASAS community-based drug treatment programs. This idea may also be applied to the juvenile justice system.

Ensure Adequate Rates Under Clinic Reform

OMH will continue to move forward with ambulatory clinic reform and the implementation of the new Ambulatory Patient Group (APG) rate methodology to determine clinic reimbursement rates. As OMH phases out Comprehensive Outpatient Services (COPS) revenue, The Coalition seeks support from the Legislature to ensure that community-based providers are reimbursed for the full cost of services provided to consumers.

Clinic reform will mandate a complete restructuring of programs and reimbursement formulas. Behavioral Health clinics will be faced with a radically different rate methodology, more complex billing functions, and additional requirements for IT systems, record keeping and reporting.

For years, COPS payments have traditionally subsidized low reimbursement rates for Medicaid Fee for Service (MFS), Medicaid Managed Care (MMC), private insurance and indigent care. While OMH plans to increase the reimbursement rate for MFS under the new system, the rates paid by the other payment modalities will remain significantly lower; in many cases approximately one-third to one-half as much.

If the new system is implemented as planned, the effects will be local. Consumers in every district will have limited access to care, or see their clinic shut down completely without alternatives in some communities (without access to care, Federal parity laws and New York State's Timothy's Law are empty promises). Workers, many of whom are your constituents, will no longer remain employed on a full time basis with health insurance and other benefits, as they will be too costly for providers to maintain. To solve this problem, The Coalition supports SOMH and DOH in their efforts to require MMC plans to pay the same as or close to the MFS rates. We are expecting a proposal in the Governor's 21 day budget amendment and ask for your strenuous support for this concept. While The Coalition applauds the planned development of an indigent care pool to reimburse behavioral health providers, the compensation for services will also fall significantly short of the new Medicaid fee for service rate. We would like the State to make sure that reimbursement from the indigent care pool are at levels equal to Medicaid Fee for Service rates.

Supplemental Funding for Behavioral Health Infrastructure Improvements

The Coalition would like the Legislature to support the maintenance of the behavioral health system by authorizing a supplemental infrastructure investment pool of dollars that will cover increases in costs of mandated computer technology requirements and a property pass through for residential providers.

In many instances, the behavioral health system has been left behind when funding is available for infrastructure improvements. For example, when the Federal stimulus bill authorized new funding for Health Information Technology (HIT) investments, money was allocated to primary care providers, hospitals, nursing homes, etc. Unfortunately, behavioral health organizations were not eligible to access stimulus money for IT improvements, even though we are accountable to the same financial standards, as well as IT requirements, like the development of electronic health records.

I thank you for your time, and I am available to answer any questions that 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.

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PARENTS WITH PSYCHIATRIC DISABILITIES LEGAL ADVOCACY PROJECT

A JOINT PROTECTION AND ADVOCACY PROJECT OF

LEGAL SERVICES OF CENTRAL NEW YORK
472 South Salina Street, 3rd Fl
Syracuse, New York 13202
tel: 315-703-6500
fax: 315-475-2706

URBAN JUSTICE CENTER
123 William St., 16th Fl
New York, New York 10038
tel: 646-602-5675
fax: 212-533-4598

The Parents with Psychiatric Disabilities Legal Advocacy Project (PPDLA) advocates for parents facing challenges to their parental rights due to psychiatric disability. This project was funded by the NY State legislature in response to a demonstrated need for legal and programmatic support for this vulnerable population. PPDLA serves the entire state of New York through The Urban Justice Center Mental Health Project (downstate) and Legal Services of Central New York, Inc. (upstate). The Project is in the second year of a five year contract.

Parents with psychiatric disabilities are vulnerable to losing custody of their children and termination of their parental rights. The project improves legal advocacy and promotes positive outcomes for families. PPDLA provides information and referral, education and training, advocacy support, direct legal representation and resources to parents and their attorneys, and other stakeholders including children's attorneys, community advocates, and the courts.

In 2009, the Project:

- Educated 1,200 people, including attorneys, advocates, parents and other stakeholders during 39 education and training programs for attorneys representing children, Court Appointed Special Advocates, parents' attorneys, and community advocacy groups
- Provided 84 people with information and referral
- Provided 38 families with direct legal representation in their family court proceedings
- Worked with 108 attorneys and community advocates who benefitted from technical assistance (such as legal consultation, access to courts, and sample pleadings)

Although we have already made great strides in protecting children and families, considerable work lies ahead to fulfill the purpose for which this project was created. NYS Office of Mental Health (OMH) received $850,000 from the legislature to provide support to parents with psychiatric disabilities, of which $300,000 was allocated increase legal advocacy and improve the quality of representation. The Mental Health Association in New York State (MHANYS) was awarded funding to address non-legal needs of families. With ongoing funding, PPDLA will continue to work together with MHANYS to establish a network of support services to families affected by psychiatric disabilities in family court.

Parents with Psychiatric Disabilities Legal Advocacy Project (PPDLA): • Christine S. Waters, Esq. • 315-703-6562 • Shelly Tsai, Esq. • 315-703-6541 • Legal Services of Central New York, Inc. • Sharon Yoo, Esq. • 646-602-5675 • Urban Justice Center • Mental Health Project

Testimony of

Christine S. Waters
Legal Services of Central New York
Parents with Psychiatric Disabilities Legal Advocacy Project

Submitted before NY State Legislature

Budget Hearings on Mental Hygiene

Albany, New York
February 3, 2010

My name is Christine Waters. I am an attorney at Legal Services of Central New York and one of the three attorneys with our Parents with Psychiatric Disabilities Legal Advocacy Project (Parents' Project). The Parents' Project serves the entire state of New York, through The Urban Justice Center Mental Health Project (downstate) and Legal Services of Central New York (upstate). Together we advocate for parents facing challenges to their parental rights due to psychiatric disability. This Project is in its second year of a five year contract. Thank you for recognizing the need for these services and for providing the funding to make it possible.

I am testifying today to seek your support for continued funding for this vital project. The Parents' Project is important to New York because our efforts prevent unnecessary foster care placement. The Parents' Project benefits New Yorkers because we provide a win-win-win solution to a challenging problem.

- The State of NY wins : The Project is cost-effective for our state. Foster Care costs New York between $25,000 and $78,000 per year *per child.* Preventive Services for the same period are less than $10,000 *per family.* The Parents' Project trains the family court bar, peer advocates, and service providers. Well-trained legal advocates ensure that the legal system works more effectively, resulting in fewer instances of inappropriate removals, increased family preservation, and efficient use of limited state resources.

- Children win: Children safely remain with or are promptly returned to their birth families. This spares them the trauma of removal and uncertainty as to their status within their families.

- Parents win: Parents are assured proficient, zealous advocacy. Their access to services tailored to fit their needs is increased, thereby enhancing their chances of safely parenting their children despite their disability.

We focus our advocacy on ways in which the law unfairly targets and stigmatizes a whole

class of parents based on their diagnoses of disability. We work collaboratively with other stakeholders to reduce or remove the discriminatory stigma which the system currently places on parents with psychiatric disabilities.

The Parents' Project is unique to New York State. In 2007, after 15 years of grassroots efforts, the legislature appropriated $850,000 to address the challenges families affected by psychiatric disabilities face because of deeply entrenched stereotypes and stigma. Three Hundred Thousand Dollars ($300,000) of this appropriation was designated to increase legal advocacy and improve the quality of representation. The balance of this appropriation funds Parents with Psychiatric Disabilities Support Project, providing integral community and peer support services for the parents we serve. The Parents' Project has built a strong foundation, but considerable work lies ahead to fulfill the purpose for which this project was created. In our first year and a half, the Parents' Project has substantially developed and advanced its goals:

- We train attorneys because good legal advocacy for parents translates into positive outcomes for children and their families;

- We network with parents and community advocacy programs throughout the state and provide information and referral services, because parents with psychiatric disabilities need protection and advocacy targeted at the unique problems they and their families face when involved with the child welfare system.

- We represent parents in select cases, with particular emphasis on cases where we can have a significant impact on the state of the law. We apply our limited resources to those cases which will produce the most significant effect for the greatest number of parents.

Parents with psychiatric disabilities are 70% to 80% more likely to lose custody of their children and face termination of their parental rights. One child in six of the estimated 28,000 children in New York State foster care has at least one parent with a mental illness. Why are so many of these kids in foster care? The answer is not because their parents are disabled and unable to parent. The answer is because they may be disabled and therefore perceived to be incapable of parenting, not based on their demonstrated parenting skills, but based on the stigma which too often comes attached with their disability. With appropriate services, many parents – even parents with serious mental illness – can provide loving and safe homes with and for their children.

Let me tell you about one parent we currently represent. I'll call her Jane Doe. Jane lives in a rural upstate county and is a product of the foster care system. She has a history of psychiatric hospitalizations stemming from childhood trauma. Jane became pregnant at age sixteen by a resident of the foster home where she had been placed by the county department of social services. Jane experienced a mental health crisis following the death of a relative and placed her one-year old child with the county. There were and still are no services in her county targeted to support parents with psychiatric disabilities. Placement, voluntary or court ordered,

was her only option at that time.

Now 20 years old, Jane became pregnant with her second child in 2009. She was pressured by workers for the county department of social services to "voluntarily" place her infant at birth. A county case manager decided Jane was "too emotionally unstable" to be a parent. Her case work team believed that her history was the predictor of her ability to parent in the future. Rather than provide supportive and preventive services, they attempted to intimidate Jane into placing her second unborn child, threatening to get a court order if she did not.

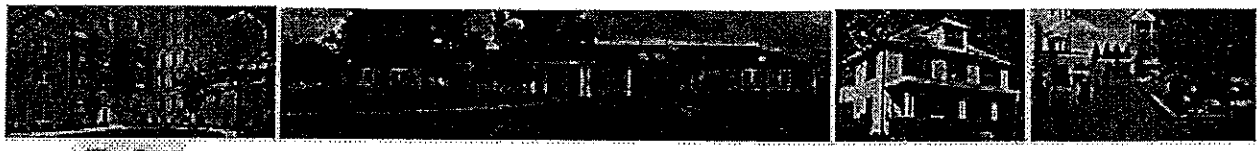
Jane is resilient and resourceful. She has developed substantial coping skills and has earned her GED, successfully held a job since 2007, arranged for public health nurse visits, initiated lactation counseling and support, and registered with a comprehensive parent support program. Jane has been in mental health treatment and has done well. She was determined to be a good parent for her children. She called us for help.

Within hours of the infant's birth, the Parents' Project filed suit against the county to keep Jane and her newborn together. The intimidation by county workers did not stop. They showed up in Jane's hospital room while she was nursing her baby for the first time. Without any order from a court, the workers told Jane and the hospital personnel that she was to have limited contact with her child.

Our court action was successful. Jane and her baby are together today. The Parents' Project protected this mother and child from being pulled apart at birth for no other reason than someone's misguided belief that a mother with a psychiatric problem is not a suitable parent. There is no doubt the outcome would have been very different had the Parents' Project not intervened.

For Jane Doe and the thousands of parents in New York with similar stories, the Parents Project is an important legal lifeline. Without our continued existence, the Jane Does in New York would face the very real danger of inappropriate removals, foster care placements for their children, and parental terminations based not on behavior, but on supposed disability and perceived inability to parent. Through our continued work in New York, the Parents' Project can continue to save New York taxpayers from paying for unnecessary foster care and children's services while providing New York parents with the opportunity to maintain intact families with appropriate supportive services.

We request that you continue an appropriation to keep this vital project alive. Thank you for the opportunity to appear before you today.



ACL Association for Community Living

JOINT SENATE/ASSEMBY
LEGISLATIVE HEARING ON THE 2010-2011 BUDGET

February 3, 2010

Thank you, Assemblyman Farrell and Senator Krueger, for this opportunity to submit testimony. We would like to acknowledge the participation and interest of the Senate and Assembly committee members present and in particular Assembly Mental Health Committee Chair, Peter Rivera and the Senate Mental Health and Developmental Disabilities Committee Chair, Senator Morahan.

ACL represents over 120 not-for-profit community mental health agencies across the state that provide an array of mental health services including over 20,000 housing units with a rehabilitation focus. Our members serve primarily consumers who are affected by severe and persistent mental illnesses, many of whom have co-occurring serious medical conditions, substance addictions and mental retardation. Virtually all are eligible for Medicaid. Our members' programs are primarily funded and regulated by the Office of Mental Health.

We thank Governor Paterson, the Division of the Budget, Dr. Hogan, and the OMH team for this budget, which seeks to minimize harm to providers and consumers.

Although we understand that these are inordinately difficult times, our sector is suffering more than most. Overall, the community mental health system has gotten approximately 21% in increases since 1991, which averages around 1% a year. To right that wrong, a 3 year commitment to a COLA was made in 2008-2009. We got the COLA in 2008-2009, we did not in 2009-2010 and now, for the second year in a row, we will not get an increase. These increases were intended to right years of neglect.

Last week we brought 1500 people to the capitol to send the message "Protect the Safety Net." Fourteen organizations signed on to that message.

My additional message today is that you cannot protect the safety net by starving it.

During the planning for the Deficit Reduction Plan, we heard that all state agencies would take a 10% cut. However, some areas were restored and, in the end, the Office of Mental Health's cut increased to 12.5%. Please do not let that happen again by making sure that if other areas are restored the dollars needed do not come out of Mental Health. We did not share in the gains of the 90s and the early 2000s and so do not think that pain should be equally shared. We believe that those who received regular, generous trends and adjustments should be looked at first before any cuts are taken against those who did not. I have attached charts that show where ACL member agencies' residential programs are in contrast to the CPI for both Supported Housing and Licensed Residential services. They are behind the CPI by 12% - 38%.

For the following reasons we ask for a partial restoration – 2% - of last year's lost 5.6% COLA.

1) **Health Insurance:** Our providers face double digit increases in health insurance annually. They manage these by eliminating benefits, by increasing co-pays and deductibles and by increasing the portion that employees have to pay out of pocket for the premium. A modest health insurance plan for families today costs around $12,000 - $14,000 per year. For those employees in agencies that only cover the single rate this translates into out-of-pocket premium costs of $800 - $900 per MONTH in addition to $20 - $30 office visit co-pays, medication co-pays, medication annual caps and high hospital deductibles. **The cost for many families is as high, or higher than, their rent or mortgages.**

   Residential providers are reimbursed 19.2% or 21.3% of OMH budgeted salaries for fringe benefits. This is not a percentage of actual salaries paid, which are higher, but of the lower budgeted number on a page. Contrast this with the state workforces' 48% of actual salaries for fringe benefits or some local school districts that can reach over 70%. It's unconscionable, especially for those workers who do the exact same work.

   OMRDD providers will receive $30 million this year to help their employees offset rising costs. OMH providers will receive nothing. A 2% increase will help providers help their employees manage these costs. In addition, a line item in the budget and a small seed amount, which can be added to when times get better, will start us down the road to equity with OMRDD providers. OMRDD providers and OMH providers

are often the same providers and it becomes difficult for them to manage a workforce of both OMH and OMRDD employees because of the disparity in funding. For certain benefits, providers are not allowed, under the law, to carve out one group of employees for richer benefits so that when they receive extra for OMRDD employees, in order to give that benefit, they must figure out how to give it to their OMH employees without being compensated.

2) Mental Health Programs are Woefully Behind the CPI: Programs that received special enhancements are still 12% behind the CPI while the ones that did not are up to 38% behind the CPI. This translates into a 12% - 38% cut in the real value of their dollars. They have offset some of this in efficiencies, e.g. by replacing administrative staff with computers as they leave. The percentage of revenue that is spent on administration is down to less than 10% in most agencies. Rising costs leave them no choice but to move as much money as is needed into rising fixed costs. There are no more efficiencies to be found.

3) Our Services are Cost Effective. Often the alternative to our services is hospitalizations, incarcerations, premature institutionalization in nursing homes, or homelessness. These are far more expensive and inhumane alternatives to housing and services. As an example, I have attached a chart that shows the difference between a community based not-for-profit operated community residence and a state operated one. The state operated programs cost more than twice as much. As a way to save money in these dire times, the state might consider an initiative to turnkey existing state operated services over to the not-for-profits.

4) Other Service Providers and Sectors are Receiving Increases. In this year's proposed budget, other sectors would receive funding increases, including nutritional assistance groups, school health, asthma services, pre-natal care, lead poison prevention, regional prenatal centers, Alzheimer's research, tobacco control, rabies, developmental disabilities, tuberculosis control and many other areas.

5) State Workforce: The state workforce would receive a 4% increase without giving anything back. For the State Office of Mental Health alone, the cost of this and other benefit increases is a staggering $160 million. That could fund a 16% increase for community based services or build 640 units of desperately needed housing.

In early September an appellate court judge ruled that the state must provide 4300 units of supported housing over the next three years for adult home residents. The state has sent a remedial plan in response to the Judge that includes 1000 units of supported housing over the next five years. We think that the state's plan is not responsive to the needs of residents who want to leave the homes.

There are existing resources at the state's disposal (assessments, independent case managers and ENABLE funding) that they can use to help residents move forward in their lives to more independent housing. These resources should be utilized so that residents who want to leave the homes can immediately do so.

Although this would be a subject for the Human Services Hearings, I urge the legislature to restore funding for two OTDA programs; the SRO Support program and the Supported Housing for Families and Young Adults (SHFYA). The SRO Support Program has been cut by $2.8 million and the SHFYA program has been eliminated. Many SROs have no support money other than this and rely on it to pay for the most basic services, e.g. a client worker at the front desk who is the only staff person available all night long. SHFYA support would amount to a modest appropriation that is critical to many families, particularly single parent households that would not make it in housing otherwise. Homelessness is a far more expensive alternative.

Lastly, we oppose Article VII bill language that impacts our providers financially. The State Office of Mental Health seeks to recover revenue that providers earned over the last six years because that revenue exceeds what they expected to pay. Their authority to do this is being challenged in court, and now they seek to have you, the legislature, give them that authority, retroactively, in an Article VII bill. Please refuse to do so.

Thank you.

SUMMARY OF ACL's BUDGET PRIORITIES:

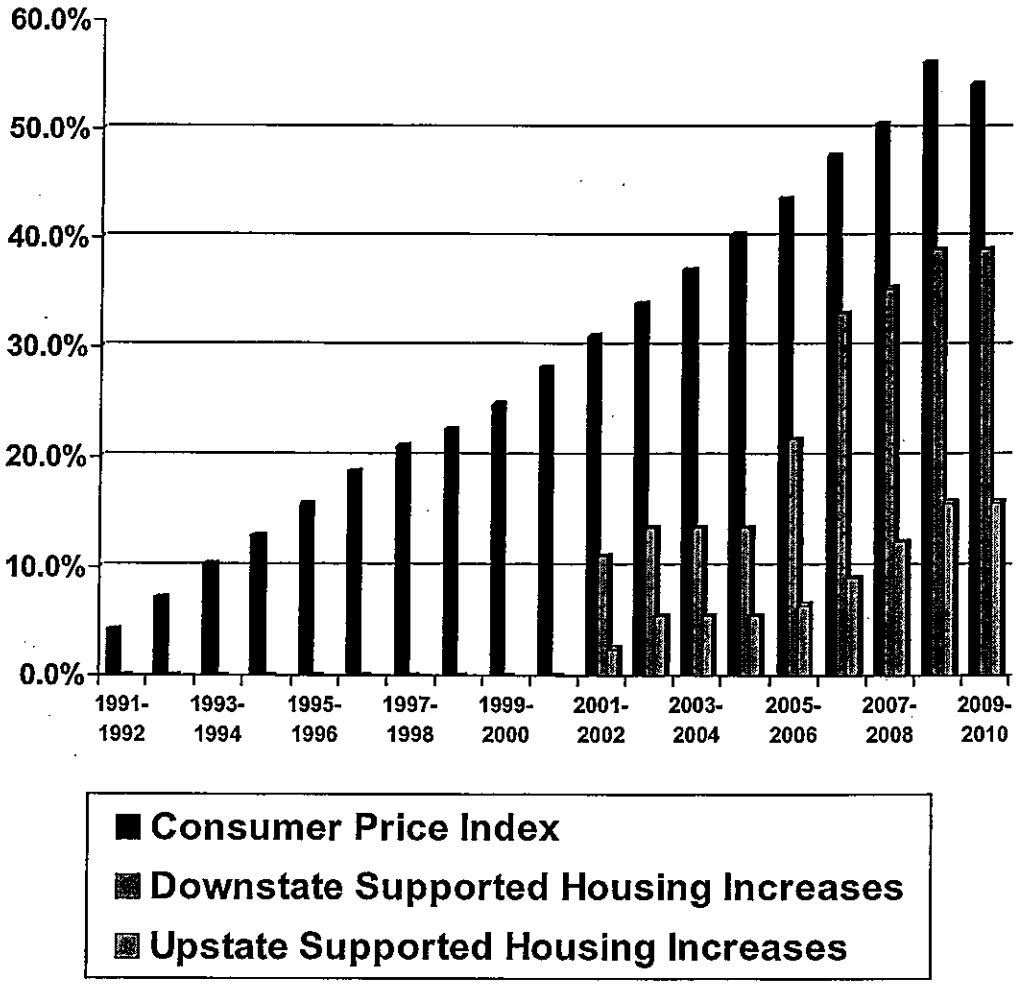
- Add a 2% increase for OMH funded programs - $20 million
- Restore the cut to the SRO program grant in OTDA's budget - $2.8 million
- Restore SRO Program dollars for new units - $1.8 million
- Restore the SHFYA program - $5 million

- Add a line item and language to set up health care enhancements for community based not-for-profit providers - $2 million

SUMMARY OF ACL'S LEGISLATIVE PRIORITIES

- Remove the Article VII Language related to retroactive exempt income payments
- Extend the Social Work license exemption for 4 more years
- Support Article VII language that protects providers from a deflationary COLA of 2.1%.

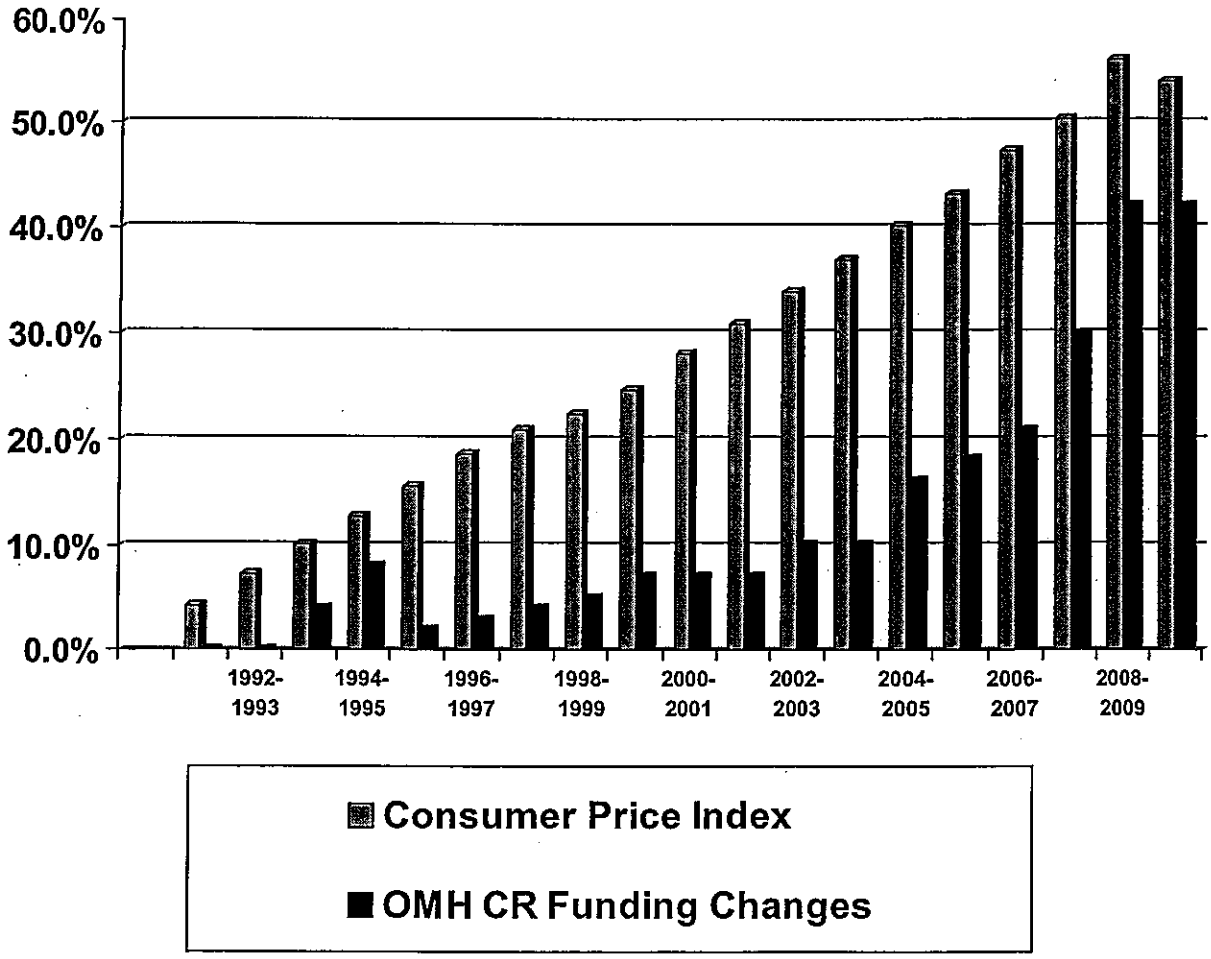
SUPPORTED HOUSING – UNLICENSED
Cumulative Comparison
Consumer Price Index Compared to Increases from 1991 – 2010



NOTE: Downstate includes: all of NYC; Nassau, Suffolk, Westchester, Putnam, Rockland, Dutchess, and Orange

1991 to 2009
Comparison of the Cumulative Consumer Price Index to the OMH CR
Residential Funding

WE ARE 12% BEHIND THE COST OF LIVING.



ASSOCIATION FOR COMMUNITY LIVING

SALARY COMPARISIONS BETWEEN 2006 STATE OPERATED AND 2008 VOLUNTARY OPERATED 12 BED CONGREGATE RESIDENCES

STATE OPERATED				Upstate			Lower Hudson Long Island		NYC	
Position	**Grade**	**# of Staff**	**Salary $**	**Position**	**# of Staff**	**Salary $**	**# of Staff**	**Salary $**	**# of Staff**	**Salary $**
Residential Program Manager	17,19, 623, & 661	1	59,496*	Supervisor	1	30,295†	1	39,634†	1	39,886†
Residential Program Counselor	16	1	47,320*	Senior Counselor	1	29,653†	1	39,576†	1	39,829†
Residential Program Assistant	13	1	41,634*	None Comparable	0		0		0	
Residential Aides	9	4.56	32,111*	Residential Counselor	5.1	23,445†	5.1	26,793†	5.1	27,052†
Sub-Total without fringe		**7.56**	**294,876**	**Sub-Total without fringe**	**7.1**	**179,518**	**7.1**	**215,854**	**7.1**	**217,680**
		% of salary			**% of salary**		**% of salary**		**% of salary**	
Fringe Benefits		Approx. 46%±	135,643		19%†	34,108	21.3%†	45,976	21.3%†	46,365
TOTAL			*430,519*			*213,626*		*261,850*		*264,045*

*2006 ACTUAL AVERAGE SALARY obtained through a FOIL request of the NYS Comptroller's office. It can be assumed that the overall actual salaries are higher in 2008 as a result of 2007 and 2008 COLAs, and so these differences are conservative.

± STATE FRINGE RATE is from the New York State Office of Mental Health Fact Sheet – State Operations – 2008-2009 Executive Budget Recommendation Highlights.

†VOLUNTARY AGENCY REIMBURSEMENT RATE FOR 2008. Actual state salaries are compared to the reimbursement rate for the voluntaries because they are both reflective of what the **state** pays in each case. This comparison is in the state's favor, i.e., we compared the highest reimbursement rate for the voluntaries in 2008 to the lower salaries paid to the state workers in 2006 - the most recent information that we obtained from the Comptroller.

TESTIMONY BEFORE THE JOINT FISCAL COMMITTEES

OF THE NEW YORK STATE LEGISLATURE

REGARDING THE 2010-2011 EXECUTIVE BUDGET

MENTAL HYGIENE FUNDING

February 3, 2010

Submitted by:

NEW YORK STATE REHABILITATION ASSOCIATION

Presented by:

Jeff Wise, JD
President / CEO
New York State Rehabilitation Association
155 Washington Avenue, Suite 410
Albany, NY 12210
518.449.2976
www.nyrehab.org

INTRODUCTION

Chairs and members of the Senate Finance and Assembly Ways & Means committee: We very much appreciate the opportunity to offer you our views on portions of the Executive Budget related to mental hygiene issues.

I am Jeff Wise, president and chief executive officer of the New York State Rehabilitation Association.

NYSRA is now in its 32nd year as a statewide trade association of not-for-profit providers of services to New Yorkers with disabilities. Our community providers and their direct-care staff are key components of the state's delivery system of services to people with developmental disabilities, mental health diagnoses, learning disabilities, and other conditions. Our approximately 100 provider agencies deliver myriad services to New Yorkers, including vocational rehabilitation, residential care, and many other person-centered services.

GENERAL STATEMENT ON THE EXECUTIVE BUDGET

NYSRA recognizes the difficulties being encountered by New York –and all States – as it deals with the national recession that is now more than two years in duration. While spending cuts are inevitable, those cuts must be done in such as way as to ensure that critically important services to people who need them are not eroded or taken away. The Governor and Legislature must be thoughtful in identifying possible revenue enhancements as well as looking at spending.

While all state-funded services are desirable, some reach a level where they become important, while still others reach an even higher level that we consider essential. Cutting essential programs and services in the same ways that we cut services that are less so is not equity. It is an arbitrary and damaging approach

In that regard, we do commend the Governor for not taking a one-size-fits-all or across-the-board approach to this budget. Such methodologies can work serious inequities.

SPECIFIC COMMENTS ON THE EXECUTIVE BUDGET:

MR/DD Funding

The proposed State Budget for the 2010-2011 Fiscal Year contains elements we support but others that have us concerned.

Medicaid trend factors

The Governor proposes a retroactive 2009 trend factor of 3.06 percent and a 2010 trend factor of 2.08 percent for Medicaid-funded programs in OMRDD areas. Both of these trend factors are adjustments on rates that reflect the medical price index and are consistent with the State Medicaid Plan.

These funds under the Medicaid plan are essential if providers are to maintain a workforce that offers quality and stability, as well as capacity to serve the many tens of thousands of individuals with developmental disabilities that rely on the provider networks for services that range from residential care to day programs and varied employment opportunities.

NYSRA strongly supports the inclusion of these essential trend factors in the overall support of our sector during the coming fiscal year, as the Governor has proposed.

Health Care Adjustment

The Governor proposes another round of funding for the so-called Health Care Adjustment, which also supports workers in our sector. This money continues the program in which we are able to provide greater and more affordable access to health care to our workers, thus helping to further ensure a reliable, quality workforce.

NYSRA strongly supports the inclusion of the HCA funding, as the Governor has proposed.

Efficiencies/cuts:

While the trend factors and HCA funding are the positive aspects of the proposed budget, we must express serious concern about some of the reductions that the Governor proposes in this budget for MR/DD providers.

The Executive Budget reduces spending for *Day Habilitation Services* for people with developmental disabilities by 4 percent, or some $28 million. In addition, it also calls for reductions in our supervised *Individualized Residential Alternatives* (IRAs) which, when fully annualized, reduces funding for this segment of our services by $50 million (state and federal share combined). And the budget also proposes a reduction of 18 percent, on the order of $30 million when fully implemented, in the case management services known as *Medicaid Service Coordination.*

Such reductions are significant and, while not-for-profit providers make every effort to reduce costs in ways that don't impact on the services provided to people in need, these actions come on the heels of several previous reductions. These providers have sustained cuts in each of the last two budgets adopted in April 2008 and 2009, respectively. Moreover, overall funding was reduced twice more – with reductions taken during deficit reduction actions of August 2008 and December 2009.

While we completely recognize the challenges posed by the state's fiscal condition and the very difficult choices that the Legislature and the Governor have had to make along the way, we do have to say that these continuing reductions raise the possibility of reduced capacity to serve people who need assistance. There simply are only so many administrative efficiencies and other actions that providers can take before they necessarily have to look at programs. We believe the entire network of providers across the state has done a tremendous job of working with OMRDD, within the fiscal framework presented, to preserve capacity and quality. Further reductions such as these put those values in some peril, however. While we have all worked very hard to do more with less, there does come a point where one can do no more with less. Many providers are nearing that point; some may already be there.

NYSRA recognizes the need for efficiencies, but we note that the reductions proposed in the Executive Budget bring many organizations to the brink of losing their viability as providers of services to people with disabilities.

NYSRA recommends minimizing the efficiencies/cuts in Day Habilitation and IRA services to ensure proper care levels can be maintained and that quality of care is not compromised.

NYSRA expresses concern about the Medicaid Services Coordination reduction of 18 percent and will work with the Commissioner of OMRDD in an attempt to restructure the MSC program to most efficiently coordinate services to people with developmental disabilities.

Unified Services

The proposed budget calls for elimination of "unified services" funding that was first made available to counties in 1974. This is highly critical funding for the five counties participating in the program. It has become over the years a funding mechanism on which numerous agencies in those counties rely, and to remove it puts agencies in the position of reducing services.

NYSRA recommends the Legislature restore this funding of $2.1 million in the next fiscal year for those agencies who have relied on it for decades. (Rensselaer, Warren, Washington, Rockland and Westchester counties.)

MENTAL HEALTH

Mental health program funding in many areas remains flat. We support the Executive Budget's proposals to not visit cuts on critically important questions. We have, however, some brief specific observations to point out.

Community Mental Health Reinvestment

Reinvestment has been a critically important program that helps assist the capacity of communities to adequately are for individuals phased out of state-operated settings. The program has a sunset date that should be extended.

NYSRA recommends the Legislature extend the sunset date for Community Mental Health Reinvestment by at least 5 years.

Clinic Restructuring

Although the Executive Budget does not propose significant cuts to community services, NYSRA remains concerned about the ongoing "clinic restructuring" effort and the ultimate impact this res-design will have on rates. We believe the restructuring results in managed care rates that are not adequate to cover costs, as well as insufficient funding that comes out of the indigent care pool.

NYSRA recommends that the Legislature require "stress-testing" the new funding model to see its actual impact on important clinic services prior to complete adoption of the model by the state.

NY/NY III Supportive Housing

The Executive Budget preserves funding for the important NY/NY partnership between New York City and the state to provide supportive housing to people in need of such supports. We urge the Legislature to similarly preserve the funding for this program.

NYSRA recommends that the Legislature preserve NY/NY III supportive housing funding, as the Governor proposes.

CROSS-AGENCY ISSUES

Social Worker Licensing

Recent amendments to state law have created complicated and significant issues regarding the employment of licensed social workers. These amendments have led to special difficulties for state agencies and providers licensed by those state agencies. Simply, the requirements would lead to huge costs to state agencies and the programs they license. While certain state agencies have been exempt from these requirements, the exemption expires this June. The Governor's budget proposes a four-year extension of this exemption in order to have sufficient time for various stakeholders to work out the myriad issues involved. Without the extension, it is estimated that the cost to OMRDD alone would be some $100 million. Other state agencies would be greatly impacted as well.

NYSRA recommends the Legislature adopt the four-year extension of the social work licensing exemption, as the Governor proposes.

Office of Medicaid Inspector General

The Executive Budget once again raises the revenue – this time by $300 million – that the Office of Medicaid Inspector General (OMIG) is relied upon to find in its work to root out waste, fraud and abuse from the Medicaid system. This increase comes after the Deficit Reduction Plan (DRP) raised the target by $150 million.

NYSRA absolutely supports any and all efforts to truly uncover genuine waste, fraud and abuse within the Medicaid system. We offer our own resources and cooperation to the OMIG, the Legislature and all others who in the quest to rid the system of genuinely fraudulent practices.

We are troubled, however, that the OMIG has become a revenue source for the state that is given targets to reach. These targets may have no relation at all to actual fraud in the field. Moreover, we believe efforts to hits those targets are geared more toward maximizing revenue and not dealing with truly fraudulent practices. As a result we find that relatively insignificant and honest errors are being turned into determinations of overpayments that are then multiplied, by means of extrapolation, to confiscatory amounts that threaten some agencies' ability to survive. We urge the Legislature, while it relies on revenue generated by pursuing true fraud, to consider simple matters of due process for agencies with regard to the overpayment-extrapolation issue.

NYSRA recommends that the Legislature consider enactment of legislation that clarifies the expectations of all stakeholders, including the taxpayers, in the area of Medicaid fraud investigation, as well as ensures equitable and fair outcomes for all those stakeholders.

Cerebral Palsy Associations of New York State

Testimony

Before

Senate Finance and Assembly Ways and Means

Presented by

Barbara Crosier
Vice President, Government Relations

February 3, 2010

90 State Street, Suite 929, Albany, NY 12207 * (518) 436-0178 * Fax: (518) 436-8619

Good morning Senator Kruger, Senator Morahan, Assemblymember Farrell, Assemblymember Rivera and members of the Senate Finance and Assembly Ways and Means Committee. Thank you for your ongoing support for people with disabilities and for the opportunity to speak with you today regarding Governor Paterson's 2010 budget. I am Barbara Crosier, Vice President, Government Relations for the Cerebral Palsy Associations of NYS. CP of NYS was founded over sixty years ago by parents seeking services for their children with disabilities. Since that time, CP of NYS Affiliates throughout the state have been offering a wide array of services for children and adults with disabilities and their families. While originally focused on children with cerebral palsy and other physical disabilities, our services have expanded to include children and adults with all types of disabilities and a variety of supports and services throughout their life span. Our twenty-four Affiliates today offer a variety of programs and services to over 90,000 people and their families across the State, and we employ over 18,000 New Yorkers.

- In addition to the OMRDD programs, which include operating IRAs, ICFs, CRPs, Residential and Day Habilitation, Family Support and Respite Programs, and Community Residences, our Affiliates operate Early Intervention, Preschool, School Age Programs, Article 16, 31 and 28 Clinics, and FQHCs. Our programs are approved under: OMRDD, SED, DOH, OMH, and OASAS.

- Of the Affiliates' 2008 total expenditures of $866 million, OMRDD funding accounts for 70% ($606.2 million) of that total.

- Our programs rely heavily on personnel, with 73.7% ($605 million) of CP of NYS total expenditures spent on salary and fringe benefit costs.

- Finally, the CP of NYS Affiliates run socially responsible, efficient organizations, which is demonstrated, among other indicators, by the very lean 8.7% average agency administration costs reported on our CFRs.

I provide this information as a backdrop to the impact of the Governor's proposed budget on our Affiliates and the people we serve. There is no doubt that New York State and the nation are in the midst of serious financial challenges. We have been a partner with OMRDD in finding solutions to these challenges in the past and we fully expect to share in the sacrifices that must be made so that together we can move forward to continue New York's proud tradition of meeting the needs of people with disabilities.

To begin, I would first like to thank the Governor's staff, DOB and the Commissioner of OMRDD for hearing our great concerns and recommending a trend in this year's budget. We are very grateful for this.

Over the years, CP of NYS Affiliates have become the providers who offer programs and services to those most unable to find services, be it residential, education, or health, in typical community settings. When you look at how close to the margin our organizations run, it is easy to understand the impact such things as rising food costs, heating and fuel costs, union salary obligations, the MTA tax, and other uncontrollable increases will have on our bottom line. Because of that, we ask that you support the Governor's recognition of these increased costs in the proposed trend factor for providers. This trend will be used by providers to prevent further erosion in a delivery system that balances quite keenly on very thin margins. It will allow us to provide needed increases to our direct support professionals who are vital to our OMRDD programs. We are also thankful for the proposed Health Care Adjustment.

While the trend is absolutely necessary for us to maintain operations, we also need to emphasize that some of the Governor's proposed cuts will have serious impacts on the people we support in day and residential habilitation programs.

The most significant cuts proposed by the Governor are:

Day Habilitation
The Governor's proposed cut of 4% (annualized to $28 million) in day habilitation services will negatively impact an essential core service for adults with developmental disabilities. Day programs provide people with life skills experiences, community integration, and socialization. For those with the most significant disabilities, it provides stimulation, personal care, and an opportunity to participate in meaningful activities. Statewide 10,000 people currently benefit from this program every day, which greatly improves their quality of life and participation in the community. Day Habilitation is an activity-based, community-based service and, as such, the vast majority of the costs are for personnel. Adequate staffing levels must be maintained to facilitate small-group community integration activities, personal care, and to ensure safety, particularly for individuals with more significant disabilities.

Individuals receive transportation services to day habilitation and community integration activities. We've heard that some believe that transportation costs for day habilitation are inordinately high and that there are efficiencies that can be achieved. If our goal is to provide meaningful community inclusion activities, and the CP of NYS providers strive to reach that goal, a reduction in transportation costs will impact the most vulnerable people in wheelchairs who are going to be the most expensive to transport. We propose that we take this year to look at the regulatory mandates of this program that prevent efficiency rather than implementing a cut to a program that would disadvantage providers of services for people with the most severe disabilities. For this budget cycle, we ask that the cuts to day habilitation be restored.

Supervised IRA's
Supervised IRA's provide services that by definition are needed by individuals with the highest needs. The Governor's 3% cut in supervised IRA funding would impact the

homes currently operated to meet the needs of people in need of twenty-four hour care. For people with severe physical and multiple disabilities there is a need for enhanced staffing to ensure their safety. There is a need for transportation to medical appointments and community activities. Again, we ask that these proposed cuts be restored and that OMRDD work with providers to achieve savings through regulatory relief and changes in the mandates which add costs to the supervised IRA program.

Medicaid Service Coordination
The Governor has proposed an 18% cut to Medicaid Service Coordination with the understanding that there will be significant restructuring in the duties of service coordinators and the regulatory obligations of the MSC system. However, with a cut of this magnitude, which affects all people in the home and community based services waiver, we have concerns that the target for redesign can be achieved in this fiscal year. We applaud the goal of looking to redesign the MSC system, and we ask that the redesign be in place before the reduction takes place.

The above cuts are significant not only because they impact the programs and services available to people with disabilities, but also because they may result in the loss of jobs in many communities in New York State. Our Affiliates have spent many years seeking ways to help families of individuals with disabilities find ways to lead better lives. In the process, we have become strong community resources. Other than the fundraising revenue, which has become more difficult to maintain in these challenging times, our Affiliates receive funding almost entirely from government programs. We do not have the resources to absorb cuts, and we will have to look at real cuts in staffing to ensure that we can continue as a resource for people with disabilities. We ask that you support the trend which will help us maintain services and programs and that you not implement the Governor's proposed cuts in day habilitation, supervised IRA's and MSC.

CP of NYS has gotten to where we are by partnering with NY State for more than sixty years, and we hope to be there for another sixty years for people with disabilities. With your support, we can work together to find efficiencies in the system without taking needed programs and services from people with disabilities.

We thank you for your consideration and look forward to working with you as we look to continue our work on behalf of people with disabilities in New York State.

Thank you.

Corporation for Supportive Housing
Testimony Before the Mental Health Joint Hearing on Governor Paterson's 2010-2011 Executive Budget
Wednesday, February 3, 2010

The Corporation for Supportive Housing (CSH) is pleased to submit this written statement to the New York State Legislature regarding the impact of proposed 2010-2011 Executive budget actions on supportive housing.

About the Corporation for Supportive Housing

The Corporation for Supportive Housing (CSH) is a national non-profit organization established in 1991 whose mission is to help communities create permanent housing with services to prevent and end homelessness. CSH strives for a day when homelessness is no longer a routine occurrence and supportive housing is an accepted, understood, and easy-to-develop response. Working with state and local governments and non-profit providers in fourteen jurisdictions across the country, CSH will help communities create 150,000 units of supportive housing during the next decade.

We advance our mission by: a) providing development expertise and financial assistance (loans and grants) to non-profit supportive housing sponsors; b) developing and testing new models and innovations to extend supportive housing's quality and reach; c) strengthening the supportive housing industry through training, technical assistance, and capacity building; and d) by designing and informing public policy to improve and align the public systems that help fund and impact supportive housing.

Since 1991, CSH has worked to:

- Raise over $221 million from foundations, corporations, and through government contracts for use in expanding supportive housing nationwide, and has leveraged over $1 billion in federal, state, and local public and private sector financing for capital, operating, and service dollars.
- Commit nearly $124 million in loans and grants to support the creation of 16,329 units of supportive housing that are now operational, with an additional 10,557 units in the pipeline now. The units in operation have ended homelessness for at least 21,000 adults and children.
- Maintain state-of-the-art information on a wide array of supportive housing issues, and respond to hundreds of requests from throughout the US.
- Train thousands of people to develop, manage, and operate supportive housing.
- Reshape public policies and public systems to improve the nation's response to long-term homelessness.
- Speak out—and be heard—on behalf of increased government investments in supportive housing

Over the past two decades, CSH New York has worked with public and private entities to design and implement a wide-ranging portfolio of supportive housing options. Of particular note are program and financing innovations conducted in partnership with State and local government that:

- Attract mainstream and federal financing such as the 4% Low Income Housing Tax Credit to reduce the State's capital financing share for OMH's active housing development portfolio
- refined the Community Residence/Single Room Occupancy model;
- planned and implemented the award-winning New York Acquisition Fund (in New York City)
- created the Frequent Users Service Enhancement demonstration program, a nationally recognized reentry supportive housing model targeting homeless individuals cycling between jail and shelter with chronic substance use and mental conditions; and
- tackle special population initiatives associated with NY/NY III ranging from individuals with active addictions to youth aging out of foster care to high-need child-welfare involved families.

Comments on the 2010 – 2011 Executive Budget

First of all, CSH would like to thank Governor Paterson for maintaining the state's long-standing commitment and smart investment in the NY/NY Agreements. NY/NY capital, operating and service commitments provide the critical base of funding needed to attract private investment, provide affordability to very low-income tenants and sustain core services for chronically homeless and at-risk individuals and families living with chronic health challenges. We urge the legislature to hold all NY/NY III funding appropriations harmless during this year's budget negotiations.

Office of Mental Health (OMH)

Preserve NY/NY Capital Appropriations and Lift the Freeze on Statewide Capital Construction Pipeline.

CSH respectfully asks the Legislature to protect capital funding for NY/NY III unit creation as proposed in the Executive budget. Maintaining capital appropriations levels is essential to expanding supply and securing long-term access to mental health housing resources. Under Commissioner Hogan's able leadership, OMH has funded conversions of adult homes, implemented wide-scale use of Low Income Housing Tax Credits for supportive housing and can now advance integrated housing developments financed in collaboration with the State Housing Finance Agency and the Division of Community Renewal. These stand as prime examples of OMH's ability to capitalize on new market opportunities and their success in leveraging mainstream and federal housing resources for supportive housing production. In addition, CSH urges the Legislature to provide capital funding for 400 of OMH's frozen 1,600 bed capital construction pipeline statewide ($86 million). The need for mental health housing is great and localities remain highly reliant on state OMH resources to meet mental health housing and service needs in their communities.

Support Increases to Operating and Services. CSH is pleased that appropriations for OMH supportive housing service and operating funds are increased in the Executive budget to cover 1,111 pipeline units, 256 new units of NY/NY III and continued funding for all existing units.

Reentry Housing. We also want to commend OMH for committing the first 50 units under City/State Reentry Housing Initiative and to acknowledge its efforts to work around difficulties created by the unanticipated loss of Section 8 subsidies for this pilot. CSH continues to work closely with OMH and city partners to create an alternate strategy for funding service enhancements so that first 20 units can be implemented in the upcoming fiscal year.

Support Adult Home Reinvestment. The Executive budget reflects planning for and reinvestment of a portion of the savings from delays in unit development and other sources to begin assessments of current Adult Home residents and to provide additional funding in future years to create housing options for this cohort. The intent to respond positively to Olmstead-based litigation on behalf of individuals with psychiatric needs currently warehoused in Adult Homes is commendable. CSH NY realizes the potential budgetary impacts of this litigation and is prepared to offer our resources and expertise as the State seeks to develop and implement a viable, long-term plan acceptable to the Courts. We also recognize and support the State's efforts to create a variety of options to accommodate a range of individual needs needed to successfully transition affected individuals into more integrated settings.

Office of Alcoholism and Substance Abuse Services (OASAS)

Maintain Existing NY/NY III Appropriation and Support Expansion of OASAS Supportive Housing Portfolio.

CSH is equally pleased that the Governor's 2010-2011 Executive budget maintains or increases funding for a variety of OASAS supportive housing programs. Legislative support for $9.6 million for 576 scatter site and $800,000 for 50 new congregate units under NY/NY III Agreement is essential to leveraging capital investments, building community trust and enabling provider to effectively house persons with substance use disorders. We also urge the legislature to support funding for 53 additional scatter-site permanent supportive housing for single adults ($500,000) and a $3 million increase in OASAS funding to accommodate potential increases in Federal Shelter Plus Care grant.

Support New OASAS investment in Reentry Supportive Housing.
The leadership of Commissioner Carpenter-Palumbo has spurred a significant expansion of OASAS supportive housing capacity. CSH New York collaborates with OASAS and with OMH to advance the creation of 500 units of re-entry housing over five years, despite the extraordinary budgetary challenges we currently face. We urge the Legislature to baseline OASAS funding for twelve scatter-site permanent supportive housing units targeted to parolees in New York City recognizing this as an important first step in creating re-entry supportive housing models for persons leaving state prisons with addiction issues.

Paterson Drug Law Reform can be an important vehicle for funding re-entry supportive housing. **CSH is advocating that 10% of Drug Law Reform funding administered by OASAS be used to create permanent reentry supportive housing with $1 million set-aside in SFY 2010-11.** CSH highly recommends the State undertake a critical examination of the profound under-utilization of residential treatment services by those eligible for early release and diversion under Drug Law Reform. We also seek Legislative support for shifting a portion of Drug Law Reform funding from time-limited residential treatment responses to permanent supportive housing--an approach that bodes well for sustainability and successful integration of individuals with criminal justice involvement into communities. CSH estimates annual savings in the range of $10,000 per person, per year for permanent supportive housing over residential treatment with the added benefit of improved client and community outcomes.

Support Transfer of $625,000 from the Office of Temporary Disability Assistance (OTDA) to OASAS for Family Supportive Housing. State funding for family supportive housing has lagged behind need. Therefore, CSH supports the proposed transfer from OTDA to OASAS of $625,000 in SFY 2010-2011 NY/NY III funding for chronically homeless families and families at risk of chronic homelessness where the head of household suffers from a substance abuse disorder. Giving OTDA the ability to make journal transfers to OASAS and other state agencies can help provide immediate and cost-effective relief to municipal shelter and on other systems of care--particularly addiction, mental health and the child-welfare--during this severe economic downturn. CSH will release results from the formal evaluation of Keeping Families Together (KFT) in 2010. KFT is a three-year demonstration program to test program efficacy and client outcomes for 30 chronically homeless families with active child welfare involvement at the point of placement in family supportive housing. Addiction and trauma were proven to be multi-generational issues among this cohort. OASAS's prior experience with family supportive housing can help the State craft effective permanent housing and service interventions that can help break the cycle of addiction, child neglect, poverty and homelessness among high-need families. Based on lessons learned from providers, tenants and clinicians associated with the implementation of the first generation of family supported housing in New York City, CSH believes the State needs to create a variety of permanent supportive housing models – scatter site, congregate and bridges to congregate development—for chronically homeless, high-need families and their children.

Focus on Frequent Users of Public Services: Improve Outcomes, Reduce Burden on Public Systems, Control Costs

Supportive housing is one of the most significant public policy developments of the last three decades. It changes the focus from maintaining the systems that shelter and provide crisis services for homeless people to a system that seeks to end homelessness and promote healthy communities. The value and cost-benefits of supportive housing were initially documented in the seminal 2002 NY/NY III Cost Study which found decreases in the use of homeless shelters, hospitals, emergency rooms, jails and prisons among supportive housing tenants compared with a matched comparison group. These reductions in public services resulted in an annualized savings of $16,282 per unit. Since 2002, the cost benefits of permanent supportive housing have been borne out again and again. Findings from a large scale study in Los Angeles were recently released. The study tracked over 10,000 homeless individuals in LA County, 9000 of whom were homeless and on General Relief and 1000 who exited homelessness to supportive housing. Researchers found that supportive housing reduces public costs by 79% for chronically homeless individuals with disabilities. And the savings grew in correlation to aging and

severity of behavioral health challenges. (Homeless Cost Avoidance Study, Los Angeles Homeless Services Authority, 2009).

Medicaid bears a high proportion of the costs of high users of public services in New York State. Twenty percent of Medicaid beneficiaries with very complex health care and social services needs incur 73% of the $3 billion annual costs of the program. Data show that a few as 3% of Medicaid beneficiaries may drive as much as 30% of Medicaid spending. (United Hospital Fund, Medicaid Institute, 2004). Of similar note, preliminary Medicaid cost analysis for the initial 820 persons enrolled in the NYC Managed Addiction Treatment Services (MATS), an intensive case management program for high users of alcohol and other drug treatment services, shows that participants avoided costs of $10.4 million in AOD treatment services utilization. Projected annualized savings were $26 million, versus the annul $4.4 million costs of MATS. We urge Legislative support for continued funding of MATS in NYC as well as Orange, Westchester, Dutchess, Suffolk and Erie Counties proposed in the Legislative budget.

The Frequent Users Service Enhancement (FUSE) Initiative in New York City—targeting supportive housing to 100 individuals with multiple jail and shelter stays – demonstrated success in helping people maintain housing and avoid returns to jail and homelessness. In the first year following placement, data shows that FUSE achieved a 91% housing retention rate, 53% reductions in jail days utilized and 92% reduction in shelter days utilized. Viewed next to a matched comparison group, FUSE participants showed significantly increased resilience, extended time in the community and a reduced rate of cycling between jail and shelter, showing cost offsets to those systems of $2,953 per person/per year.

In closing, CSH would like to reinforce that permanent supportive housing offers impressive outcomes, even for chronically and episodically homeless persons, those with histories of institutional involvement (criminal justice, child welfare) and frequent users of public health and behavioral health systems. While there often is significant systems overlap and it can be difficult to directly track savings back to specific agency budgets, supportive housing has proven to be the most effective intervention for reducing over-utilization of costly, crisis-driven public services by high-need homeless persons. Cost savings and cost avoidance studies repeatedly affirm that the monies invested in permanent supportive housing can be a critical component of controlling public expenditures. It is this growing recognition that we have a shared responsibility for individual and community outcomes that is both spurring and protecting investment in permanent supportive housing in communities across this nation. As leaders and long-time beneficiaries of the supportive housing intervention, I urge you to continue to protect funding for supportive housing during this year's budget negotiations.

Respectfully submitted by the Corporation for Supportive Housing:
Diane Louard-Michel, Director – CSH New York, 212-986-2966, ext. 247, diane.louard-michel@csh.org

Testimony of Theresa Laws
Direct Support Professional
Member, Direct Support Professional Alliance of NYS

Before The New York State Senate Finance and Assembly Ways and Means Committees

February 3, 2010

Chairmen Kruger, Farrell, Morahan, and Rivera, and members of the Senate Finance and Mental Health and Developmental Disabilities Committees, and members of the Assembly Ways and Means and Mental Health Committees, thank you for this opportunity to provide testimony on the proposed Executive Budget for New York State as it relates to mental hygiene services.

My name is Theresa Laws and I am a Direct Support Professional working for the Rensselaer County ARC, an agency that operates under the auspices of the New York State Office of Mental Retardation and Developmental Disabilities. We support 160 individuals with developmental disabilities, assisting them to live life to their fullest in their home communities. I am a direct support professional in of one of our 75 residential settings. I support six people – who require assistance 24-hours a day, seven-days a week.

I am also a founding member of the Direct Support Professional Alliance of New York State, or DSPANYS, as we call it. It is on DSPANYS' behalf that I am here today.

DSPANYS is dedicated to promoting valued lives for individuals with disabilities by advancing the profession of direct support. Direct support professionals are known by many different titles: group home counselors, therapy aides, life skill instructors, to name but a few. But we share one mission: to support individuals with developmental, mental and other disabilities to live healthy, quality lives; to participate fully in society; and to enjoy all the opportunities community living offers – opportunities which many of us take for granted.

DIRECT SUPPORT PROFESSIONAL ALLIANCE OF NEW YORK STATE

Promoting valued lives for the people we serve by advancing the profession of direct support

Direct support professionals are working 24 hours-a-day, seven days-a-week in nearly every city, town and village across the state; in group homes; day and vocational programs; and after-school, evening and weekend respite and recreational programs. We have the primary responsibility for, and are the frontline of assuring, the health, welfare and safety of people with disabilities. We teach, assist and nurture the people we support in learning skills so they can be all they can be, as good neighbors and contributing members of society. And we are relied upon by families and parents, many of whom are aging. Families depend upon us as the people who know their loved ones best and who will be there for their loved ones when they are gone.

Ours is a noble profession, but also personally challenging. Given salary structures, many of us have to work two jobs to make ends meet, or leave a job we love in exchange for financial security. This has immediate and long term consequences.

Staff turnover has a devastating impact on the people we support. They truly grieve as they see staff on whom they rely everyday suddenly disappear.

The inability to recruit and retain direct support professionals, like me, will only get worse. Given changing social demographics, it is expected that the demand for direct support professional will grow by 37% over the next decade.[1] Even today, though, agencies can't recruit and retain adequate numbers of direct support professionals.

It is against that backdrop that I urge your support of certain provisions within the proposed budget. In the Office of Mental Retardation and Developmental Disabilities' Budget Briefing Booklet, Commission Ritter speaks of the need to recognize and support the direct professional workforce as it holds the key to providing high quality person-centered supports and services for persons with disabilities. DSPANYS is pleased to see and urges your support of the budget's provisions for a retroactive and prospective Medicaid trend factor, and an additional phase of OMRDD's Health Care Initiative. Such provisions will assist in recruiting and retaining direct support professionals, particularly if they are used, as Commissioner Ritter urges, to enhance the salaries and benefits of people like me in our service provider agencies.

[1] U.S. Department of Health and Human Services; Assistant Secretary for Planning & Evaluation. Report to Congress; January 2006.

c/o NYSACRA, New York State Association of Community and Residential Agencies
240 Washington Avenue Ext., Suite 501, Albany, NY 12203; 518-449-7551

DSPANYS is disappointed that our colleagues working in non-Medicaid funded programs and in programs not under the umbrella of OMRDD's Health Care Initiative will not see the fruit of these proposals. DSPANYS respectfully requests that you consider ways in which our colleagues in these programs can be better supported and not have to make career decisions which so negatively impact the lives of the people they support.

If we are to avert the impending crisis in caring for persons with disabilities, New York State must lead the way and do something more comprehensively. It should commit to developing a systematic plan designed to support and recognize direct support professionals across all human service agencies.

Regardless of whether they work in Medicaid funded programs, or programs under the auspices of OMRDD, OMH or OASAS, or in programs in the child care system, direct support professionals perform largely similar tasks, require similar skills, have similar training needs, and share one singular and unifying mission: to protect, nurture, and support some of New York's most vulnerable citizens.

It is imperative that New York State develop a plan which endorses the critical value that direct support professionals have in the everyday life of our fellow citizens – a plan which also enhances efforts to recruit individuals into the profession and retain their services.

The plan's goal should answer the question: How do we grow a much needed, quality, professional workforce? Salary and benefit issues, as important as they are, should not be the only elements of the plan. A plan that truly recognizes the work of direct support as a valued profession should also articulate a code of ethics; promote competency-based training and credentialing, to which salaries can be tied; and have mechanisms for the appropriate remediation of alleged misconduct, as most professions within the State have.

I realize this can't be done within this budget cycle. So I come before you with two requests. First, I ask you to look favorably on provisions in the proposed budget which recognize and support ***some*** direct support professionals. But I also ask that you look more broadly, toward future budgets, and within that context, look

at what New York State can do, perhaps incrementally but ultimately systemically, to promote quality, person-centered human services by advancing the profession of direct support.

DSPANYS is willing to help you in this endeavor in whatever way we can. So please, don't hesitate to contact us. Information about DSPANYS, including our contact information, is appended to my written testimony, copies of which I've dropped off.

Again, on behalf of DSAPNYS, I thank you for this opportunity for input.

Friends of Recovery
New York

PO Box 138 Cuba, N Y 14727
FOR-NY.ORG

Testimony Before the

New York State Joint Legislative Joint Fiscal Committees

Mental Hygiene Budget Hearing
February 3, 2010

Friends of Recovery – New York

Presented by
Laura Elliott-Engel, President
Keith Stack, Secretary
Joseph Turner
On Behalf of the Board of Directors and Advocacy Committee of
Friends of Recovery – New York

Friends of Recovery – New York is a statewide coalition of people in recovery from addiction, our families and allies. We come together from across New York State to ensure that any person struggling with addiction has the opportunity to reclaim life as a member of society. We are dedicated to promoting policies and practices supporting a vision of recovery from addiction.
www.for-ny.org

Thank you Chairman Kruger, Chairman Farrell, Chairman Rivera, Chairman Morahan and the other members of the Committees for this opportunity to present to you the perspectives of the thousands of New Yorkers now represented by Friends of Recovery – New York, an established and statewide grassroots coalition of people in recovery from addiction, our families and our allies.

In the same way that the consumer movement in mental health has provided a voice for people with psychiatric disabilities, Friends of Recovery – New York is now available to bring the concerns, hopes and solutions that will come from organizing the millions of New Yorkers and their families who are in addiction recovery.

I am Laura Elliott-Engel, FOR-NY's current president. This week marks the end of an era of public silence and anonymity by those of us with personal experience with addiction in New York State. As you know, for the first time ever, hundreds of New Yorkers from the North Country,Southern Tier, Finger Lakes, Central, Capital, NYC, rural and urban in addiction recovery were in town speaking with one voice yesterday and are at long last speaking up and showing up to ensure that any person struggling with addiction in our communities has the best opportunity to recover and reclaim life as a contributing member of society.

Restoring our full citizenship as individuals and as a unified community is our vision for recovery and we are dedicated to promoting policies and practices that will support this vision for every person seeking recovery. As a person with sustained recovery since 1975 I vote, pay taxes, raise a family and manage a small business with 60 employees. My experience multiplied by many thousands speaks to the strength of those in recovery.

We also believe that our direct experiences in recovery offer real solutions to the tremendous problems we are facing every day. Building on our experience of supporting each other to engage and continue a life-long recovery process, we are proposing concrete and proven solutions that we know will contribute to New York's economic recovery and the overall health of our communities.

The New York State Office of Alcoholism and Substance Abuse Services (OASAS) estimate that one in seven New Yorkers, approximately 2.5 million people, have a substance use or gambling addiction. We also know that the OASAS system serves approximately 260,000 people each year, meeting only 15% of the need in our communities. The good news is that 58% of those already being served are successfully completing their treatment goals and that these are outcomes to be proud of and that demonstrate a strong return on our investment in treatment services.

We congratulate each of you and applaud the Governor for enacting the Rockefeller Drug Law Reforms in April last year. As you know, the Rockefeller Drug Laws began a regretful period in New York history of addressing drug use through the criminal justice system rather than through the public health system and did so at great cost to New York State and to people's lives. The reforms and the increase in treatment services in

the Governor's budget will certainly provide an opportunity for thousands of people to access treatment rather than languish in the criminal justice system.

Unfortunately, the current system, even with more investment in treatment services, is unable to meet the needs of the other two million individuals and families still struggling to find a successful pathway to recovery. As a result, the current fiscal crisis will only get worse as the impact and cost of addiction continues to devastate the health and welfare of our families and communities.

Despite this seemingly insurmountable and national crisis, there is a tremendous wave of energy and hope as individuals and families in addiction recovery are collaborating with states and local communities across the country to design and deliver Recovery Oriented Systems of Care (ROSC) focused on ensuring that any person struggling with addiction has the opportunity to recover and reclaim a meaningful life.

We especially applaud Commissioner Carpenter-Palumbo's personal vision and initiative for the development of a Recovery Oriented System of Care in NYS as described in the 2008–2012 OASAS state plan, the creation of a statewide Recovery Implementation Team and the groundbreaking, nationally recognized *Your Story Matters* Campaign. Many of these initiatives hold promise as strong messages for support and interest in developing a Recovery Oriented System of Care.

A Recovery Oriented System of Care makes the shift from a crisis-oriented acute care approach to a public health focused, recovery management approach. A Recovery Oriented System of Care is a full continuum of care that offers, in addition to prevention and treatment, an engaging menu of person-centered and self-directed recovery support services that are delivered by individuals and families in recovery and are offered before, during and after treatment. Recovery Centers, community based programs that offer this engagement menu, are also extremely cost-effective as they motivate and deploy a strong mix of local volunteers and staff to meet the needs of their local communities.

A number of studies have been conducted on specific aspects of recovery support services with outstanding results. For example, a study by McKay (2005) found that recovery check-ups and active linkage to recovery supports following treatment are important in maintaining recovery. These services can be low cost, such as telephone-based support and checkups, and still be effective. Research by Fiorentine and Hillhouse (2000) found that those who participated in both treatment and recovery support groups had better long-term recovery outcomes than people who used either service alone. For many of us, the critical turning point in our recovery was the opportunity to connect with our peers who also faced their addiction and found a pathway to recovery that worked for them.

The Governor's proposed NYS budget continues to support prevention and treatment services and we strongly support such a strong investment.

Unfortunately, while people face the toughest economic crisis in decades, the budget continues to hold back the $2.7 million originally offered in the state plan for funding

recovery support services by 2011. There are currently community recovery centers in NYS. These are both rural and urban. This year the budget allocates $500,000 which would support only three to four Recovery Centers.

As the unified voice of people in addiction recovery from across New York State and your partners in offering practical solutions to the fiscal crisis we face together, we urge the NYS Legislature to avoid further delay and costly devastation of addiction and build on the strengths and volunteering energy of people in recovery across the New York State by re-allocating $1.5 million to the Recovery Community Center Initiative.

These services are the missing link our systems and our communities desperately need in order to avoid even more devastating losses in the coming year. Deferring yet another year of providing the supports that are most needed by our communities will only cost New York State more money as people continue to cycle in and out of expensive acute care services.

Our personal experience is that supporting addiction recovery services is a matter of life and death. The losses sustained in our communities every year to addiction are devastating. There is no more time to delay offering services that we know will make a difference in people's lives and in the economy.

Thank you once again for the opportunity to share our very personal experience and reaction to this year's Executive Budget Proposal. We look forward to working with you as partners in the coming year and continuing to offer solutions that come out of our personal experience in addiction recovery.

Self-Advocacy Association of New York State, Inc. (SANYS)

Testimony on Governor Paterson's Proposed 2011 Budget For OMRDD

Before The New York State Senate Finance and Assembly Ways and Means Committees

February 3, 2010

Chairmen Kruger, Farrell, Morahan, and Rivera, and members of the Senate Finance and Mental Health and Developmental Disabilities Committees, and members of the Assembly Ways and Means and Mental Health Committees, thank you for this opportunity to provide testimony on the proposed Executive Budget for New York State as it relates to mental hygiene services.

Introduction

We understand that our country and our state are in the middle of very challenging economic situation that will last for some time and could get worse before it gets better. We understand what it takes to face challenges; that is what we do every day as individuals with disabilities and that is what we do as an organization. We believe we are most successful when we focus on how we can work together as self-advocates and as partners with other groups. We believe our lives are better when we think about more than our own interests and needs when we develop advocacy positions and strategies. We live in our communities, we live in New York, we live in the USA, and we have an obligation to step-up and contribute to the solutions to the challenges we all face.

We believe this is what every citizen of our country and of New York needs to do. We need to step up our 'we' thinking and look at how we can contribute to and help create the way through these challenges. We have written a brief paper that we feel begins to address these issues. We call our idea, ***From Me to We,*** a copy of which is attached to this statement.

What we mean by this theme, and what we hope, is that everyone will come to the tables of discussion about budgets, system change and sustainability with a willingness to put their own personal interests and priorities to aside and focus on ideas, proposals and thoughts that may be the best for all people with developmental disabilities in the long run. We are hopeful that a real sense of fairness and a real People First point of view will be in everyone's minds.

Last year, SANYS developed a budget statement that would help guide our organization's NY State budget advocacy over the coming year, especially regarding the impact on OMRDD. We created a list of critical areas (bolded headings below) that we would use to objectively review the Governor's and OMRDD's budget proposal as well as responses and alternate proposals by the State Legislature and other groups. The following details SANYS' response to the Governor's budget based on these critical areas. We believe this budget crisis must be faced by all of us with a sense of selflessness and a commitment to OMRDD's most important theme—**Putting People First.**

Overview:

Overall, and especially given the current fiscal problems, we think this is a good budget. We are grateful to the Governor for acknowledging the needs of people with developmental disabilities and their families by wisely using the available federal rules to trend OMRDD services that are funded with Medicaid. Using the trend factor is critical in each of the areas mentioned below.

Focus on Direct Support Professionals

In every budget statement for many years now, we have advocated for increased wages and benefits for the staff of provider organizations as one way of attracting and retaining a stable, caring and competent workforce. For many of us, direct support professional staff are some of the most important people in our lives. We depend on their support everyday in so many ways, and for some us for our personal support needs. We need consistent, caring, well trained and well paid

direct support professionals in the workforce. This is critical to the quality of support people receive and a key factor in assuring that we are safe where we live and work. The inclusion of a trend factor means that direct support professionals who work for voluntary provider agencies will receive a much-needed increase in their wages.

We need to say that we also appreciate the work of state employees who work in state operated facilities. However, we cannot understand how state employees receive a much higher rate of pay and much better benefits than people who work for voluntary providers.

We are very supportive of the addition of Health Care Enhancement funds that will directly benefit staff of agencies and help with the rising costs of health care, which hits lower wage direct support professionals hard.

We also want to express our support for the Direct Care Initiative that OMRRD has developed designed to reduce incidence of abuse and other serious reportable incidents. We agree that relationships are key to this effort and we look forward to helping any way we can.

Individualized supports are important and need to be expanded

We are extremely pleased with the continued emphasis on individualized supports found in this budget both in language and funds allocated. The Governor's budget for OMRDD continues OMRDD's goal of providing more choice through a more balanced "portfolio" of supports that will increase choice. This is even more critical in this tight budget when there are limited funds for more traditional group living services and nowhere near enough to meet the needs of those waiting for services. SANYS supports all efforts to promote and fund individualized and non-24 hour supports as cost effective and person centered alternatives for many people currently living in or seeking more costly group living situations. We also know that in order to accomplish the goal of increasing opportunities through New York State Cares, the availability of non-24 hour, lower cost options will need to be increased.

Finally, it is important that we spend every dollar in OMRDD's budget with a people first perspective so that we can ensure that there are funds to support people who need intensive and more costly living arrangements.

We also support the increase of at home residential opportunities and the increase in Family Support Services.

The budget also calls for new employment opportunities. We have long advocated for more supportive work and we believe we must invest in employment and other individualized supports that provide a community based alternative for people who want to work, volunteer, or pursue other interests in their local communities.

We are totally supportive of the continued closure of developmental centers, the inclusion of funds to support people to move from nursing homes, and the goal of moving people who are living in out of state residential schools home to NY. These are people first and fiscally sound goals!

Voluntary Provider Financial Stability

As an organization, we are very aware of the importance of provider organizations to the lives of people with developmental disabilities. We work in partnership with provider associations on a number of projects and activities and we are committed to continuing these efforts. We advocate for increased choices for people and the evolution of our system to one with that offers a variety of individualized supports that help people to live rich lives in the communities they choose as included citizens. So we favor moving the system away, over time, from large homes and day facilities to smaller, person controlled and person centered opportunities. But moving in this direction is a process that will take time and agencies need support to move in these directions.

While we support changes in Day Hab and MSC that save the state funds that can be used for other purposes like employment, we recognize that these changes are part of a financial burden for providers that is made worse by the many other funding challenges they face. We support all efforts to provide regulatory relief for providers that reduce their costs and other creative efforts that OMRDD can develop to ease these financial challenges.

As we said above, we appreciate the trend to the Medicaid services that organizations provide. We can understand the cuts to some services like Individual Residential Alternative (IRAs) and Day Habs given the budget crisis but we urge the Governor to take advantage of all allowable enhancements that maximize the federal reimbursement to NY State and could minimize the loss of money to provider agencies.

People with developmental and other disabilities want to contribute

We have begun to explore a partnership with OMRDD and the State Commission on National and Community Service and many other organizations, that will seek ways to support people with developmental and other disabilities to be included members and volunteers of national and community service projects like AmeriCorps. People want to work and people want to contribute as members of their communities.

In summary, under the dire circumstances of the state and nation's fiscal crisis, we think this is a good budget, with shared sacrifice and a commitment to continue to evolve OMRDD's services.

Finally, though this is not related to the budget issues, we want it to be known by all that SANYS will do what ever it takes this year to ensure that OMRDD's name is changed. We insist that our state support a name change that eliminates the R-word!

JOINT LEGISLATIVE BUDGET HEARING

TESTIMONY ON THE EXECUTIVE BUDGET PROPOSAL FOR OMRDD

PRESENTED BY:

THE ALLIANCE ON LONG ISLAND AGENCIES, INC.

ALLIANCE OF LONG ISLAND AGENCIES, INC.
FOR PERSONS WITH DEVELOPMENTAL DISABILITIES
400 Garden City Plaza, Suite 202 GARDEN CITY, NEW YORK 11530
516-542-0088

My name is Margaret Raustiala and I am here representing the Alliance of Long Island Agencies, Inc. The Alliance is an association of not-for-profit agencies providing services to persons with mental retardation and developmental disabilities in Nassau and Suffolk Counties. The Alliance was established in 1995 to advocate for the needs of consumers and families to ensure adequate services are available and supported on Long Island. The Alliance is comprised of 25 member organizations that provide services for more than 20,000 consumers and have more than 10,000 employees. In addition to representing the Alliance as its Coordinator, I am also the parent of Riko a severely disabled 39 year old man with autism who resides in an Individualized Residential Alternative know as an IRA and receives his day program through Day Habilitation.

Thank you very much for this opportunity to comment on the Executive Budget proposed by Governor David Paterson. We are acutely aware of the state's fiscal problems and challenges, and budget constraints were not unexpected. Therefore we are grateful that the Governor included a trend factor to be used to improve the salaries and benefits of our member's workforce, as well as partially address increased costs resulting from inflation. To say that these workers are the backbone of a system that serves close to 70,000 consumers daily may sound like a cliché. But as the mother of one of the consumers served I can attest to the fact that without this dedicated workforce my child and others like him would not be living the full community integrated life that they lead. In his 2010-11 Executive Budget Governor Paterson also included a new phase of the Health Care Adjustment initiative. This program helps agencies to provide improved access to health services for their employees thereby helping to ensure a healthy and reliable workforce. During the weeks leading up to the Deficit Reduction Plan many of you in the legislature had the opportunity to see these dedicated workers in action as they supported these consumers protesting proposed cuts at hearings in the community or during the multi-day vigil held in the Capitol. On behalf of these workers I thank you for your past support and know that these workers can count on the legislature to support the trend factor and the Health Care Adjustment once again.

As I stated before the Alliance is well aware of the fiscal challenges facing the state and we have assisted the state in meeting those challenges in the 2009-10 budget with more than $60 million in program conversions and payment modifications, and more than $40 million in revenue enhancement. Most recently in December's Deficit Reduction Plan the Governor proposed and the legislature supported an additional $60 million in cuts to the OMRDD local assistance budget which provides funding to the Alliance's members. In his recently released Executive Budget Proposal the Governor, once again, proposes cuts to programs operated by the voluntary sector. The Executive proposes a restructuring of targeted Medicaid Service Coordination services. Despite the management and administrative challenges we will face in implementing a whopping $30 million or 18% funding cut, once the reforms are fully in place, the Alliance is prepared to work with OMRDD on the redesign of this valuable program

Despite our member agency's willingness to tighten their fiscal belt and cooperate with the Governor and OMRDD for the sake of our state, there are two proposals that we believe cut too deeply into essential programs---the proposed 4% cut to Day Habilitation and the proposed 3% cut to Residential Habilitation provided in supervised IRAs. According to the Governor's briefing book IRA's are "the most common residential opportunity for persons under the waiver..." and they support more that 27,000 individuals with developmental disabilities..." The proposed cut annualizes to $50 million, all shares, in 2011-12. This cut cannot be sustained without affecting the care that consumers who reside in an IRA will receive. OMRDD's own website points out the increasing challenges faced by providers due to the growing number of elderly consumers served and the increase in the diversity of the population. The vast majority of the Residential Habilitation rate goes to support the salaries of the direct support workers. As the mother of a consumer served in an IRA I worry that, if cuts of this magnitude are supported by the legislature my son Riko, and the other tens of thousands of consumers residing in a supervised IRA, will, for their own safety, be placed under, what will amount to, "house arrest". They will be unable to partake in the community integration that is the hallmark of New York's great OMRDD system. Instead, staff cut backs will result, for the safety of the consumers, in fewer outings into the community. It upsets me to know that dedicated workers may be laid-off or furloughed. You, the legislature, cannot allow this to happen.

Similarly the 4% cut to Day Habilitation is too deep. Day Habilitation is an essential core service for adults with developmental disabilities. Through this service individuals receive socialization, education and life skills experience. More than 10,000 consumers benefit from this program every day. Day Habilitation greatly improves their quality of life and participation in the community. It is an activity-based and community-based service. Therefore the majority of the cost of the service is for personnel. Adequate staffing levels must be maintained in order to facilitate small-group community integration activities and to ensure consumer safety, especially for individuals with more significant disabilities and/or challenging behaviors. Once again, as a mom, let me put a face on this important service. Riko is a severely disabled 39 year old man with autism, limited verbal skills and has, throughout his life, had bouts of extremely challenging behaviors. Through the Day Habilitation program he is able to volunteer part time at a green house, deliver meals on wheels to shut-ins, put up posters for the Guide Dog Foundation, volunteer one afternoon a week at a soup kitchen and work a few hours a week at CVS. He is a very busy guy with a severe disability that is giving back to his community. The Alliance urges the legislature not to support a 4% cut to this essential service so that individuals with developmental disabilities can continue to thrive in the community.

In closing, I want to once again urge the legislature's support for the Governor's proposed trend factor and the next phase of the HCA initiative. I also want to urge you to reject the large and unsustainable cuts proposed by the Governor for Residential Habilitation in supervised IRAs and Day Habilitation.

TESTIMONY

OF

JOAN SIEGEL
SENIOR POLICY ASSOCIATE FOR HEALTH AND MENTAL HEALTH

PRESENTED TO THE
NEW YORK STATE SENATE FINANCE COMMITTEE
AND
NEW YORK STATE ASSEMBLY COMMITTEE ON WAYS AND MEANS

REGARDING THE
NEW YORK STATE EXECUTIVE BUDGET PROPOSALS FOR
MENTAL HEALTH
STATE FISCAL YEAR 2010-2011

FEBRUARY 3, 2010

Good Morning. My name is Joan Siegel and I am the Senior Policy Associate for Health and Mental Health at Citizens' Committee for Children of New York (CCC). CCC is a 66- year old privately supported, independent, multi-issue child advocacy organization. CCC does not accept or receive public resources nor do we provide direct service or represent a sector or workforce. For 66 years CCC has undertaken public policy research, community education and advocacy activities to draw attention to what is or is not for working for children in New York and to advance budget, legislative, and policy priorities—all with the goal of ensuring that children are healthy, housed, educated and safe. I would like to thank Chairman Farrell and Chairman Kruger and members of the Assembly Ways and Means and Senate Finance Committees for this opportunity to testify on the Governor's Executive Budget for Fiscal Year 2010-2011.

It is clear that New York's troubled economy and staggering budget deficit demand long-term structural budget changes and not short-term fixes. That said, while all New Yorkers are reeling from the downturn, few are likely to be hit harder than poor children and their families. We must not allow this year's budget to eliminate the safety net that is needed to ensure a generation of vulnerable New Yorkers reach their full potential.

Governor Paterson's $134 billion Executive Budget proposes to close a $7.6 billion gap by raising revenue and reducing state expenditures. While the budget protects many essential programs for children and families, we urge you to negotiate an Adopted Budget that goes further to ensure that needed investments in programs that produce positive outcomes for children, are maintained in these difficult economic times.

We urge the legislature to negotiate a budget that uses fairness as a guiding principle and considers the effectiveness of programs to make deliberative choices about where the expense side of the budget needs to be reduced. For example, instead of zeroing out all programs currently funded by TANF dollars, we urge you to look at those programs individually and restore those that are cost-effective and produce outcomes that will save the state money in the long-run—including home visiting programs, alternative to detention and incarceration programs, the Advantage After School Program, Summer Youth Employment, child welfare preventive services, and homelessness prevention services. All of these programs have

demonstrated that they are effective at preventing more costly interventions later such as special education, foster care, juvenile detention and the need to live in homeless shelters.

Fairness also requires that the State's 2010-2011 Budget is not balanced by shifting costs to counties in general, and New York City specifically. Mayor Bloomberg has estimated that the Executive Budget would impose $1.3 billion in cuts and New York City and lead to almost 19,000 layoffs to a workforce providing critical services to New York City residents. Please do not forget that this is a very difficult budget year not only for the State but for the counties as well - it is unfair and disingenuous for the State to balance its budget by shifting costs for essential services to the counties. CCC urges the State Legislature and the Governor to negotiate a budget that maintains a balance of shared responsibility so that counties are not forced to cut essential services. We strongly urge you to reconsider proposals that would eliminate New York City's AIM (the only county for whom this is proposed), shift $51 million in mandatory summer special education costs, and shift $55 million for adult homeless shelters.

We also ask the State Legislature to work with the Governor and Metropolitan Transportation Authority (MTA) to prioritize the restoration of state subsidies for free student MetroCards. Without this critical student resource, the 584,000 city students who receive free or half-fare MetroCards would all receive half-fare cards beginning next September and be responsible for paying the full fare in September 2011. This adds up to an additional expense of nearly $700 per student in a school year.[1] This cut would disproportionately impact low-income students and families as well as families with multiple school-age children who may already be struggling to meet the ever-increasing cost of living in New York City. Most alarmingly, these cuts place students who are already at-risk for truancy and dropping out in greater jeopardy of being disconnected from the school system altogether, by taking away a basic resource that supports full attendance and positive school engagement.

[1] In 2008, the cost of the student $239 million MetroCard subsidy program was shared between the city and state at $46 and $45 million respectively. In 2009 however, the state share fell to $6 million. "Students See Hard Future If Free Fares Are Ended." New York Times, December 17, 2009.

In addition, we urge you to support revenue-generating proposals, particularly those that will improve the health and well-being of New Yorkers. CCC strongly supports imposing an excise tax on sugar-sweetened beverages as a means to take a critical step towards addressing childhood obesity and the associated illnesses such as diabetes and heart disease. In addition, we support increasing the tax on cigarettes by $1 per pack, which is estimated to prevent 100,000 children from becoming smokers. We also urge you to consider increasing the excise tax on beer, a beverage often marketed to youth and a contributor to alcohol-related illnesses and addictions.

Turning to the mental health budget, CCC is pleased that the Governor's Proposed State Budget for 2010-11 protects many critical mental health services for children and families, specifically:

- Extending current social worker and mental health professional licensing exemptions until 2014 for the Department of Mental Hygiene, the Office of Children and Family Services and local government programs;
- Increasing the number of residential beds by 2,600 including those for OMH, New York/New York III, OMRDD and chemical dependence treatment.
- Creating a new employment service called "Students Work, too," for developmentally disabled youth the last 2 years of high school so that they can obtain assisted employment after school;
- Continuing to develop in-state residential and educational opportunities for children placed out of state or at-risk of out of state placement due to developmental disabilities in accordance with Billy's Law; and
- Changing billing practices for residential treatment facilities (RTF), which serve mentally ill youth and children by carving out Medicaid prescription drug costs from the operating costs. This change will allow RTFs to be better reimbursed for medication and therefore increase willingness to serve more children with mental health needs requiring multiple medications.

Finally, we are concerned about children's continued access to clinic based mental health services. As you know, publicly funded community based mental health clinics are the first intervention in the lives of persons with mental health needs and more serious emotional disturbance and the only means of accessible services for the poor and moderate income New

Yorkers. Typically clinics serve a wide mix of clients who have services covered under Medicaid fee-for-service, Medicaid managed care, or commercial insurance. Historically, payment rates for mental health services under all these coverage options have not kept pace with the actual cost of care and to make up for deficit financing, the state has used COPS add ons to keep clinics whole. The clinic rate restructuring effort underway would improve the rate for Medicaid fee-for-service patients, while phasing out the COPS payment add ons. And yet, Medicaid managed care plans and commercial insurance rates also need to be dramatically improved upon if clinics are to survive this transition. Regrettably for children, the continued disparity in rates across fee-for-service Medicaid, Medicaid managed care plans, and commercial insurance also contradict the intent of mental health parity in Timothy's Law. CCC is bringing this issue to the legislature's attention so that managed care and commercial insurance rates are addressed as clinic restructuring is implemented. It is essential that clinic rate restructuring does not result in children losing access to needed for mental health treatment.

In closing, we ask the Assembly and the Senate to negotiate a budget with the Governor that protects our youngest New Yorkers from paying for this economic downturn for the rest of their lives. While we appreciate that very difficult choices about revenue increases and expense reductions that need to be made, we urge you to protect the services that will ultimately be less costly to the children of today and the taxpayers of tomorrow.

Thank you for the opportunity to testify.