



**Testimony of Jennifer March
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**To the Senate Finance, Assembly Ways and Means, Senate and Assembly Mental Health,
Senate and Assembly Disabilities, and Senate and Assembly Alcoholism and Drug Abuse
Committees**

**Joint Hearing on Mental Hygiene in the FY25 Executive Budget
February 13th, 2024**

Since 1944, Citizens' Committee for Children of New York has served as an independent, multi-issue child advocacy organization dedicated to ensuring every New York child is healthy, housed, educated, and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce; our priority is improving outcomes for children and families through civic engagement, research, and advocacy. We document the facts, engage and mobilize New Yorkers, and advocate for solutions to ensure the wellbeing of New York's children, families, and communities.

Thank you Chair Weinstein, Chair Krueger, Chair Brouk, Chair Gunther, Chair Seawright, Chair Mannion, Chair Steck, Chair Fernandez and all the members of the Assembly Ways and Means, Senate Finance, Assembly and Senate Mental Health, Assembly and Senate Disabilities, and Assembly and Senate Alcoholism and Drug Abuse Committees for holding today's Joint Hearing and allowing us the opportunity to respond to Governor Hochul's FY25 Executive Budget.

CCC helps coordinate the Healthy Minds, Healthy Kids Campaign (HMHK), a statewide coalition committed to ensuring all children in New York have access to the high-quality behavioral health services they need. Through this coalition, we work directly with parents, young people, and providers throughout the state who all have the same story to tell: **New York State is facing a children's behavioral health crisis.**

Throughout New York, families are sitting on waitlists for weeks, months, and even years for behavioral health services their children urgently need today. Half of youth with major depressive episodes in the last year did not receive treatment.ⁱ As a result, children are cycling in and out of emergency rooms and hospitals. In 2019 35% of young people discharged from a psychiatric stay at a general hospital in NYS ended up back in an emergency room within 90 days; nearly 25% end up back in an inpatient bed.ⁱⁱ Parents are left desperately searching for services that just aren't there.

This crisis is driven by a deeply inadequate workforce that cannot match the demand for services. Decades of underinvestment in the children's behavioral health system, including low salaries and insufficient reimbursement rates, have contributed to the long waitlists confronting families.

We are grateful to have a Governor who has elevated the issue of mental health – including children's mental health – as a priority. We support a number of investments in the FY25 State Budget that will have a positive impact on children's behavioral health access, including the following:

- Funding for 12 new Youth Act Teams
- \$4 million set aside from the Community Mental Health Loan Repayment Program for practitioners working in children's mental health settings

- \$45 million pledged in the Briefing Book to expand school-based mental health clinics
- \$1.7 million for infant mental health consultations at regional infant and toddler mental health resource centers
- \$4 million to expand and provide a 25% rate enhancement for the Partial Hospital program, which will support both children and adults
- \$7.8 million for mental health services provided to children in integrated settings.

However, while we support these proposed investments, we must also acknowledge that they fail to adequately address the depth of the behavioral health crisis facing our state. And in particular, they fail to address the widespread workforce shortage – particularly for outpatient services – that is driving children into emergency rooms and hospitals every single day.

Similarly, the \$1 billion investment in behavioral health services in last year’s budget primarily targeted capital investments rather than workforce needs, and only a fraction of the funding was dedicated to child and adolescent services. There is also great innovation occurring within the state’s 1115 Medicaid waiver, yet it largely leaves out the community-based outpatient mental health system. These providers are at the front line serving children and families, and need substantial and sustained investments if we are to tackle the behavioral health crisis head on.

CCC joins members of the Healthy Minds, Healthy Kids Campaign in urging State leaders to make the following investments to help sustain the children’s behavioral health system and create a long-term pathway for expanded access to high quality services.

1. Invest \$195 million in the children’s behavioral health outpatient system to address the severe reimbursement rate challenges that have undermined the ability of children to access timely, high-quality services.

The Campaign for Healthy Minds, Healthy Kids (HMHK) developed a first-of-its-kind study of reforms needed to address rate inadequacy and workforce shortages in programs including Outpatient Clinics (Article 31 and 32s), Child and Family Treatment and Support Services (CFTSS), and Home and Community-based Services (HCBS). These rigorously-developed recommendations include adjusting outpatient rates to keep pace with inflation, enabling the children’s clinic rates to reflect the complexity of serving children and families, increasing pay for providers who coordinate with a growing array of care managers, and increasing funding for CFTSS and HCBS to address the gap between anticipated volume and actual number of children served.

Trend rates to keep pace with inflation

Trends maintain, but do not advance, the children’s behavioral health delivery system

- 3.2% trend for children’s behavioral health clinic services: **\$10,749,230**
- 3.2% trend for children’s HCBS and CFTSS services: **\$2,107,748**

Establish a care team coordination fee

Providers are responsible for coordinating with a growing array of care managers. They should be compensated for the time it takes to do so.

- \$7.50 Per Served Member Per Month (PSMPM) fee for children’s clinics **\$12,112,200**
- \$7.50 PSMPM for CFTSS and children’s HCBS **\$8,324,766**

Adjust children’s clinic rates to reflect the extra effort children require

Account for the additional costs of navigating the complex web of service systems children and their families are at the nexus of. Enable providers to expand their capacity to meet the need.

- 35% enhancement for clinic visits provided to children **\$117,569,701**

Adjust CFTSS and children’s HCBS to account for actual volume

Enable providers to expand capacity by acknowledging that the anticipated volume efficiencies have not materialized.

- Increase in CFTSS and children’s HCBS rates to reflect the lack of economies of scale **\$44,460,329**

Total investment in children’s behavioral health **\$195,264,778**

Without this targeted investment in outpatient behavioral health services, the behavioral health workforce will continue to disappear, the capacity to care for children will continue to shrink, and New York’s children will sit on longer wait lists or go entirely without urgently needed services. If the HMKH proposed reforms are enacted, community behavioral health providers could hire over 1,300 additional clinicians and New York’s outpatient mental health system could serve over 26,000 additional children. Notably, once in place these recommendations would ensure the workforce and service capacity can continue to grow to meet demand.

2. Require commercial health plans to pay in network providers of outpatient behavioral health services at or above the Medicaid rate.

We strongly support Governor Hochul’s proposal in the Executive Budget (Article VII, HMKH, Part AA) which would mandate that commercial insurers reimburse in-network outpatient providers (at a minimum) at the same level as the State mandated Medicaid rate. Commercial insurers continue to operate with impunity, maintaining deeply inadequate rates at a fraction of what Medicaid pays. This has contributed to the workforce capacity crisis and increased the number of families on waitlists and children sent to ERs and hospitals because their families cannot find or cannot afford providers who take their insurance.

The high premiums and copays of commercial insurers have forced families to choose between therapy or paying for basic household needs. Because commercial insurance is so expensive, providers often try to help families qualify for Medicaid so they can access services. As a result, commercial insurance is often being subsidized on the back of Medicaid – the state ends up paying for services that should have been paid for by the commercial insurance plans.

New York must urgently address the discriminatory practice of the commercial plans. We applaud Governor Hochul for including this proposal in her Budget, and urge state leaders to support this effort to require insurers to pay equitable rates and help ensure every child can access the behavioral health services they need.

Thank you for the opportunity to provide testimony today.

ⁱ Source: America’s School Mental Health Cards https://hopefulfutures.us/wp-content/uploads/2022/02/Final_Master_021522.pdf

ⁱⁱ NYS Office of Mental Health County Planning Profiles. <https://omh.ny.gov/omhweb/tableau/county-profiles.html>