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Testimony Presented by:

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Assembly Ways and Means and
Senate Finance Committees

Joint Legislative Budget Hearing
Mental Hygiene

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Good afternoon, my name is Maria Cristalli and I am the President and CEO of Hillside and the Board Chair of the NYS Coalition for Children's Behavioral Health. Thank you, Chair Krueger and Chair Weinstein, for this opportunity to submit testimony to the State Fiscal year 2025 Joint Budget Hearing on Mental Health.

The New York State Coalition for Children's Behavioral Health is the voice of children, families, and providers in New York's children's behavioral healthcare continuum. The Coalition represents 43 provider agencies, that collectively provide residential and community-based services to over 200,000 individuals per year and employ over 14,000 staff. We work collaboratively with families, state government, and advocates to secure funding and implement policies that best serve the needs of children and families who need all levels of behavioral health services.

Key points to start from

- According to the CDC Youth Risk Behavior Survey published in 2023, nearly all indicators of poor mental health and suicidal thoughts and behaviors increased from 2011 to 2021. The report stated that “there are increases in the percentage of youth who seriously considered suicide, made a suicide plan, and attempted suicide. The percentage of students who experienced persistent feelings of sadness or hopelessness, seriously considered attempting suicide, made a suicide plan, and attempted suicide increased.”
- Death by suicide is the 3rd leading cause of death for New Yorkers aged 15-19, and the 4th leading cause of death for those aged 5-14.
- Half of New York's youth with major depressive episodes in the past year did not receive any treatment at all.
- Half of all lifetime cases of mental health disorders begin by age 14 - early treatment matters.
- Statewide, there are fewer than 28 child psychiatrists per 100,000 children, and in some counties there are 0. There are similar shortages of all other mental health practitioners throughout the state.
- Since 2014, New York has closed over half of the residential treatment facility beds for youth with severe and urgent mental health needs, and 1/3 of youth beds in state-run psychiatric hospitals. Subsequent investment in community-based services has been woefully inadequate.

Hillside serves nearly 9,000 families in 47 upstate counties each year. Hillside provides youth and families with individualized services in the areas of mental health, child welfare, juvenile justice, adoption, special education, development disabilities, health and safety net. For some of our community-based mental health services, children and families are waiting months before we are able to serve them. This is also true of dozens of other Coalition members around the state because of the dire workforce shortage and chronic underfunding of the children's behavioral health system.

We are pleased to see several investment proposals in the Governor's Executive Budget that will enable us to continue our work, including the following that we urge you to support:

- **\$9.6M increase in funding for the creation of 12 additional Youth Assertive Community Treatment (ACT) Teams statewide.**
- **\$7.6M rate increase for children's mental health services provided in integrated settings.** We ask that the legislature clarify the scope of settings and providers that will receive the increase, adding integrated OMH/OASAS clinics if they are not already part of the proposal.
- **\$1M to expand specialized service pilot in Children's Community Residence.**
- **\$2.8m to increase rates for partial hospitalization programs.**
- **\$2m to fund youth-led peer programs.**
- **\$4M earmarked for child-serving practitioners through the OMH Community Mental Health Loan Repayment Program.**

In addition to supporting those proposals, we urge you to invest in the following:

- **ADD \$195M to support Medicaid rate enhancements and reforms across the children's continuum of care** – including but not limited to Article 31, CFTSS, and HCBS programs – to create a sustainable children's behavioral health system that enhances quality and access to services across the state. The Healthy Minds Healthy Kids Campaign (HMHK) commissioned a study that found what our providers have said for years: the rates in children's outpatient services are inadequate to cover costs, let alone support a sustainable system for the future. This investment would enable community-based providers to hire an additional 1,300 clinicians and serve over 26,000 more children per year.
- **RAISE the proposed Cost-of-Living Adjustment (COLA) in HMH, Part FF from 1.5% to the July 2023 CPI-U of 3.2%.** Inflation makes everyone's dollar go less far, and provider agencies and staff are no exception. Without an annual COLA that is tied to the CPI-U and effectively combats inflation, providers cannot raise salaries to retain staff, and we all agree that our workforce is the backbone of the children's mental health system. We also urge that the COLA include all human services programs, including community-based prevention services programs, Health Homes Serving Children Care Management Programs, and community and residential domestic violence programs, as in **Senate Bill S7793.**

- **SUPPORT the State's continued commitment to school-based mental health clinics (SBMHCs), and urge increased funding for deeper start-up grants** to be provided and that will allow additional clinics to open. Last year's addition of startup funding enabled over 100 new clinics to open inside schools, and the Medicaid rate increase was critical for helping to keep SBMHCs operating. Schools are an ideal place to serve children, and we support efforts to increase school-based service provision by community behavioral health providers.
- **STRONGLY OPPOSE the \$125M Medicaid Scorecard out-year savings from a proposed restructure. Over 30,000 children and adolescents, across all Health Homes, would be left without the necessary support they depend on in the community if the Restructuring Health Homes cost savings is enacted.** The Department of Health stated publicly that they do not have plans as to how such a cut will be implemented or how savings will be achieved. Please exempt Health Homes Serving Children from the proposed \$228 million cost savings for Health Homes. In addition to this request, we ask that clarification be provided related to the discrepancies in the Medicaid scorecard (\$125 million savings) and appropriation bills (estimating a \$228 million savings).

More detail on Health Home Serving Children

We applaud you for the significant investments you have made the past two years in youth mental health and human services, but Health Homes, which primarily serve children with mental health conditions, developmental disabilities, medical complexities, and social care needs, continue to be excluded from funding opportunities, COLAs, and rate enhancements, and are again on the chopping block. **Health Home Serving Children are already experiencing a \$20 million revenue reduction this year due to administrative actions taken by Department of Health. This change led agencies to close their care management services, which has led to underserved children.**

Now, the program is at risk of being completely decimated should this cost savings be enacted. The unintended consequences of this would impact child welfare and mental health providers across the state, further limiting their ability to provide services such as HCBS and CFTSS. **Without Health Homes, families will be unable to access waiver services.** Without the support of care management, our children and families will suffer. ED visits will increase, hospitalizations will become more frequent; higher, levels of care will need to be utilized. Services will only be provided to the highest acuity children, and it will require escalating to a point of institutionalization or placement before they can access services available to them. We need to fund preventive solutions, like Health Home Care Management and community-based services.

We also urge you to support the following Medicaid Managed Care and commercial insurance proposals:

- **HMH, Part H** – This proposal would reform the Managed Care sector by establishing a procurement process for Managed Care Plans (MCP) and enhancing the ability of DOH to fine MCPs for violating the model contract. Provider agencies have experienced many challenges with the Managed Care system since we transitioned in 2018. Each MCP has different contractual requirements for the claims and payment processes, credentialing, and enrollment. These differences require administrative staff to manage the multiple requirements to do business with MCPs. We support this part and urge further Managed Care reform, including limiting the number of MCPs that serve high needs populations, streamlining and standardizing the forms and processes to enroll children in programs and to bill for services, and standardizing the credentialing process among all MCPs.
- **HMH, Part AA** – This provision mandates that commercial health plans provide reimbursement at the Medicaid rate (or better) for OMH- and OASAS-licensed outpatient behavioral health services. Most commercial insurers continue to pay well below the Medicaid rate for behavioral healthcare, which makes it financially impossible for many providers to fully participate in commercial markets, thereby significantly reducing in-network services. Many consumers with commercial plans are forced to seek out-of-network care, which is cost prohibitive for so many hard-working families. Enactment of this proposal, along with strong network adequacy regulations from DFS, are essential to building robust networks and ultimately improving access to care in the commercial market.

More Details on Our Workforce & Needed Workforce Investments

The children’s mental health system has been neglected and under-funded for decades. We cannot solve the crisis in children’s access to mental health services without addressing the children’s mental health workforce shortage. The Executive Budget includes several initiatives aiming to expand access to services, but this potential is destined to remain unfulfilled unless we **fund the workforce necessary to implement these and all other programs**. We are facing a severe shortage of staff, especially in direct service, at a time when the need is spiking to crisis levels. At Hillside, we currently have 215 open positions out of a total of 1,800 employees across our residential treatment, education, and community-based services. A **3.2% COLA** begins to recognize the need to pay this essential workforce an appropriate, living wage and supports increased costs related to operations.

Approximately one-third of all Hillside openings are considered critical and hard to fill. We are having particular difficulty attracting licensed Clinicians (e.g., LMSWs, LCSWs, LMHCs, LPs, LMFTs, and LCATs), Teachers (of all specialties), Teaching Assistants, Speech Pathologists, and Nurses (RNs, LPNs, and Psychiatric NPs). Some of these job opportunities have been open for 130+ days. Hillside’s staff turnover rate is 35% across the organization.

Every time a direct care worker leaves our organization, it disrupts the therapeutic relationship between that worker and children and families we serve. This change impacts outcomes for children and families as they continually need to tell their story and build trusting relationships with new workers.

Inflation dramatically raised the cost of everything from food and fuel oil to professional insurance and interest rates on debt, all of which affect children's behavioral health providers and their staff. The 1.5% cost of living adjustment (COLA) in the Executive Budget does at least acknowledge that **an increase is necessary for our sector to function**, but it does not support that functioning. **The entire human services field has been calling for a 3.2% COLA based on the CPI-U (July 2023) because that is the minimum needed** to keep doors open and raise salaries to support and attract the employees our communities rely on for critical services.

Building and maintaining our family-serving workforce is also why investing in the \$195M of Medicaid rate reforms called for in the Healthy Minds, Healthy Kids rate study and proposal mentioned above is so critical. The rate increases are necessary to make up for the inaccurate assumptions many of the original rates were based on, as well as the higher complexity of working with high-needs children and families. The current rate structure leaves many providers with the difficult decision of continually losing money to keep serving families, or closing their programs. More and more providers are being forced to choose the latter. **This \$195M investment across a range of community-based services would enable providers to keep programs open, hire an additional 1,300 clinicians, and serve over 26,000 more children per year.**

We appreciate that Governor Hochul proposes to **expand the Community Mental Health Loan Repayment Program with \$4M and slots specifically for clinicians who work in child-serving agencies and treat children and families**, including both OMH and the Office of Children and Family Services (OCFS) licensed settings. Loan forgiveness is one more tool in our staff recruitment and retention toolbelt, and it certainly makes continuing to work in our settings more attractive when staff are routinely faced with higher-paying and more flexible opportunities in the private sector.

We also urge the state to create and **fund a scholarship program for students pursuing mental health practitioner degrees**, similar to the "Nurses for Our Future" Scholarship program. Especially in underserved communities, taking on college debt is a barrier itself, regardless of the prospects for loan forgiveness later. Scholarships would enable students who might otherwise be unable to attend college at all to pursue degrees in much-needed professions, which is critical to creating a representative diverse workforce, and including Masters level education would support more diversity in supervisory roles.

People of color make up the majority of the staff and/or clients served in many of our community-based children's behavioral health organizations, and our workforce is primarily women. For example, the race and gender of Hillside staff reflect the children and families we serve. However, people of color are underrepresented at the manager, director

and executive levels of leadership. This is not unique to Hillside, and it is clear that wage and education issues in our sector are also equity issues, not just economic ones.

We propose an initiative to **dedicate funds from the Office of Strategic Workforce Development's Health Care Workforce Investment (HWI) to support the future behavioral health workforce.** The HWI is intended to "strengthen the pipeline of diverse medical professionals and support individuals looking to enter and grow in the health care and direct care fields," which is as important in behavioral health as elsewhere. We urge the state to invest in this workforce pipeline, from high school education initiatives through scholarships, internships, loan forgiveness, professional development, and support for returning to school for an advanced degree, credential or privilege.

The bottom line is that in order to carry out our shared vision of a New York State that offers all children and families access to the care they need to thrive, we need to put considerable resources behind the individuals and organizations best-equipped to serve them. We routinely see our workers leave our organization for employment with school districts, hospitals, and state-operated programs that offer pay and benefits that our agencies cannot match due to outdated funding models.

Child Victims Act Settlement Fund

We urge your support of A.1279 (Lunsford)/S.4866 (Cooney). In 2019, the Legislature passed monumental legislation establishing the Child Victims Act, which provided a mechanism to give victims a voice and an avenue to seek justice against their abusers. However, without a settlement fund, individuals may never receive their due compensation from voluntary foster care agencies, and thousands more children will be negatively impacted due to a loss of essential services. Many of these voluntary foster care agencies provide behavioral health services to youth and families. A January 2024 report from SeaChange Capital Partners demonstrates the "existential threat" that faces the child welfare system, noting that "without support from policymakers, they are at risk of either discontinuing essential services or failing completely."

The Child Victims Act Fund will allow public school districts and voluntary foster care agencies who would otherwise be forced to close or severely cut services to the children they serve to remain operational while still providing compensation for the survivors who sought justice under the CVA. **Therefore, we support the appropriation of \$200 million for the Child Victims Act Fund (A.1279) in the Assembly one-house budget.**

Thank you again for the opportunity to testify today. The NYS Coalition for Children's Behavioral Health looks forward to working with all of you to ensure children and families who rely on us for their health and wellbeing have access to the critical services they need, when they need them.