



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

Testimony to the NYS Department of Health IMD Transformation Demonstration Program

BRAD HOYLMAN-SIGAL November 10, 2022

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Thank you for this opportunity to testify in support of the New York State Department of Health's proposed IMD Transformation Demonstration Program application. My name is Brad Hoylman, and I am the State Senator for the 27th Senatorial District in Manhattan, which includes Midtown, Hell's Kitchen, Chelsea, the Upper West Side, Greenwich Village, Stuyvesant Town, and the East Village. This waiver application will result in improved services and quality of life for my constituents by unlocking millions of federal dollars for mental health care.

The neighborhoods I represent are among the areas most affected by our mental health crisis in the city, state, and country. Earlier this year, one of my constituents, Michelle Alyssa Go, was senselessly and shockingly murdered on a subway platform in my district. The murderer was mentally ill and homeless. He was later deemed unfit for trial and committed to a locked psychiatric facility. In the immediate aftermath of this tragedy, a report by the New York Times exposed the "broken system" that allowed him to spend "decades adrift" in and out of hospitals at least twenty times without meaningful results. Among the causes of this broken system are New York's drastically declining number of inpatient psychiatric

beds, spurred by declining Medicaid reimbursement rates and more lucrative options for hospitals.

After consulting with experts on this issue, I learned of the IMD exclusion, a federal law dating back to the creation of Medicaid that prevents the use of federal money for patients aged 21 to 65 in mental health or substance abuse residential treatment facilities with more than sixteen beds. While this law may have been well intentioned with the goal of incentivizing community care, it has left our health care system woefully unprepared to address our current crisis.

We see the results of the government's disinvestment in mental health care every day. What was already a crisis in 2019 has become supercharged by the COVID-19 pandemic. We have a responsibility as a state to do better for our residents and provide meaningful services for those struggling with serious mental illness, serious emotional disturbance, and substance use disorders. With the right intervention, we could save lives.

During this year's state budget hearings, I secured a commitment from the State's Medicaid Director that New York would consider applying for a federal waiver under Section 1115 of the Social Security Act to get relief from the IMD exclusion. Later, the State Senate unanimously passed my bill, also sponsored by Assembly Member Glick, that would have directed the Department of Health to apply for the waiver. Now, I am thrilled that the State is following through and has announced it will apply for the waiver.

I urge you to make this application as aggressive as possible so that New York is the national leader on mental health care. Over a dozen other states already have waivers approved or pending; we can not only catch up but set an example. Any state money that is saved due to

the federal investment in these services should be reinvested in the same vulnerable populations, multiplying the effect of the program and providing even more enhanced services for our constituents.

Thank you again for the opportunity to testify, and I thank Governor Hochul and Commissioner Bassett for making this a priority.