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Joint Legislative Public Hearing on 2012-2013 Executive Budget Proposal: Topic "Mental Hygiene"

February 14, 2012

Introduction

Good afternoon Senators DeFrancisco, Hannon, McDonald and Klein, Assembly Members Farrell, Gottfiried, Ortiz, Cymbrowitz and distinguished members present at today's hearing. Thank you for allowing me the opportunity to testify before you today on the 2012-2013 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).

Medicaid Redesign

We are pleased that the Governor's 2012-13 Executive Budget continues the implementation of recommendations proposed by the Medicaid Redesign Team (MRT). As a member of the MRT's Behavioral Health Reform Work Group and Affordable Housing Work Group, we are glad to see input from these work groups in many of the proposals submitted in the 2013-13 Executive Budget. Investments in care coordination and case management programs, such as health homes and supportive housing services, will help augment the recovery and stability of individuals with severe mental illness and substance use issues, allowing them to live independently in the community. Health Homes and supportive housing programs are the initiatives that are most likely to meet the objectives of the Medicaid Redesign Team and to return the greatest savings to the state in terms of reduced hospitalizations, unnecessary emergency room visits and reduced lengths of stay in long term care facilities. It is therefore of the utmost

importance that a portion of these savings derived from the discontinued use of these high-cost services be reinvested into community-based supports and programs.

Supportive Housing Development Reinvestment Program

The Coalition strongly supports the Governor's recommendation to establish a Supportive Housing Development Reinvestment fund to create adequate and accessible housing. We appreciate the Executive Budget's upfront commitment to designate a portion of the $75 million in the SFY 2012-13 MRT funding allocation plan to the Office of Mental Health (OMH), Office of People with Developmental Disabilities (OPWDD), Office of Temporary and Developmental Disability Administration (OTDA) and Housing Community Renewal (HCR) to be distributed through Homeless Housing Assistance Program (HHAP), OMH supportive housing programs, Housing Trust Fund and tax-exempt bond programs.

As inpatient hospital and nursing home beds are closed, this fund will include the amount of general fund savings directly related to their suspended use. Transparency and accountability of the flow of dollars should be maintained and these dollar savings should be tracked from closure to community as this process is implemented. For example, inpatient reductions in children's programs should support community-based care in the children's system (and the same for adults). Furthermore, the coordination of care between primary and behavioral health will be performed by the community-based behavioral health system through Health Homes. Therefore, state savings achieved from the integration and coordination of primary and behavioral health care (for people with severe mental illness and substance use disorders) needs to be reinvested into the behavioral health system.

We would like to point out, that along with permanent supportive housing, reinvestment into 1) crisis housing services, 2) housing programs that prevent admission to costly inpatient facilities, and 3) housing programs that provide a step-down or transition upon discharge from an inpatient facility, would not only benefit individuals with complex care needs, but help stem the growth of costs for higher levels of care. From closure to community, funding allocated to these programs would help to patch systemic holes and add to state savings. In addition, peer, employment, and family services (for children and youth in transition) need adequate reinvestment support. The same is true with clinical services for mental health and addiction, where consumer access continues to be burdened with waiting lists. If the full continuum of services that enable people with severe mental illness and substance use disorders to recover and live stable, independent lives in the community is not ensured, it will be difficult to meet the overall goals of the MRT.

The Governor's budget recommends that discretionary reinvestment authority of the Supportive Housing Developmental Reinvestment fund be given to the Commissioner of the Department of Health (DOH). We would like to make sure that determinative input from the Commissioners of the "O" agencies be represented in the reinvestment process. These are the agencies that understand the community based behavioral health care system and the needs of its consumers and providers. They must have a say in every step of decision making around reinvestment allocations.

Behavioral Health Organizations

Consistent with the MRT recommendations for improved outcomes, the Executive Budget permits OMH and the Office of Alcoholism and Substance Abuse Services (OASAS) to contract jointly with Behavioral Health Organizations (BHOs). The

BHOs are charged with reviewing behavioral health services for individuals with substance abuse issues and serious mental illness. Last year, The Coalition and fellow advocates supported the implementation of BHOs as an alternative to straight-out managed care. What follows the two-year BHO period is of profound concern to the behavioral health provider community, and we look forward to continuing our work with the state to develop Special Needs Plans (SNPs) and other integrated healthcare delivery systems that are appropriate to the populations we serve, who have specialized and complex care needs. It is critical that people with serious mental illness and substance abuse issues be able to receive integrated care after the initial BHO phase comes to an end.

Prescription Drug Coverage

As of October 1, 2011, coverage for prescription drugs for most Medicaid beneficiaries has been transferred from fee for service to managed care, ending the prescription drug "carve out" for 3 million enrollees. As a result, providers no longer have final authority to prescribe for atypical antipsychotics and antidepressant drug classes, SSRI's and SNRI's.

With no real consume protections in place, the switch to managed care provided prescriptions has been difficult for consumers and behavioral health providers alike. They must navigate through each of the 21 pharmacy plans available under managed care, which each have their own formularies of approved drugs. Consumers feel pressured to switch to alternative medications, or pay out-of-pocket costs that were previously not required. Providers are spending a significant amount of time and resources to ensure that clients in their care are able to overcome these obstacles. We respectfully urge the Legislature to help ensure that providers can obtain cooperation

with pharmacy plans to permit the continued provision of the best professional care to consumers as recommended by their psychiatrists, with minimal cost and bureaucratic obstacles.

OMH/OASAS Reinvestment Initiatives

In order to help achieve the goals of the MRT, we support the proposals in the OMH budget to reinvest savings generated from reduced inpatient services, reforms in the Sex Offender Management and Treatment Act (SOMTA), and other program efficiencies into more appropriate community-based programs. This includes reinvestment into 3,400 New York/New York III units and over 6,000 units for emerging needs (individuals moving out of nursing homes, adult homes, etc. into more appropriate community-based settings). We also support the allocation of state savings to be reinvested into Information Technology (IT) enhancement grants for mental health providers to support capacity development for transition to a managed care environment. IT investment has been an ongoing unmet need of non-profit, behavioral health providers. They have been left out of past Health Information Technology (HIT) initiatives that have allocated funding to providers of primary care only. If care is to be properly integrated, how can one-half of the whole be left out?

The Executive Budget also proposes to reinvest OMH state savings into mobile rehabilitation and crisis teams, a training program to help primary care physicians improve early identification of children with behavioral health needs, as well as other important services. We support these initiatives as well.

The Coalition also supports the Executive Budget proposals for OASAS to use administrative savings to fund 25 new veteran's beds and 12 new residential treatment opportunities for women with children. In addition, we support the commitment in the

Executive Budget to fund supportive housing units for homeless families with members suffering from a chemical dependency in New York City, as established in the New York/New York III agreement.

Executive Compensation & Not-for-Profit Organizations

The Coalition, as part of a consortium of 17 associations representing hundreds of not-for-profit organizations, submitted testimony at the hearing on "Executive Compensation and Not-for-Profit Organizations" held on February 6, 2012. I would like to reiterate that we believe that fairer, more effective, targeted and workable approaches could be taken by the Legislature and Executive to address legitimate concerns over compensation and administrative expenses incurred by certain state contractors. Also true is the fact that existing oversight mechanisms already exist to deal with outliers and to establish system standards. Setting a cap across an entire sector would lead to unintended consequences in terms of the provision of cost-effective safety net services and the state's economy. Moreover, strict across-the-board targets for spending on administration and overhead, ignore the multiple rules and definitions across systems and programs that currently exist with respect to what constitutes such expenses. These complexities are not reflected in the legislation and Executive Order and ignoring them could irreparably harm some programs and negatively affect the care that some consumers receive.

Conclusion

On behalf of the 120 agencies that we represent throughout New York City, Westchester and neighboring counties, the Coalition respectfully urges the Legislature to help ensure that the not-for-profit community-based behavioral health sector remains strong and effective in providing services for New York's most vulnerable citizens. This

will require investments in housing, care coordination, and the various services in between that enable people with substance abuse issues and severe mental illness to recovery and be contributing members of a community. I thank you for your time, and am available to answer any questions that you may have.

Respectfully submitted,

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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 120 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.