



HEARING:

N.Y. State Assembly Ways and Means Committee

N.Y. State Senate Finance Committee

TOPIC: Mental Hygiene Joint Legislative Budget Hearing

Wednesday, February 5, 2025

Testimony by

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JCCA

Good morning Chairs Krueger, Pretlow, Brouk, Simon and honorable members of the Senate and Assembly. Thank you for inviting me to testify on behalf of the children and families we serve in the human services systems throughout New York.

I am Ronald E. Richter, CEO of JCCA, and have previously served as New York City's ACS Commissioner and as a judge in the NYC Family Court.

JCCA is a child and family services agency that works with about 17,000 of New York State's children and families each year. We provide a continuum of care for children and families encountering behavioral health, education and child safety challenges. JCCA's services sit at

the intersection of child welfare and behavioral health. Our agency has been serving New Yorkers since 1822.

First, I must express our general unease about what changes may be coming from the Federal government and hope these Committees will be attentive to New York's children and families at risk and help us find solutions to meet their needs.

For example, the Social Security Act prohibits use of federal Medicaid dollars for any services provided to residents of Institutions for Mental Diseases (IMD). An agency is an IMD if it has more than 16 beds and provides care for individuals with mental health needs. In New York, foster children with the most serious needs, who experience trauma and abuse or neglect, will no longer receive Medicaid reimbursement for the intensive, therapeutic treatment they receive on cottage campuses, such as JCCA. This will put stress on state and local budgets to pick up the full tab for services, and the situation could be quickly exacerbated if federal funding and matching dollars for other assistance programs are slashed, potentially disrupting service delivery.

Governor Hochul has recognized the mental health needs of children and in her proposed budget provides investments in new safe spaces for youth, mental health first aid training for teens, after school support and efforts to limit cell phones in school. We applaud these programs, but they do not address the needs of children and adolescents with more intensive mental health needs, especially those also impacted by the foster and residential care systems. There are evidence-based modalities and other treatments that we know work for young people with high acuity needs, but this population remains untouched by the Executive's proposal. Rather we focus on the high acuity adults who commit violent crimes and endanger our subway system. Why not reorient and invest in proven therapeutic treatments for young people with serious mental illnesses, before they become far less accessible adults?

Enhanced Medicaid Rate for MST-FIT Services

JCCA's Pleasantville Campus serves approximately 300 young people each year. Many of the youth in our care receive Department of Health (DOH) and Office of Mental Health (OMH) licensed services to meet their significant needs.

JCCA and other child welfare providers have implemented an adaptation of the evidence-based model, MST, for residential centers, Multi-Systemic Therapy-Family Integrated Transition (MST-FIT.) The model is proven successful for children and their families when young people transition from residential settings and return home. We have seen first-hand how MST-FIT reinforces young people's abilities to regulate negative emotions when they transition out of residential care to their communities, helping them to maintain stable relationships and achieve permanency.

Implementing MST-FIT is costly. Each MST-FIT team costs over \$100,000 annually. New York State can help defer these costs by approving MST-FIT as a Child and Family Treatment and Support (CFTSS) service with the Medicaid enhanced rate. It is our understanding the DOH and OMH are supportive of approving MST-FIT and similar models as CFTSS services with the Medicaid enhanced rate, and we ask that the legislature support these funding mechanisms as well. Using Evidence-Based Modalities to expedite a child's stability advances the state's goal of achieving stable permanency.

Non-Medicaid Eligible Over 21 Population

Due to Medicaid eligibility rules, JCCA is losing approximately \$900,000 each year on young people over 21 years old on our residential campus. These young people are OPWDD eligible, waiting for OPWDD placements. However, because they are in foster care in JCCA's OCFS licensed facility, and over 21, JCCA is not reimbursed for the cost of the Article 29i core rate for foster care children which includes required health services such as nursing. Additionally,

JCCA would not be reimbursed for clinical services provided to these youth with IDD and serious emotional disturbance. Once they move to OPWDD, Medicaid will be activated.

JCCA is required by law to provide these young people with core services which include:

- Skill Building (provided by Licensed Behavioral Health Practitioners as described in Article 29-I VFCA Health Facilities License Guidelines and any subsequent updates)
- Nursing Services
- Medicaid Treatment Planning and Discharge Planning
- Clinical Consultation/Supervision Services
- VFCA Medicaid Managed Care Liaison/Administrator

JCCA also provides enhanced therapeutic treatment to youth as a component of our behavioral health services. It is harmful to youth and our campus community to exclude children who are 21 years and older from this group and other therapeutic work that their peers are receiving. Moreover, we do not have authorization to provide these services to young people over 21+, so they could not benefit even if we chose to provide them for free.

If New York State does not have an appropriate placement for these youth, the state should pay for their care; the expense should not be borne by the nonprofit that accepted them into residential care as minors in foster care.

Youth Appropriate for OMH Residential Treatment Facilities

With the rise in mental illness among our children, we are seeing increased rates of psychosis and severe depression among youth. Many of the children on our residential campus qualify for OMH licensed Residential Treatment Facilities (RTFs), which are a more intensive residential treatment option for youth with a pattern of psychiatric interventions and hospitalizations. Recognizing the need for more RTF options for our youth, OMH issued an RFP for more RTF providers last year. Sadly, RTF capacity has not increased, and young

people at JCCA and our peer agencies who qualify for RTFs remain in settings that are inappropriate to treat their severe mental illnesses.

Children's Behavioral Health Services Rate Increase

There are many children struggling with depression, anxiety and other mental illnesses that are appropriate for JCCA's array of mental and behavioral health supports. However, we are now experiencing budget deficits and staffing shortages due to low salaries which impact our clients. There are times when we must close intake, grow waitlists for services, and replace clinicians after children who experienced trauma slowly built trust with their original clinician. JCCA is not alone.

The Healthy Minds Healthy Kids Campaign, of which JCCA is a member, released a Rate Study¹ that illustrates how care coordination for children with the most complex needs is not compensated in New York. The study found that every care visit requires substantial unpaid labor and providers are unable to expand capacity to serve children. The rate study concludes that an investment of \$195 million is needed to enhance rates for children's behavioral health clinics, CFTSS and Children's Home and Community Based Services (HCBS). This investment would help stabilize the children's behavioral health system by keeping pace with inflation, adjusting children's clinic rates to reflect the that clinicians work with caregivers, teachers and other meaningful adults, in addition to the individual child, updating the rate methodology to account for actual volume, and creating a care team coordination fee which is currently reimbursable workload. The Campaign also conducted a study of mental health providers and found that similarly to JCCA, chronically low reimbursement rates have led agencies across New York State to experience massive staff turnover and vacancies, widespread provider shortages, and unacceptable waitlists for children and families. The survey concluded that

¹ https://healthymindshealthykids.org/hmhk-publication/?post_type=data_publications&post_id=17755

three (3) out of every four (4) children in New York State who need behavioral health care are not receiving critical services.²

Additional Workforce Support Recommendations.

Governor Hochul included a 2.1% Targeted Inflationary Investment (TII), previously called a COLA, in the workforce in the proposed budget. But this percent does not meet the pace of inflation. We are joining with our colleagues across the state to ask for a 7.8% Targeted Investment. It must also be noted that Prevention staff and Health Home Care Managers, should be included any COLA as well and is an important component to strengthening our workforce.

Conclusion

We are proud to have a Governor who champions children's mental health, and I strongly urge you to fill the gaps described today that leave New York's children with serious mental illness without sufficient treatment and support.

² See <https://s3.amazonaws.com/media.cccnewyork.org/2024/11/j98woFbc-hmhk-gap-analysis.pdf>



The children's behavioral health system in New York is in desperate need of investment to retain and build capacity



There is a national state of emergency for children's mental health.¹ Demand for children's behavioral health services has skyrocketed while New York's capacity to provide them has shrunk. A problem decades in the making has become so severe it can no longer be ignored. Serving children - especially the most complex children - requires coordination with multiple service systems, providers, and care managers, and a child's guardian(s). This coordination is essential to provide quality care, but the work required to do it is not compensated. Every visit requires substantial unpaid care team labor, which has led to long wait lists and providers unable to expand capacity. Tens of thousands of New York children lack the care, treatment, and support they need to thrive.

Enable the behavioral health system to expand to meet the urgent demand

The **Healthy Minds, Healthy Kids Campaign**, a collaboration between advocates, youth, parents, and 19 of New York's leading children's and behavioral health advocacy groups, is requesting immediate enhancements to the existing rate structure for children's behavioral health clinics (Article 31 and Article 32-822) services, Children's Home and Community Based Services (HCBS), and Child and Family Treatment and Support Services (CFTSS). If these proposals are enacted, New York's outpatient mental health system could serve over 26,000 additional children.

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 serving children and their families. 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

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

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

¹ The National State of Emergency was declared by the American Academy of Pediatrics, the American Academy of Child and Adolescent Psychiatry, and the Children's Hospital Association.