

**TESTIMONY OF
NEW YORK STATE COALITION FOR CHILDREN'S BEHAVIORAL HEALTH**

**PRESENTED TO THE SENATE FINANCE COMMITTEE AND THE ASSEMBLY WAYS AND
MEANS COMMITTEE**

JOINT LEGISLATIVE BUDGET HEARING ON MENTAL HYGIENE

FEBRUARY 5, 2025

Thank you, Chair Krueger and Chair Pretlow, for this opportunity to submit my testimony to the State Fiscal Year 2026 Joint Budget Hearing on Mental Hygiene. I am Kayleigh Zaloga, President and CEO of the New York State Coalition for Children’s Behavioral Health (CCBH). We are a statewide coalition representing children, families, and 50 nonprofit behavioral health service provider agencies who support them, with the common goal of ensuring timely access to needed services. Collectively our members serve over 200,000 youth and families per year and employ over 14,000 staff.

As you know, the demand for behavioral health services for children and families continues to outpace system capacity. Families have long faced myriad barriers to getting the care they need, including a dire shortage of practitioners, especially those specializing in youth; difficulty accessing many services at all, especially in rural areas; and long wait times for the services that *are* available. On the provider side, decades of disinvestment in the behavioral health system and workforce have resulted in a lack of adequate funding to retain staff and create a sustainable system capable of serving all in need. Surveys of providers across the behavioral health system have shown upwards of 20% vacancy rates among service providers, and children are routinely waiting months, even over a year, to receive the behavioral health services they need today.

In partnership with the Healthy Minds Healthy Kids Campaign, we have studied youth access to outpatient behavioral health services and found that **only 1 out of 4 young people on Medicaid who need behavioral health services are receiving those services**.¹ Specifically, the data shows that 72% of children and adolescents are not receiving needed access to four Medicaid programs – Child and Family Treatment and Support Services (CFTSS), Children’s Home and Community Based Services (HCBS), Article 31 MHOTRS/Clinic Services, and Article 32 822 Clinic Services.

Thousands more service providers are needed across the state to enable youth and families to get support, not dead ends and waitlists. A provider survey found that the vast majority of service providers in these programs have waitlists and/or have closed their programs to new intakes in the last year.² Provider agencies and our system at large simply do not have the capacity to meet the needs, and young people and their families are suffering because of it. Mental health conditions do not *wait*. Families who are struggling to keep their kids safe and healthy at home need support *now*, not next year. So many crisis situations, emergency department visits, and tragic fatalities could be avoided if we invested in our child-serving mental health system.

¹ <https://s3.amazonaws.com/media.cccnewyork.org/2025/01/hmhk-waitlist-survey-1-14-2025-319.pdf>

² *Ibid.*

Unfortunately, at a time when youth depression and suicide are increasing, especially among youth of color and youth with LGBTQIA+ identities,³ we do not see any meaningful investments in the continuum of children's behavioral health care in the Governor's Executive Budget. This is even more disappointing given that the Executive is well aware of the inadequacy of rates in some programs,⁴ and we note that there is an ongoing class action lawsuit over access to HCBS and CFTSS.⁵

We know that when we help young people and families early, lifelong outcomes are improved. We **must** improve access to care for kids and adolescents across the full continuum, including services for those with the most complex behavioral health challenges. Investing in the above-mentioned services, as well as more intensive care provided in residential and community-based wraparound programs, is essential to outcomes now and into adulthood. We can and must do better, and we look forward to working with you to ensure all young people and families receive quality behavioral health care.

We respectfully submit our reactions to the Governor's SFY 2026 Executive Budget, as well as additional recommendations for consideration.

Article VII Policy Proposals

- **SUPPORT HMH, Part E** – This proposal would enhance the ability of DOH to fine Managed Care Plans for violating the model contract, state or federal regulation, or rules and regulations governing Medicaid. There continues to be challenges working with the Managed Care system, especially with claims and payment processes, credentialing, and enrollment. These challenges directly hinder provider ability to deliver timely care to those that need it most. We support this part and urge further Managed Care reform, including 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.
- **OPPOSE HMH, Part F** – This proposal dedicates MCO Tax revenue towards support and rate increases for hospitals, nursing homes, and primary care physicians. It does not make any investments in mental health care, including the needs of children and families. We urge that \$195M from MCO Tax revenues be allocated to implement rate enhancements and reforms across the children's continuum of care, including

³ <https://www.cdc.gov/mmwr/volumes/72/wr/mm7206a4.htm> and <https://www.cdc.gov/healthy-youth/mental-health/mental-health-numbers.html> (Unfortunately, it appears the federal government has removed the 2nd resource from the CDC website. If needed, I will try to find a copy elsewhere.)

⁴ A report commissioned by the Office of Mental Health in 2021 concluded that rates in the Children and Family Treatment and Support Services (CFTSS) array needed to double or even triple to break even. We obtained this via FOIL request and will be happy to share the report with you if you would like.

⁵ <https://www.childrensrights.org/news-voices/sweeping-lawsuit-brought-against-new-york-state-on-behalf-of-thousands-of-medicare-eligible-children-denied-mental-health-treatment>

Article 31 Clinic, Article 32-822 Clinic, Child and Family Treatment and Support Services, and Children's Home and Community Based Services.

- **SUPPORT HMH, Part DD** – A 2022 NYS Law allowed homeless and runaway youth to consent to health and dental services at an approved RHY crisis service program or a transitional independent living support program. However, this population is still facing legal barriers to accessing behavioral health care in particular. Part DD would fix this problem by clarifying that homeless and runaway youth who receive services at an approved runaway and homeless youth crisis service program or a transitional independent living support program, can consent to their own mental health care and substance abuse treatment.
- **SUPPORT and INCREASE FUNDING for HMH, Part FF** – We support the proposed 2.1% Targeted Inflationary Increase (TII) for mental health and human services programs. However, this does not fully address inflation or make up for the lack of rate increases over the last few years. We strongly urge that the TII be increased to 7.8% to make up for unfunded cost-of-living increases during the Governor's time in office. Without this increase, providers are unable to recruit and retain their workforce, which is essential in serving children in need of mental health services.
- **SUPPORT and URGE IMPROVEMENTS to ELFA, Part F** – We support the creation of the New York Opportunity Promise Scholarship program at SUNY and CUNY community colleges for high-demand fields. However, this program should also include degrees that lead to behavioral health professions. This would align with other state initiatives to promote mental health professions, including the OMH Community Mental Health Practitioner Loan Repayment Program and the 1115 Waiver's workforce components.

Appropriations:

- **ADD \$195M to support Medicaid rate increases for four categories of children's behavioral health services – Home and Community Based Services, Children and Family Treatment and Support Services, Article 31 Clinics, and Article 32-822 Services.**
- **SUPPORT the \$18M appropriation for the Community Mental Health Practitioner Loan Repayment Program, including the \$4M carveout for practitioners serving children.**
- **SUPPORT the \$1M investment in comprehensive clinical assessment hubs, but ensure that the implementation ties in with existing programs, services, and providers, and does not create additional barriers for families or service providers.**
- **SUPPORT \$1.5M increase in funding for Teen Mental Health First Aid.**
- **SUPPORT new \$10M to establish additional clubhouses and youth safe spaces.**
- **SUPPORT the \$218 million increase for CHIP**

- **SUPPORT the \$503 million increase for the Essential Plan**
- **OPPOSE the \$275 million decrease for the 1115 Demonstration Waiver**
- **SUPPORT the \$100 million increase for the 1115 Waiver Redesign**
- **SUPPORT the \$22.7 million increase for Continuous 0-6 Enrollment**
- **SUPPORT the \$34.8 million increase for Child & Family Community MH Services / Transfer & Reimbursement (810 Schools; Art. 41 & Other MH Services; RTF)**