



Joint Legislative Budget Committee  
FY23 Mental Hygiene Executive Budget Proposals

Good afternoon, I'm Nadia Chait, the Director of Policy & Advocacy at the Coalition for Behavioral Health. The Coalition represents about 100 community mental health and substance use providers, who collectively serve more than 500,000 New Yorkers every year.

The ongoing pandemic coupled with a racial reckoning created significant increases in the number of New Yorkers in need of mental health and substance use services. However, the overwhelming demand for behavioral health services unfortunately cannot be met with current resources, because of a significant staff shortage. At least one in five New Yorkers in need of care for anxiety or depression are not able to access it.<sup>i</sup> Almost 7,000 children in New York have lost a parent or caregiver due to the pandemic, and many of them do not have access to critical support at this time. The Surgeon General has declared a youth mental health crisis. And the overdose epidemic continues to take far too many lives, with overdose deaths increasing 37% in the first year of the pandemic.<sup>ii</sup>

Our member agencies simply do not have the staff they need to serve these individuals. Programs are operating with 30% of staff positions vacant. Staff are leaving to work in retail and restaurants, and our sector is increasingly losing staff to for-profit telehealth ventures that don't serve individuals with Medicaid, and don't provide in-person services for those who need it.

We are pleased that the Executive's budget proposal stands in sharp contrast to the Executive Budgets of recent years, making significant investments in behavioral health services. Our testimony highlights several sections of the budget that we strongly support, as well as the need for a significant increase in funding to build the behavioral health workforce New Yorkers deserve.

**\$500 Million to Strengthen our Workforce and Increase Access to Care**

***Healthcare Worker Bonuses (HMH Article VII Part D)***

We are pleased to see funding for up to \$3,000 in bonuses for behavioral health workers. Our staff are deeply underpaid because of inadequate government funding, and this bonus is a welcome incentive. Healthcare and mental hygiene workers have been on the front line of the pandemic for two years, and deserve recognition of their incredible work. However, a bonus does not solve the low salaries and insufficient benefits that plague our sector. It is a one-time band-aid that does not change the structural issues.

Alarming, we must request that employees be given the right to refuse bonuses as it may cause them to fall off the public benefits cliff. Some behavioral healthcare staff are paid at such low rates that they qualify for government assistance. A \$3,000 bonus may disallow them from public benefits, causing more harm than good. The State must look beyond bonuses and other one-time funding to permanent rate increases and contract funding that will allow our staff to receive the compensation they deserve and make it so they do not have to rely on public benefits.

***Support Rate Increases for Licensed and Unlicensed Behavioral Health Services***

We must permanently increase rates for licensed and unlicensed behavioral health services and programs, including clinics, care management, children's services and housing. Rates are insufficient and have failed to keep pace with inflation, as numerous COLAs have been repeatedly deferred. This insufficient funding has created an access to care crisis, where New Yorkers cannot access the services they need.

The State should ensure the reinvestment of \$222 million in underspent managed care funds permanent rate increases for Article 31 clinics and outpatient OASAS services in addition to securing additional investments for robust rate raises. By increasing rates and establishing permanent funding, providers can increase staff salaries immediately, improve employee benefits, and fund critical program updates.

***Modernize the scope of practice for licensed mental health practitioners (S.5301A/A.6008B)***

We strongly support the passage of S.5301A/A.6008B sponsored by Senator Brouk and Assemblymember Bronson respectively. These bills would modernize the scope of practice for Licensed Mental Health Counselors (LMHCs), Licensed Marriage and Family Therapists (LMFTs), and Psychoanalysts, granting them the authorization to diagnose. These professionals take significant coursework on diagnosis, and worked in licensed clinical settings with supervision for two to three thousand hours before they can be licensed. Giving these professions the ability to diagnose allows them to practice at the top of their license and increases the pool of qualified behavioral health professionals. With the workforce shortages we are facing, it is critical that this legislation is enacted to expand the staff providers can leverage to offer behavioral health services.

***Build and Strengthen the Job Pipeline Through Loan Forgiveness, Tuition Reimbursement, and an Expansion of the Peer Career Ladder***

The educational costs associated with behavioral health are a significant barrier to entry and the cost becomes untenable when coupled with low salaries. Individuals choose behavioral health as their career often leave the field in favor of the private sector or higher paid positions. Although there is a social work loan forgiveness program, there are tight geographic restrictions and the amount allocated for this program is simply not enough. Moreover, Licensed Mental Health Counselors (LMHCs) and Licensed Marriage and Family Therapists (LMFTs) are not included in the loan forgiveness program.

To build out the pipeline of behavioral health professionals, we encourage the State to allocate more funding and remove geographic limitations on loan forgiveness. Full scholarships should be available to individuals at SUNY and CUNY schools in relevant programs who commit to working in the public mental health and substance use field for five years following graduation.

The State should also invest in targeted scholarships for BIPOC. Currently, the behavioral health workforce is not representative of the diversity of New Yorkers. While raising salaries and providing funding for education will help, targeted actions must be taken to diversify the workforce. This should include scholarships specifically for BIPOC, scholarships for individuals who speak languages other than English, a BIPOC Leadership Development Program, and training on racism and bias in the workplace.

Additionally, peers (people with lived experience and training) are a critical part of the behavioral health workforce. However, peers are often unable to move up in agencies or to access non-peer positions. The State must include investments to develop career pathways for adult and youth peers that recognize the critical personal experience they bring to complement traditional clinical approaches.

### **Support the Cost-of-Living Adjustment (COLA) & Add Health Home Care Management & OTDA's New York State Supportive Housing Program (HMH VII Part DD)**

The Executive Budget provides a critical investment in the form of a 5.4% COLA for human service providers. However, the Health Home Care Management program (under DOH) and the NYS Supportive Housing Program (under OTDA) are excluded from the COLA. Health homes work to engage individuals with serious and complex physical health, mental health, and substance use disorders in their local community to improve health outcomes. Care managers are out in communities every day, connecting individuals to physical and behavioral health care, housing, and other critical supports. The Health Home Plus program, which provides a more intensive service for certain populations, is included in the COLA, but the rest of the Health Home program is not.

The NYS Supportive Housing Program housing staff are also excluded from the COLA. The housing staff provided critical care to individuals during the pandemic, ensuring that individuals had food, PPE, and were connected to health services. Not these programs in the COLA is an unfortunate oversight that will only harm workers who have been on the frontlines before and during the pandemic. The COLA language should be amended to include the Health Home Care Management program, for \$28.3 million and the NYS Supportive Housing Program, for \$2.2 million.

The "sunset" revision in Part DD must also be removed, to help ensure that COLAs will be included every year. The lack of COLA funds over the last several years has resulted in a cumulative compounded financial deficit of approximately 30% to providers.

### **Support the Competitive Procurement of Medicaid Managed Care (HMH VII Part P)**

**We are strongly in support of the Executive Budget proposal to competitively procure Medicaid managed care**, which has the potential to resolve many of these issues.

Critically, the State would **limit the number of managed care plans** in any geographic region to no more than 5. This is a critical step. Currently, providers have been forced to deal with up to ten different plans, each with different requirements. This created an immense administrative burden for providers, requiring the hiring of additional billing staff to chase payments from multiple MCOs. Each plan has different procedures for audits, utilization review, and prior authorization. Each plan has a different appeal process. Each plan requires different materials for providers who are negotiating contracts. None of these duplicative requirements do anything to

improve the quality of care provided, they simply increase administrative spending at the cost of services spending.

Additionally, clients have often churned between different plans, without always realizing how changing plans changes access to providers. MCOs have not properly educated clients on the impact of these changes. Instead, providers are left to manage these transitions, helping clients find new providers even when the client was happy with the services they were receiving. Limiting the plans will reduce the administrative burden on providers and reduce churning between plans. At the same time, by ensuring each region has at least 2 plans, Medicaid beneficiaries will still be able to change plans when it is beneficial.

Value-based payment is also difficult with the number of plans currently in the market. Many of our providers, including some of the largest behavioral health providers in the state, do not have enough individuals enrolled in one managed care plan to engage in a value-based contract. By reducing the number of plans, providers will have a larger population in each plan, which will eliminate one significant barrier to value-based payment.

Through a competitive bid, the State proposes to **add criteria to evaluate the accessibility and geographic distribution of network providers**. Currently, many MCO networks are too small, limiting access to care. Our providers sometimes reach out to MCOs and are told that their network is 'full,' when providers are hearing from individuals enrolled in these plans that they cannot access care. As the Department of Health develops the RFP, these criteria must be described clearly and must be specific, to ensure robust access to care. In particular, MCOs must build networks that provide the full array of mental health and substance use care, and should be evaluated on their ability to offer access to these critical services.

The proposal includes critical language to **evaluate bidders based on their past performance**. Currently, plans face few, if any, consequences for poor performance. In 2018, six different MCOs were found by DOH to have failed to pay providers appropriately for services delivered on thousands of claims. MCOs were found to owe providers millions of dollars. While DOH did force the MCOs to repay the providers, there were no consequences. Providers were not paid for over a year, in some cases for as long as two years. They did not receive interest or any late payment fees from the MCOs. DOH did not assess any penalties on the MCOs, and all of these companies continue to receive contracts for Medicaid managed care.

These cases represent just a handful of the many instances where MCOs have failed to meet basic performance standards. Providers routinely have to chase after payments from MCOs. When APG rates are increased, MCOs will take months to pay the increased rate, though they are required to begin paying the new rate on the day it goes into effect. Plans frequently deny claims at inappropriately high rates, requiring providers to spend staff time and resources on appeals. With a competitive procurement process that will evaluate plans based on past performance, the incentives for plans will change. Plans will need to step up their performance, or face being shut out of New York's managed care program entirely. For these reasons, we strongly support the proposal to competitively procure Medicaid managed care.

However, this proposal will only be successful in its goals if the **State, particularly DOH, OMH & OASAS, dramatically increase their oversight of the MCOs.** Plans have consistently been able to get away with failing to meet basic contract standards because the State has failed to oversee the plans. In one egregious example, the State recently recovered \$111 million from MCOs that underspent on behavioral health services. That is \$111 million that should have gone to help the many New Yorkers who need mental health and substance use care, but instead sat in the bank accounts of MCOs. While the State eventually recovered these funds, it took several years and significant advocacy from those outside of government. Additionally, the State has not been transparent about which plans these funds came from, and how widespread this issue was and remains.

Competitive procurement will help this issue by reducing the number of plans and adding additional criteria. The State must take a more active oversight role, however, to ensure that these gains are not squandered. The State must ensure compliance as stringently with MCOs as it does with the organizations providing services every day.

### **Expand Access to Services**

#### ***Expansion of Behavioral Health Benefits into Child Health Plus (HMH VII Part U)***

We strongly support the proposal to expand Medicaid behavioral health benefits into Child Health Plus. It has never made sense for children and families to not have access to these critical services. As children work through the trauma of the pandemic, we are seeing significant behavioral health needs. The Surgeon General has declared a youth mental health crisis, and the American Academy of Pediatrics, American Academy of Child & Adolescent Psychiatry, and the Children's Hospital Association declared a national emergency in youth mental health. Right now, our providers are forced to turn away children because they have Child Health Plus. Children whose family transitions from Medicaid to Child Health Plus are forced to lose access to critical services. This is terrible for children, families, and communities. The expansion of behavioral health benefits into Child Health Plus will help the mental wellbeing of our children.

#### ***Support the Inclusion of Property Pass Through Provision for Supportive Housing (HMH VII Part NN)***

We were pleased that the property pass-through provision in the budget includes supportive housing. This provision ensures that supportive housing providers can obtain reimbursements for rent, maintenance, and insurance, offsetting rising property costs. The Coalition supports inclusion of this bill language in the final budget.

#### ***Fully fund the creation of 7,000 new supportive housing units and the preservation of 3,000***

We fully support the proposal to build 7,000 new units of supportive housing and preserve 3,000 existing units. Supportive housing is a critical tool to ensuring that individuals with serious mental illness and substance use need are housed and connected to vital behavioral health services.

#### ***Support investments in 9-8-8 and mobile crisis services (HMH VII Part EE)***

9-8-8 represents a substantial change and real improvement in how we address mental health crises. This new federal line was enacted in 2020 and is expected to be rolled out in the summer

of 2022. This crisis line will connect individuals who need urgent mental health care with qualified practitioners. It is integral to connecting individuals with care and saving lives. We urge the State to fund this program and ensure a robust crisis system is available to all New Yorkers.

***Support Telehealth Payment Parity for Medicaid and Commercial Insurance (HMH Article VII Part V)***

Without payment parity, providers simply will not be able to offer telehealth. Mental health and substance use providers primary cost for any service is staffing. Additional costs include insurance, electronic medical records, telehealth platforms and more. Parity is essential, and we strongly support the requirement for parity across Medicaid and commercial insurance plans.

Thank you for the opportunity to testify today. If you have questions, please contact me at [nchait@coalitionny.org](mailto:nchait@coalitionny.org).

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<sup>i</sup> NYS Health Foundation (2021, July). *Still Recovering: Mental Health Impact of COVID-19 Pandemic in New York State*. [https://nyshealthfoundation.org/resource/still-recovering-mental-health-impact-of-the-covid-19-pandemic-in-new-york-state/?utm\\_source=Mental+Health+Report+July+2021&utm\\_medium=email&utm\\_campaign=Mental+Health+Report+July+2021#anxiety-and-depression-among-new-yorkers-overall](https://nyshealthfoundation.org/resource/still-recovering-mental-health-impact-of-the-covid-19-pandemic-in-new-york-state/?utm_source=Mental+Health+Report+July+2021&utm_medium=email&utm_campaign=Mental+Health+Report+July+2021#anxiety-and-depression-among-new-yorkers-overall)

<sup>ii</sup> CDC (2022, January) *Provisional Drug Overdose Death Counts*. [https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm?mkt\\_tok=NzczLU1KRi0zNzkAAAF-2yQnhB80PA3CgbseYXpX2Q8eQqWXbb0AtZn9BUUy7EYXvZCrk3ScjiIN0-qb23We\\_jdf5TpaMTdsii38t-BdcKnphnwfmrPVYxQLy4](https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm?mkt_tok=NzczLU1KRi0zNzkAAAF-2yQnhB80PA3CgbseYXpX2Q8eQqWXbb0AtZn9BUUy7EYXvZCrk3ScjiIN0-qb23We_jdf5TpaMTdsii38t-BdcKnphnwfmrPVYxQLy4)