



## **NEW YORK STATE COALITION FOR CHILDREN'S BEHAVIORAL HEALTH**

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### **Testimony Submitted to the Health/Medicaid Joint Legislative Budget Committee – January 25, 2016**

“The current behavioral healthcare system for children and their families is underfunded. Per capita investment in behavioral health for adults far outweighs investment in children, which could be remedied through reinvestment of existing resources.” – Children’s Behavioral Health Subcommittee Report to the Medicaid Redesign Team, Oct 2011

Chairpersons Farrell and Young, Assemblyman Gottfried and Senator Hannon, thank you for this opportunity to submit testimony about the Executive Budget recommendation for 2016-17.

I am Andrea Smyth, the Executive Director of the NYS Coalition for Children’s Mental Health Services, a statewide association of 50 nonprofit children’s mental health providers. We offer quality outpatient, residential, community-based, trauma-informed treatment and services for children and their families in every county in New York.

**REQUEST: Restore \$10 million proposed reduction in OMH Start-Up Funds**

#### **INVEST IN MODERN, TRANSFORMED CHILDREN’S BEHAVIORAL HEALTHCARE**

The Coalition continues work on the Children’s Medicaid Redesign Team (MRT). The progress on designing enhanced services for children and youth has resulted in the Executive recommendation to include funding for six new State Plan services in the Medicaid benefit package. These services are anticipated to be approved and available by July 2016. This recommendation is crucial to modernizing children’s behavioral health services, to serve children where they live, learn and socialize and not only within the four walls of a clinic. Modernization requires sufficient start-up funding to expand, train and equip the necessary staff. Without the investment, the new services capacity services will not develop (see **attached** Children’s MRT Subcommittee information about how many children are anticipated to be eligible for the new services to understand the staffing needs to provide the services)

Therefore, we urge you to restore the proposed \$10 million reduction to behavioral health start-up funding. A proposal that is purportedly necessary to comply with the “Global Cap” mandate.

This cut is especially harmful to the children's behavioral health system, because there have not been start-up investments in children's providers yet; all the start-up funds previously allocated were for adult start-up services. Because the exempt children's services and children previously exempt from Medicaid Managed care will transition last, this cut appears to be the funds that were earmarked for children's start up. The original commitment for children's start-up funding was \$30 million state share. The Executive proposes \$5 million state share for children's start-up, \$1 million of which will go in contracts to NYU for technical assistance. This leaves only \$4 million in transitional start-up funding to bring up the proposed SPA services.

**REQUEST: RESTORE \$10 million in OMH start-up funding and earmark the funds for children's behavioral health start-up supports in this fiscal year.**

### **INVEST IN COMMUNITY HEALTHCARE PROVIDERS**

The DSRIP materials developed by the Administration emphasize how community based healthcare is central to the State's health care delivery system and payment reform efforts. However, the resources have not followed the rhetoric. Indeed, in the current State Fiscal year, as well as SFY16-17, the Coalition is deeply concerned that not only are there insufficient funds to assist community based providers to affirmatively participate in reform efforts, but there are "hidden" cuts that are undermining the ability of children's behavioral health care providers to meet day to day operational expenses.

Children's community behavioral health care providers are closing and downsizing. Steinway Child and Family Services will close their doors for good this month. They serve 3,500 children and families out of offices in Long Island City, Astoria, Howard Beach and 148<sup>th</sup> Street in the Bronx. Hillside Family of Agencies in Rochester is downsizing their Residential Treatment Facility – the closest alternative to hospitalization for children available, as is Northern Rivers here in the Capital District. Fiscal uncertainty in the face of non-materializing PPS payments, current FFS reimbursement funding deficits, liabilities being carried due to the closure of Health Republic and additional costs without adequate investments (the transition to value based payment and the proposed minimum wage increase) have forced responsible nonprofit Boards of Directors to close and downsize critical children's behavioral health services. These actions leave fewer community based services available to support the reduction in hospitalizations

It is therefore critical that the State make funds available to community healthcare providers, to support their ongoing participation in transformation efforts and stop the downsizing in children's community mental health services necessary to support the goals or redesign.

**REQUEST: DIRECT a Minimum of 25% of \$195 M Health Care Facility Transformation Funding for Community Health Care Providers**

The Coalition supports the Executive Budget's proposed \$195 million Health Care Facility Transformation Program funding. This capital funding is recommended to be available to a wide array of health care providers for facility transformation. It is critical that this funding be available to the community health care providers in addition to those that have had access to capital funds through previous programs and funds. Therefore, we ask that a minimum amount be allocated to community healthcare providers, including FQHCs, behavioral health, family planning and home health providers, to support their ongoing participation in redesign efforts.

Transformation of New York's healthcare delivery and payment system through DSRIP, and related initiatives including SHIP and the transition to Value Based Payment, is a massive undertaking which requires children's behavioral health care providers to accept risk and participate in a variety of intensive projects. However, to-date community partners have yet to receive any meaningful funding under DSRIP compared to total percentage of dollars available to PPS Leads or have access to any funding streams designed to solely support their capital and working capital needs. In fact, in last year's budget, only 4% of the nearly \$1.7 billion in new funding allocated for healthcare providers was available to non-hospital community-based healthcare providers, including FQHCs, behavioral health, family planning and home health providers. New York State is relying on the work of the community-based healthcare provider sector to transform the State's healthcare delivery system, yet has not made any equitable investment in the sector to support this work.

The recommendation that community healthcare providers can be eligible for the \$195M Health Care Facility Transformation Program is a heartening first step. A guarantee that the funding must be made available to all types of providers participating in the transformation effort is needed to fulfill the stated goals of the transformation. To ensure the State begins to resize their

investments and make the necessary investment needed, a minimum of twenty-five percent of the \$195M, or \$48.9M, must be allocated solely to community healthcare providers, including FQHCs, behavioral health, family planning and home health providers, to support their ongoing participation in transformation efforts. This amount mirrors the DSRIP goal of reducing unnecessary hospitalizations by 25%.

**REQUEST: INVEST 25% of the Value of Hospital Investments in Non-Hospital Providers  
Create and Fund Essential Community Health Care Provider Pool**

As mentioned above, community healthcare providers are integral to the success of New York State's healthcare transformation initiatives. Community healthcare providers, including FQHCs, behavioral health, family planning and home health providers, tend to be much smaller than hospital systems and with leaner budgets and less access to working capital to support the many non-capital projects that facilitate health care transformation, including workforce and restructuring initiatives. As reported last year, 60% of children's behavioral health clinics are considered to be either in either "Concerned" or "Crisis" stages of fiscal viability. Two children's RTFs in the Hudson River region have closed since 2011, and 5 have reduced the number of beds they operate (Long Island, Albany, Utica, Rochester and Buffalo).

Last year's budget included a \$355M "Essential Health Care Provider Fund" to "support debt retirement and capital projects or non-capital projects that facilitate health care transformation, including mergers, consolidation, acquisition or other significant corporate restructuring activities intended to create a financially sustainable system of care that promotes a patient-centered model of health care delivery." No community healthcare providers had access to this money, despite their participation in State transformation initiatives to promote a patient-centered model of health care delivery.

The Coalition joins other community health care providers in requesting that the legislature establish a new \$88.5M funding pool, the Essential Community Health Care Provider Fund, to be only available to community healthcare providers, including FQHCs, behavioral health, family planning and home health providers. This pool would have the same purpose as the pool in last year's budget- to support capital and working capital needs at community healthcare providers in furtherance of healthcare transformation.

Earmarking \$88.5M in capital and working capital funding for community healthcare providers, an amount equal to twenty-five percent of the \$355M Essential Health Provider Fund appropriated in last year's budget, would ensure that community healthcare providers, including children's behavioral health providers, have access to funding to cover the projects necessary for successful transformation.

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## SPA Update: *Initial* Provider Capacity, Build and Service Utilization Projections

### CPST/PSR/OLP

- Ramp up at 50%, 75% within six months and 100% within one year
- Maximum projected utilization at mature development 38,560 children/youth

### Youth Peer Support

- Ramp up to start at 25%, 25% at six months and 50% within one year
- Maximum penetration use 14,500 children/youth

### Family Peer Support

- Follow youth peer support capacity building
- Maximum anticipated utilization at 72,500 children/families

### Crisis Intervention

- Begin at 75% capacity and grow to 100% within six months
- Anticipated annual usage 4,350 children



Department  
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Office of  
Mental Health

Office of Alcoholism and  
Substance Abuse Services

Office of Children  
and Family Services