



**TESTIMONY ON THE 2016-2017 EXECUTIVE BUDGET
SUBMITTED TO THE
JOINT LEGISLATIVE BUDGET COMMITTEE ON MENTAL HYGIENE**

*Submitted by Lauri Cole, Executive Director
New York State Council for Community Behavioral Healthcare
February 3, 2016*

Good Afternoon. My name is Lauri Cole and I am the Executive Director of the NYS Council for Community Behavioral Healthcare. The NYS Council represents 100 community based organizations that provide a broad range of mental health and substance use/addiction prevention, treatment, and recovery programs and services in local communities across New York. Our members are general hospitals, counties, and freestanding agencies in your districts that provide critical safety net behavioral health services to some of New York's most vulnerable individuals.

First, let me begin by saying thank you for your ongoing support of the behavioral health community. As you know, New York State is undergoing a major reform of its health care system including both physical health and behavioral health services. The Delivery System Reform Incentive Payment (DSRIP) programs are underway focusing on system transformation. A central focus of all of these models is the integration of care. Our behavioral health providers stand ready to accept these challenges and look forward to a system ultimately better prepared to meet the needs of the entire population. We can only do this though with your assistance.

We are grateful that the Administration has emphasized the essential role of community based healthcare providers (including our behavioral health care members) in the State's health care delivery system and payment reform efforts. We believe our members provide an essential role in ensuring access to and continuity of care for some of New York's most vulnerable citizens. The mission of many of our members, as well as our Association as well, is to protect and enhance the availability of effective and efficient behavioral health programs and services that meet the unique needs of underserved individuals and families in their local communities.

That being said, we are deeply concerned that in the current State Fiscal year, as well as SFY16-17, 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 our

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members to meet day to day operational expenses. A majority of community healthcare providers are small, with lean budgets, and what may appear to be a small amount of increased costs or lost funding may in fact represent a large percentage of a small provider's budget and severely impact their bottom line. We believe there is a need to increase access to capital and other financial opportunities so that the behavioral health sector can be the safety net DSRIP requires to meet objectives while advancing opportunities for our clients.

There are several areas this testimony identifies but three major priorities I will focus on are highlighted because we are concerned for the viability of our providers in the future. These include: 1) ensuring behavioral health providers are paid for uncompensated care they provided in 2015, 2) making sure that all health care sectors, including behavioral health, have access to the \$195M funding allocated for transformation reforms, and 3) establishing a new \$88.5M funding pool, the Essential Community Healthcare Provider Fund, to be only available to community healthcare providers, including behavioral health, to have access to funding to support capital and working capital projects necessary for successful transformation.

UNCOMPENSATED CARE/INDIGENT CARE POOL

As I noted above, many behavioral health providers are small agencies and any amount of lost funding can severely impact their bottom line. One issue of concern for us is that the behavioral health portion of the Uncompensated Care/Indigent Care Pool has not yet been distributed to impacted providers for 2015 services rendered. This creates an unnecessary hardship for these providers. *We ask that the State allocate funding to pay those behavioral health providers what is due to them.* And, we do not believe this funding should come from any already reserved funding earmarked for managed care readiness activities.

TRANSFORMATION FUNDING FOR COMMUNITY HEALTH CARE PROVIDERS

The NYS Council is pleased that the Executive Budget proposes restructuring \$200M of the Health Care Facility Transformation Program appropriated in last year's budget and making \$195M of this available to health care providers for facility transformation. *It is critical that this funding be available to all health care sectors and that a minimum amount of 25% be allocated to community healthcare providers, including behavioral health, FQHCs, family planning, and home health providers, to support their ongoing participation in transformation efforts.*

New York's stated priority is to transform the healthcare system by providing access to high quality, coordinated care in every region of the state through the integration of primary care services with other community-based care providers. However, past State budget priorities have not reflected this rhetoric and have not provided adequate investment or resources in the community healthcare sector, thus moving further from reforming the existing inpatient-focused healthcare delivery

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system. 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 relies on behavioral health and other community healthcare providers to participate in a variety of intensive projects. However, downstream 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 behavioral health, FQHCs, 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 inclusion of the \$195M Health Care Facility Transformation Program is a positive first step, although the funding must be made available to all types of providers participating in the transformation effort, not just hospitals. *To ensure the State begins to resize their investments and make the necessary investment needed, a minimum of 25% of the \$195M, or \$48.9M, must be allocated solely to community healthcare providers, including behavioral health, FQHCs, family planning, and home health providers, to support ongoing participation in transformation efforts.* This amount mirrors the DSRIP goal of reducing unnecessary hospitalizations by 25%.

Behavioral health and other community healthcare providers are the backbone of access to care in many communities because they are heavily relied upon by the uninsured, underinsured, and publicly insured—the very population that tends to over-utilize hospitals. However, this expansion requires access to affordable capital. Capital funds available through the Health Care Facility Transformation Program will help support the development of new and expanded community-based care which will be essential to achieving true delivery system transformation.

ESSENTIAL COMMUNITY HEALTHCARE PROVIDER POOL

As we mentioned above, community healthcare providers are integral to the success of NYS's healthcare transformation initiatives. Community healthcare providers, including behavioral health, 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.

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 NYS Council requests that the legislature establish a new \$88.5M funding pool, the Essential Community Healthcare Provider Fund, to be only available to community healthcare providers, including behavioral health. 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 our member behavioral health providers, have access to funding to support capital and working capital projects necessary for successful transformation.

CHILDREN’S MENTAL HEALTH

The Governor’s proposed budget includes \$7.5 million in new funding to establish six new children’s mental health services in the state’s Medicaid program. These include: Crisis Intervention; Community Psychiatric Support and Treatment; Psychosocial Rehabilitation Services; Non-physician Licensed Practitioners; Family Peer Support Services; and Youth Peer Training and Support Services. These services will place an emphasis on early intervention and are essential to help identify issues before they reach the level of needing higher intensity care. *The NYS Council strongly supports this funding and encourages the Legislature to support it as well.*

OMH TRANSFORMATION AND READINESS FUNDS

This year’s Executive budget proposes to reduce the OMH Transformation and Readiness Funds by \$10 million. These Funds are being used to assist providers in behavioral health transition and start-up. *We encourage the Legislature to restore the proposed \$10 million cut, and because none of the original funding was dedicated to children’s start-up or transition, we ask that the funds be directed to children’s behavioral health IT and new service capacity building (including training and credentialing staff).*

SOCIAL WORK LICENSING EXEMPTION

We ask that you support the Governor’s proposal to continue the exemption of our sector from Social Work Licensing Law requirements. Without this extension of our exemption, the implementation of the Law will significantly disrupt implementation and continued success of DSRIP projects upon which vulnerable New Yorkers will depend for high quality care in communities across New York.

PRESERVE “PRESCRIBER PREVAILS”

We ask that the Legislature again oppose the Executive proposal to eliminate the provision that guarantees that the prescriber of a prescription drug has the final say as to whether a person gets what was prescribed. This would have a detrimental impact on people with disabilities, including psychiatric disabilities, as well as anyone else who relies on specific prescription drugs and drug combinations.

OPIOID/HEROIN CRISIS

The NYS Council supports the Executive proposal to partner with CVS/pharmacy to provide individual training and naloxone statewide to their customers without requiring a prescription. The proposal would add 1,000 pharmacies to the NYSDOH Opioid Overdose Prevention program in 2016 and the Governor plans to introduce legislation permitting any pharmacist to administer naloxone (Narcan) in the event of an overdose. *We encourage the Legislature to support these proposals to continue to strengthen the state’s response to the Opioid/Heroin crisis facing our state.*

The NYS Council also recommends the following efforts to help combat the crisis:

- A mandate for a minimum of four hours of training for healthcare providers regarding judicious pain management prescribing practices and appropriate use of opiates for pain management.
- Additional residential beds added to the system. These beds are required around the state to help individuals facing addiction to work toward recovery.
- Expand resources to support drug courts—one of the most highly effective tools for keeping individuals with serious SUD involved in treatment.
- Medication Assisted Treatment: Apply for an emergency waiver to allow mid-level practitioners to prescribe Suboxone.

SUBSTANCE ABUSE PREVENTION

The NYS Council supports increasing prevention efforts that target young people before they begin using substances. In addition, we support providing treatment services to intervene as early as possible when young people begin using. Specific suggestions for ways to accomplish this include:

- Provide training for parents on opiate use prevention.
- Provide funding to provide Community-Based Early Intervention Services to high-risk youth already experimenting with or actively using drugs.
- Increase and expand educational campaigns that warn against non-prescription use of opioids and K2.

We encourage the Legislature to include funding in the budget to support these initiatives.

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PRESUMPTIVE MEDICAID ELIGIBILITY

New York State currently participates in presumptive eligibility programs for finding and enrolling uninsured children. This allows them to access Medicaid without having to wait for their application to be fully processed. *The NYS Council supports a similar eligibility program for uninsured individuals discharged from psychiatric centers, jails, and prisons.*

MINIMUM WAGE IMPACT

The NYS Council supports the Governor's proposal to raise the minimum wage in New York State to \$15 per hour. However, while he proposes to do this in a phased approach, the proposed budget does not include increased reimbursement or funding for providers and other community-based organizations that will have to comply with the wage increase. This increase in costs could severely impact service delivery and program budgets in ways that have not yet been considered or calculated by the State. Without funding to compensate for a minimum wage increase, many providers and community-based organizations will struggle to continue their mission of providing quality services to vulnerable populations.

We ask that the State allocate funding for community providers, which includes our behavioral health members, to allow them to continue the good work they do while also employing a competent workforce at the wage levels they deserve. Without this funding, the ability for community healthcare providers to remain viable and provide services will be in jeopardy.

HIT INITIATIVES

The NYS Council asks that you expand the proposed \$10M for Health Information Technology (HIT) initiatives to include funding to automate children's SPOA functions and support automated quality initiatives, credentialing for children's service providers, and MAPP child system technical support and equipment.

Thank you for your time and the opportunity to comment. And, thank you for your public service and your commitment to the behavioral health field. We look forward to working with you throughout the remainder of the legislative process.

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