



Testimony of
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Submitted to the
New York State Senate Finance Committee
And
New York State Assembly Committee on Ways and Means

Regarding the
New York State Executive Budget Proposals for
Mental Hygiene
State Fiscal Year 2017-2018

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Good afternoon. My name is Ariel Savransky and I am the Policy and Advocacy Associate for Child and Adolescent Health and Mental Health at Citizens' Committee for Children (CCC). CCC is a 73-year-old privately supported, independent, multi-issue child advocacy organization dedicated to ensuring every New York child is healthy, housed, educated and safe.

CCC does not accept or receive public resources, provide direct services, nor represent a sector or workforce. For 73 years, CCC has undertaken public policy research, community education and advocacy efforts to draw attention to children and their needs so that we can advance budget, legislative and policy priorities that produce good outcomes for our youngest New Yorkers.

I would like to thank Chairman Farrell and Chairwoman Young and all the members of the Assembly Ways and Means and Senate Finance Committees for the opportunity to submit testimony on the Mental Hygiene-related proposals in the Governor's Executive Budget for State Fiscal Year 2017-2018.

CCC appreciates the Governor's efforts to alleviate burdens on the middle class and invest in programs and services that benefit children and families. Notably, we appreciate the Governor's proposals to raise the age of criminal responsibility, expand after-school programs and pre-kindergarten, re-introduce the Dream Act, and develop a plan for tuition-free college for middle class students.

We applaud the Governor for once again including a comprehensive plan to raise the age of criminal responsibility in New York. As you know, New York remains one of only two states that prosecutes all 16 and 17- year olds as adults, despite the research proving that this is detrimental both to public safety and to the young people. We urge the Legislature to negotiate a budget with the Governor that includes Raise the Age this year.

On the other hand, the Executive Budget proposes numerous cuts to vulnerable New Yorkers, which concerns us greatly. For example, the Executive Budget proposes to cut funding for foster care, special education placement reimbursement, the Foster Youth Success initiative which supports foster youth in college, Title XX social service-funded programs, and school-based health services in New York City. Furthermore, the Executive Budget does not increase funding or create a new rental assistance program to help homeless families, does not increase funding for home visiting programs, and does not increase funding to ensure child care programs can implement new federal rules without decreasing access. Many of these cuts are specifically focused on cost-shifts to New York City.

In addition, CCC is especially concerned that the Executive Budget includes contingency language all throughout, which would authorize the Budget Director to reduce funding to localities if funding from the federal government is reduced- without approval from the legislature.

Given the need for New Yorkers to rely on their State and Local governments, more than ever, we urge the Legislature to negotiate a budget with the Governor that eliminates cost shifts and contingencies, and invests significantly more in the programs and services that will produce good outcomes for the children and families throughout New York.

Turning to the Executive Budget proposals related specifically to Mental Hygiene, please consider the following as you negotiate the budget:

New York State is currently undergoing a transformation of the children's mental health system aimed at reducing unnecessary costs, improving quality of care, and ultimately, stabilizing and improving New York's healthcare system for children. These reforms will dramatically impact children's behavioral health care, and in particular special populations of children.

CCC has long-believed that the success of Medicaid Redesign efforts, particularly related to children's behavioral health, children in foster care and children with high levels of need, depends on a thoughtful examination of frontline practices, administrative processes and business operations, and that reform efforts offer an opportunity to address existing system weaknesses. **Furthermore, to achieve the State's vision of higher quality and more affordable care, we believe that the state must ensure that reforms result in a behavioral health system that dramatically expands access to timely, high quality care that fully meets the needs of children and families.**

We urge the Legislature and the Governor to negotiate a budget that will strengthen New York's behavioral health system for children. We respectfully submit the following recommendations:

1) Adopt Executive Budget proposals that will strengthen and/or preserve the behavioral health system for children and their families.

The Executive Budget includes several proposals that may begin to address some of the challenges facing children's behavioral health providers and children with behavioral health needs. We urge the legislature to support these proposals including:

- **Extending APGs** (government rates) for licensed OMH and OASAS clinics, Child Health Plus behavioral health clinic visits and all OMH licensed providers through March 30, 2020, tied to benchmarks for the development of Value Based Payments. Years of underfunding for community-based behavioral health services have left many clinics, including Article 31 school based mental health clinics, and Article 28 school based health centers, on the verge of closure. This proposal will address some of the barriers to clinic solvency and increase access to critical support services for children.
- **Adding \$5 million for Residential Treatment Facilities (RTF)** pilot projects
- Adding \$225 million to support the **FY18 minimum wage increase** for health care workers providing services reimbursed by Medicaid
- Creating the **Regulatory Modernization Team** to promote a more efficient health care system by assembling a multi-stakeholder work group and stakeholder engagement process to modernize the State's health regulatory framework.

2) Reject Executive Budget Proposals that Will Have a Negative Impact on Children's Behavioral Health

Despite the need to invest in the unmet need for children's behavioral health services and to strengthen the system's ability to transition into Medicaid Managed Care, the Executive Budget proposes state savings from children's behavioral health due to delays in the transition.

Specifically, the Executive Budget proposes to eliminate \$7.5 million in SFY16-17 budgeted but unspent funds for new capacity and \$10 million of readiness funds. **As discussed more below, we urge the State to restore this \$17.5 million and invest it in building capacity to better meet the needs of children.**

The Executive Budget also includes a proposal which would negatively impact New York City's ability to provide necessary health and mental health services to children. Specifically, the Executive Budget proposes to cut \$50 million from NYC for School Supportive Health Services. **We urge the Legislature to reject the \$50 million cut to NYC's school-based health services.**

The Executive Budget also proposes to delay the statutory COLA for OMH, OASAS and OPWDD staff for one year, despite the need to better support the workforce to recruit and retain staff in the field. **We urge the Legislature to reject the COLA delay.**

3) Strengthen the State's Behavioral Health System for Children

The children's behavioral health system is currently facing significant fiscal and workforce-related challenges. We urge the legislature to take steps in this budget to strengthen this system so that children's needs can be better met and the state's system is in a stronger place for the upcoming transition to Medicaid Managed Care.

For example, inpatient providers are under pressure to reduce hospital lengths of stay and are discharging patients to severely limited intensive outpatient clinical services, which has created a revolving door of hospitalizations, emergency room visits and disruptions in school and foster care placements. In addition, workforce shortages contribute to long wait times for first and subsequent appointments, especially for families trying to access child psychiatrists or early childhood mental health specialists. As a result, emergency departments have emerged as the mental health safety net, despite lacking the appropriate staff and space to best meet the needs of children in psychiatric crisis.

In short, the children's behavioral health system is desperately short of resources to meet the great demand for services. For example, in 2012, CCC released an analysis of the gap between the need for services and the availability of services. Our analysis found that there were not enough treatment slots to meet children's treatment needs in New York City. Specifically, we found that an estimated 47,407 children ages 0-4 in New York City had a behavioral problem and 268,743 children ages 5-17 in New York City were estimated to have a mental health disorder. While we were unable to identify the citywide unmet need, due to the lack of data for Queens and Manhattan, our analysis of slot capacity for Brooklyn, Bronx and Staten Island suggested that there were only treatment slots for 1% of children ages 0-4 and 12% of children ages 5-17 who have treatment needs.¹

Multiple ongoing Medicaid reforms have placed a heavy workforce and administrative burden on children's behavioral health and child welfare providers, many of which lack the resources

¹ Citizens' Committee for Children, *New York City's Children and Mental Health: Prevalence and Gap Analysis of Treatment Capacity*, January 2012. <http://www.ccnnyork.org/data-and-reports/publications/new-york-citys-children-and-mental-health-prevalence-and-gap-analysis-of-treatment-slot-capacity/>.

and/or staff capacity to implement key requirements of the transition. Similarly, the emphasis on cross-system integration and information sharing will require providers to invest resources in health information technology.

Additionally, regulatory and financial challenges have driven most school-based health and mental health clinics to operate at a financial deficit, resulting in insufficient capacity to meet the mental health needs of school-aged children and underscores the ongoing operational instability and financial struggles. To address this, we urge you to take the following steps in the upcoming budget:

- a) **Restore \$17.5 million in children’s behavioral health services to address the capacity crisis.** This includes restoring the \$7.5 million budgeted, but unspent in 2016-17 State Fiscal Year for new capacity and the \$10 million budget but unspent funds for readiness efforts. The children’s behavioral health system is facing significant challenges that must be addressed now and cannot wait until children’s behavioral health transitions into managed care. This money should be restored and spent immediately for capacity expansion of existing children’s behavioral health services as an immediate practical effort to meet existing needs.

- b) **Support the creation of a \$500 million Statewide Health Facilities Transformation Fund, but increase the floor from \$30 million to \$125 million for a set-aside to community-based providers.**

Given the array of negative and costly life outcomes that can be the result of unaddressed mental health needs it is imperative that the State prioritize strengthening the behavioral health care system’s ability to provide timely access to appropriate levels of care. We urge the Legislature to negotiate a budget with the Governor that ensures the State remains committed to behavioral health programs and services that produce positive outcomes for children.

Thank you for this opportunity to testify.

