United Neighborhood Houses

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Testimony of United Neighborhood Houses
Joint Legislative Fiscal Committees of the New York State Legislature

Mental Hygiene Hearing for the Fiscal Year 2016-2017

February 3, 2016

Honorable Catharine Young, Chair, Senate Finance Committee
Honorable Herman D. Farrell, Jr, Chair, Assembly Ways & Means Committee

Honorable Robert Ortt, Chair, Senate Committee on Mental Health
Honorable Aileen Gunther, Chair, Assembly Committee on Mental Health

Submitted by Nora Moran, Policy Analyst

United Neighborhood Houses is New York City's federation of settlement houses and community centers. Rooted in the history and values of the settlement house movement begun over 100 years ago, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live. UNH's membership includes 38 agencies employing 10,000 people at over 600 sites across the five boroughs to provide high quality services and activities to over 500,000 New Yorkers each year.

Typical member agency services range from pre-kindergarten and afterschool, to youth employment and college access, to adult education and workforce development, to behavioral health services, homelessness prevention and senior centers. Essentially, our members provide "one-stop" shopping for all community members—be they children, youth, immigrants, older adults or working families. Settlement house staff understand the importance of providing holistic services within a neighborhood, and this includes mental health services. Within the UNH network, there are seven NYS Office of Mental Health licensed Article 31 clinics, two Article 28 health care clinics, 11 Home and Community Based Services (HCBS) providers, and three NYS OASAS-licensed substance abuse providers. UNH members also operate PROS programs, early childhood mental health programs, and geriatric mental health programs.

UNH is pleased to see several important investments and proposals in the Governor's FY 2016-17 Executive Budget to support the community-based behavioral health system. Under the Office of Mental Health (OMH), this includes an investment of $16 million to expand a variety of community services based on regional needs and reflecting stakeholder input, a proposal to provide six new Medicaid-funded services for children, and an investment of $1 million to

implement the raising the age of criminal responsibility proposal. Under the Office of Alcoholism and Substance Abuse Services (OASAS), UNH applauds an investment of $7 million in new Medicaid rate enhancements to support OASAS providers in the transition to managed care. This includes providers that operate Free Standing Inpatient Alcohol Rehabilitation, Residential Rehabilitation Services for Youth, Residential Detox and Outpatient Detox services.

Recommendations

Despite these investments, more is needed to ensure that the existing community-based safety net of behavioral health providers can continue to operate in a new managed care environment and contribute to the overall goals of Medicaid Redesign. These providers are an indispensable asset to the behavioral healthcare system, as evidenced by their treatment outcomes and cost savings generated to the system. However, they have not received the financial supports needed to transition their programs to operate under a managed care model—though hospitals have received significant transitional funding (more than $1 billion) throughout the Medicaid Redesign process. Additionally, current Medicaid reimbursement rates often do not cover the actual cost of providing services, and these costs will continue to grow as new regulatory requirements are put in place.

For example, community-based providers need financial support to make the following operational shifts due to the managed care transition and overall Medicaid Redesign initiatives:

- Make technology and infrastructure upgrades in order to comply with information management requirements and to bill managed care organizations;
- Transition to take a more entrepreneurial approach to program development in order to contract with managed care organizations, to demonstrate value to Performing Provider Systems (PPSs), and to demonstrate their ability to provide value-based care;
- Develop and invest in evaluation systems in order to demonstrate the value of their services, especially on the social determinants of health; and
- Conduct risk assessments as they undertake the provision of new services.

UNH proposes the following reforms and investments that will strengthen the viability of community-based behavioral health care providers.

Article 31 Clinics

To support the ongoing viability of Article 31 clinics, UNH recommends the following:

- Raise the base rate of Article 31 clinic providers to parity with OASAS 822 clinics. The base rate for downstate OASAS clinics is approximately 10 percent higher than Article 31 clinics, and approximately 4 percent higher upstate. This will promote greater financial stability for clinics by allowing them to increase their revenue and meet new operational requirements.
- Extend Ambulatory Patient Group (APG) rates through 2020 when Value Based Payments will be in full effect. This will promote managed care provider network

adequacy and access to care during the managed care transition, and will allow community-based providers to prepare for a value-based payment system.
- Continue to make funding available for community-based (not hospital) providers as they transition their programs to managed care and begin to plan for the implementation of a value-based payment system.

Community-based state-licensed mental health clinics (Article 31 clinics) offer high quality mental health care to individuals in the comfort and normative environment of their own neighborhoods. There are seven Article 31 clinics in the UNH network, collectively serving over 5,000 individuals by providing over 104,000 counseling visits annually.

By being embedded in a larger organization, UNH Article 31 clinic providers understand the experiences of community members and offer culturally and linguistically competent services, essential to effective treatment. In addition to mental health care, these settlement houses offer services such as job training, housing assistance, child care, and social opportunities. With this approach, they can acknowledge and serve the whole person, and referrals can be made efficiently to a range of services within the agency as additional needs become apparent. Additionally, offering this care in a community-based setting avoids more costly emergency room visits and hospitalizations.

Medicaid Redesign and the transition to managed care have increased the regulatory and financial pressures on Article 31 clinics across the State. Due to the elimination of Comprehensive Outpatient Program Services (COPS) Medicaid supplement, the implementation of new regulations (part 599) and the move to a new billing system (Ambulatory Patient Groups), providers have experienced significant financial losses and diminished program flexibility. With the transition to managed care, the administrative burden is high and unmanageable without additional financial resources. Adequate reimbursement rates are needed to support clinical services and to meet the compliance and administrative tasks required under a managed care model. Across the State, many Article 31 clinic providers are questioning whether they can remain open in the new managed care environment. Other programs have already closed due to inadequate reimbursements and staff-intensive regulatory expectations, leaving their neighborhoods without these much-needed services.

Home and Community Based Services (HCBS)

UNH recommends that OMH explore financial models with a variety of behavioral health providers who range in organizational side and scope, and enhance rates to support HCBS service provision. Without adequate reimbursement rates, providers may be unwilling to offer such services given the financial risk involved in starting such services.

As of January 1, 2016, Medicaid covers expanded suite of behavioral health services, referred to as Home and Community Based Services (HCBS), for Medicaid consumers enrolled in a Health and Recovery Plan (HARP). By expanding coverage to include these services, Medicaid consumers with significant behavioral health needs can access more support to remain stable and healthy in their communities. Many community-based organizations, including 11 UNH member agencies, are designated HCBS providers. Current reimbursement rates for HCBS are

underfunded, and it is unclear whether existing rates are viable to support service implementation without any certainty of volume.

Thank you for considering these recommendations. UNH looks forward to working with the Legislature to ensure a strong delivery system of mental health services to New Yorkers. Questions may be directed to Nora Moran at nmoran@unhny.org or 917-484-9322.