Joint Fiscal Committees of the Legislature

Health and Medicaid Budget Hearing

February 12, 2018

Andrea Smyth
Executive Director

February 12, 2018

Thank you, Chairpersons Young and Weinstein and members of the Legislature.

The NYS Coalition for Children's Behavioral Health represents the majority of children's community-based, mental health providers around the state. We thank you for this opportunity to testify and also thank you for your support that allowed for the inclusion of the funding to support the increase in the minimum wage expenses in Medicaid payments and workforce enhancements for direct care workers in the "O" agencies.

I know these hearings are always challenging as we revisit decisions made in previous years and hear about the implementation of, or lack thereof, last year's initiatives.

CAPITAL

The Coalition appreciated your effort to initiate a review of additional providers types being added as eligible to the Statewide Health Facilities Transformation Program, but we are disappointed that children's residential treatment facilities (RTFs) which are in dire need of capital to restructure and respond to enormous deficits, were not added.

We thank the Legislature for adding $10 million in capital funding to the OMH Budget last year just for children's behavioral health needs.

This year, we ask that another $10 million just for children's behavioral health providers be added again. We also ask for the following investments:

1) that the proposed $50 million for crisis residence development in the OMH budget have a carve out of $15 million for children's crisis residences; and
2) that additional funding be added to either the Statewide Health Care Transformation fund or the Mental Health Facilities Improvement Fund for RTFs – a total commitment of $60 million for children's behavioral health capital.

PROPOSED DELAY OF SERVICE EXPANSION

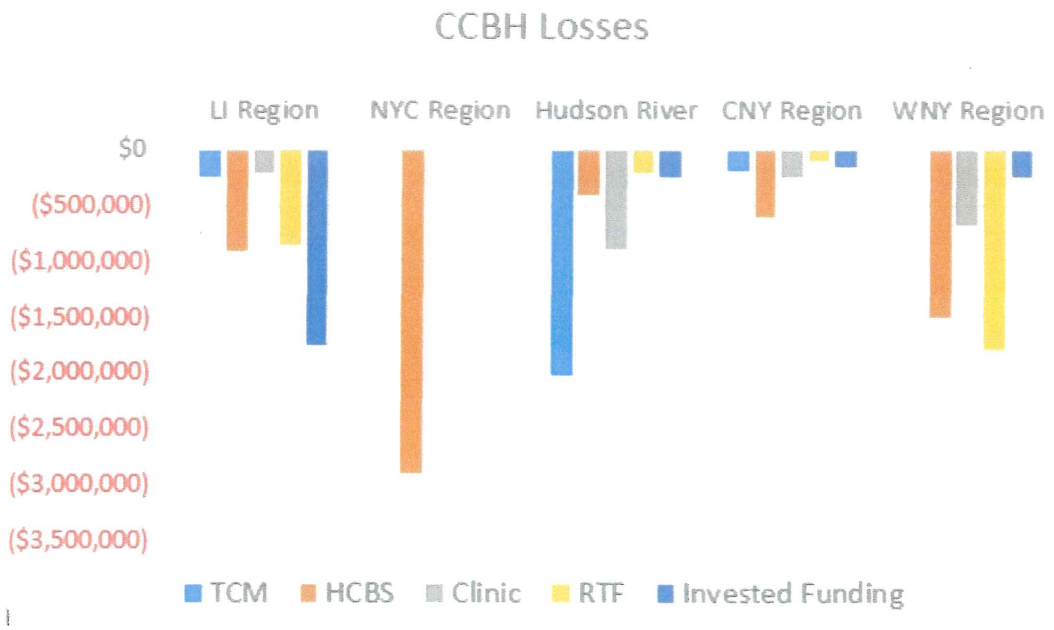
Another 2-year delay proposed for the long awaited, addition of children behavioral health services. The Executive Budget proposal came as a shock to the child-serving and family community because when the Children's Subcommittee of the Medicaid Redesign Team last met on December 5, 2017, the subcommittee were concerned about the state of federal cuts and CMS negotiations and we were assured that the children's transition

would go through as planned. There was no indication that any date other than a July 1, 2018 implementation would be considered.

Now, we are being told, for the third budget cycle, that the state is still committed to implementation, but the pressure on the Global Medicaid spending cap is too intense for implementation to go forward. That is NOT "commitment" and the children who need services, and now, the provider community cannot wait.

Over the past 3 fiscal years, you have approved funding that is in the spending plan for services. (see chart attached)* By taking a portion of those unspent funds and bringing up pilots on state aid, and not through Medicaid, we can get services to children now and worked on revamping a proposal that clearly is not being seriously considered for implementation by the Administration.

The quick timetable of the budget hearings and budget negotiations make data collection a challenge for a small organization like mine, but here is a snapshot of the operating losses and "readiness" investments that 10 of my providers (less than a ¼ of my total membership) are burdened with because of their willingness to believe the "transition" would begin on April 1, 2018 and be in full effect on July 1, 2018:



Program	LI Region	NYC Region	Capital Region	CNY Region	WNY Region	Total Losses
TCM	($252,280)		($2,035,000)	($190,000)		($2,477,280)
HCBS	($910,538)	($2,920,000)	($415,000)	($606,927)	($1,500,000)	($6,352,465)
Clinic	($210,000)		($900,000)	($240,000)	($670,172)	($1,831,172)
RTF	($861,752)		($200,000)	($107,881)	($1,800,000)	($2,969,633)
Invested Funding	($1,750,000)		($250,000)	($152,000)	($250,000)	($2,402,000)
						($13,630,550)

These charts show that across the 5 OMH Regions, 10 provider agencies, all with a different array of services report that in 2017-18 their operating losses, staffing additions, program closures and restructuring and investments in readiness – all either mandated or recommended by the state to undertake, will have $13.6 million in lost revenue. *Note – I do have numerous NYC providers but only received information from 2 agencies.

By extrapolating to the overall behavioral health revenue, I estimate that system wide, not for profit agencies have invested more than $15 million in staffing, electronic health records, other Health Information Technology and program restructuring in 2017. That funding wasn't investment into children who need care. That investments ends up as a waste of precious resources if the proposed 2-year delay is enacted.

The lost investment funding – which could have been offset by the start-up funds you approved in the 2016-17 spending plan but were never released, is in addition to a more than approximately $50 million system-wide operating deficits or program closures. Some of these services and programs were restructured to move toward the models that would be implemented in the redesign (HCBS services) or closed (TCM) or referrals have slowed (RTFs and Day Treatment) because they were anticipated to be of less value after the expansion occurs. The compelling question is "where are children receiving care and treatment?" It seems the answer, if you read the recent Council of School Superintendent's report, "Losing Ground", they are not. The School Superintendents identified that the cost of providing behavioral health supports to students is the number one, uncovered, rising cost and concern.**

Recommendations:

Apply at least $15 million (clearly included in the base) to non-Medicaid pilots that offer services similar to those being delayed so services for children can be made available immediately; and

Add $14 million to the Governor's proposed $250,000 to expand Mental Health Supports in Community Schools. We believe the 57 Small City School Districts should all be eligible if the funding is expanded.

We aren't moving forward, but there is precious little to fall back upon.

Characteristics of Current Children's Services:

1) System went from 514 to 494 RTF beds in 2017

2) Over 200 Day Treatment slots were lost in 2017

3) Almost 8,000 Targeted Case Management slots were closed

4) Outpatient clinics spend precious operating funds trying to recruit child psychiatrists, psychologists and licensed mental health practitioners in a severe workforce crisis

We are asking for the pilots to:

- Hire, train and credential new Family Peer Advocates
- Hire, train and develop a credential for new Peer Youth Advocates
- Give families Respite care
- Give children Skill-building services
- Retain staff hired to provide the new SPA services by putting them to work doing the pilot services and employed through the remaining, restructured Home and Community Based Waiver program, most of which are operating with 10's of $1,000s of losses since it was restructured in September 2017.
- Restore Flexible Funding and enhanced 1st month funding which was lost when TCM closed and HCBS was restructured

Practice exemption:

The Health and Medicaid community is no stranger to the complexities of scope of practice discussions. The Coalition is one of 14 leading behavioral health organizations that are raising concern over the Executive's proposal, in Part Y of A.9507/S.7507, which

would permanently clarify the tasks and activities master-level licensed professionals, master-level professionals training to get their license and other employees in community and state-operated settings can perform and assist others to perform. The current clinical practice exemption is set to expire in June 2018.

Again, the Coalition was surprised to see this issue included in the Executive Budget. We understood that when the 2-year extension was approved by the Legislature it was with the understanding that workgroups, including the professions and providers would be initiated to identify the clarifications being recommended by state agencies and the State Education Department and achieve some consensus on a permanent clarification. The Coalition checked regularly to see if we could participate on the workgroups and on whether or not the process was underway. When it was not undertaken, we assumed the Legislature would demand the process take place, under Legislative supervision, prior to the June 1, 2018 sunset date.

The proposal, as written, is not strong enough to gain my support. I ask that you not support the proposal as is and honor the commitment made 2 years ago to allow the affected providers a role in the discussion about something that so drastically impacts our operations.

The proposal not only unnecessarily exacerbates the workforce shortage facing the behavioral health field, but also adds barriers and delays to accessing basic care or timely access to clinical care. It also sends a confusing message to students who are currently pursuing Master's degrees in the hope of making a licensed mental health profession their career. There are more than 20 major universities around the state offering licensed clinical training programs – all of those Master's prepared students must work under clinical supervision before becoming licensed and we want every one of them to know they are being desperately sought for employment as they gain clinical experience. They are each a precious commodity to the people in this state, a state ranked 5th by Mental Health America in the mental health labor shortage category.

At the heart of this discussion is which Master's of science prepared, licensed clinical specialists can provide diagnostic assessment and clinical counseling services in licensed or approved state and nonprofit settings. Unfortunately, the proposal fails to allow us to fully utilize valuable members of our current workforce. I am working with the other 13 associations to develop recommendations that we hope can be used in negotiations

that are not needlessly rushed and which that makes the changes necessary to achieve our goal of stabilizing and empowering our workforce.

I offer the following facts about the state of behavioral health workforce that highlight the seriousness of the issue before you:

- Kaiser Family Foundation ranks New York State as only 18th in the country for the volume of youth mental health need (prevalence) when compared to availability of care (for adults, NY ranked 13th).
- Mental Health America ranks New York State as 5th in the nation for most impacted states for Mental Health Care Professional Shortage Areas;

Therefore, I hope you will respect that more discussion is needed before considering the Executive proposal further as it is written.

For additional questions, contact:

Andrea Smyth, Executive Director

NYS Coalition for Children's Behavioral Health

andrea@asmythadvocacy.com/ (518) 795-5270

2016-17 DOH Budget Medicaid Investments– UPDATE JANUARY 2016
Behavioral Health Transformation Initiatives Including Investments for Managed Care/Health And Recovery Plans (HARPs)

Proposal	Details	2016-17		2017-18	
		Gross	State	Gross	State
HARP Managed Care Start-up/Technical Assistance: Ongoing system readiness activities to develop the HARP and Home and Community Based Services (HCBS) infrastructure and capacity to support the transition of behavioral health services for adults into Medicaid managed care.	Funds for start-up activities and ongoing technical support including: - Managed Care Technical Assistance Center training activities ($6M); - Targeted Health Information Technology (HIT) technical assistance and HCBS grants to non-Medicaid providers in HARPS ($14.5M); and - County Regional Planning Consortiums ($2M).	$12.5M	$ 6.25M	$10M	$ 5M
Children's Managed Care Start-up: Targeted investments for children's readiness activities to develop the infrastructure and capacity to facilitate the transition of behavioral health services for children into managed care.	Funds for Targeted Health Information Technology (HIT) and HCBS grants and start-up resources to expand system capacity for evidence based services for children's providers.	$20M	$10M	--	--
New State Plan Services for Children: The State will expand the Medicaid benefit package to include six new State Plan services for children to produce better outcomes for children and families. The new services focus on earlier intervention for children experiencing behavioral health issues, helping to keep children with their families, thus preventing the need for more costly, high-intensity services and out-of-home placements.	The State Plan will be expanded to include six new Medicaid services for children starting January 1, 2017: - Crisis Intervention; - Community Psychiatric Support and Treatment; - Psychosocial Rehabilitation Services; - Other Licensed Practitioners; - Family Peer Support Services; and - Youth Peer Training and Support Services.	$7.5M	$3.75M	$30M	$15M
Integrated Treatment Care\Collaborative Care: Ongoing funding for the implementation and expansion of the evidenced based integrated treatment model.	Funds to support Collaborative Care programs; State Plan submitted which established this as a Medicaid service effective January 1, 2015.	$15M	$ 7.5M	$15M	$7.5M

NEW YORK STATE COUNCIL OF SCHOOL SUPERINTENDENTS

NEWS RELEASE

7 ELK STREET ♦ ALBANY, NY 12207-1002
518/449-1063 ♦ FAX 518/426-2229

FOR IMMEDIATE RELEASE: October 10, 2017

CONTACT: Robert Lowry • 518-449-1063 or 518-435-5996 (cell)
E-mail: boblowry@nyscoss.org

New York's public schools are "losing ground" as financial gains are not keeping up with growing student needs, superintendents' survey reports

ALBANY – Modest improvements in the financial condition of some of New York's public schools are not keeping pace with growing needs among the students they serve, warns a new report released today by the New York State Council of School Superintendents.

"Our survey does show improvement in the financial condition of some school systems," said Charles Dedrick, executive director of the Council. "But superintendents are reporting increasing needs among the students their districts serve and those needs are growing at a faster rate than improvements in financial condition."

Most strikingly, the Council's survey reports a sharp increase among superintendents in the priority they give to improving student mental health services.

The share of superintendents who would make improving mental health, counseling, social work or related services a priority for new funding climbed 17 points in one year, from 35 percent in the Council's 2016 survey to 52 percent this year.

Improving mental health services was the most widely cited priority among superintendents, who were asked to rank the top three priorities if their district were to receive funding beyond what would be needed to maintain current services and satisfy mandates. In the prior six annual Council surveys, increasing extra academic help for struggling students was the top-ranked priority.

In the same vein, "capacity to help students with non-academic needs, including health and mental health" was cited as a "significant problem" for their schools by 45 percent of superintendents, more than any other item.

In open-ended comments, superintendents commonly attribute growing mental health needs to poverty and economic insecurity among school families and to the influence of technology upon students, including social media.

For example, in a comment submitted to the survey, a Mohawk Valley superintendent observed,

> While the funding and educational models of our schools have largely stayed the same, the needs of students and communities have continued to increase. We cannot simply maintain the status quo due to the increasing mental health, special education, and ELL [English Language Learner] needs while the fiscal conditions and employment prospects of our communities continue to worsen.

Continued...

For the third year in a row, more superintendents reported that their districts' financial condition had improved rather than worsened, by 24 percent to 13 percent. But the largest number, 62 percent, reported no change in financial condition.

The share of superintendents reporting improvement in their district's financial condition has never risen above 31 percent in any of the Council's seven annual financial surveys, going back to 2011.

Similarly, more superintendents anticipated that their district budgets this year would have a positive impact on specific student services, such as core instruction at each school level, extra academic help, advanced classes, and counseling, social work, or mental health services. But never in the seven annual surveys has a majority of superintendents statewide reported improvement in any area.

Robert Lowry, deputy director of the Council for advocacy, research and communications observed, "State aid increases over the past few years have improved or at least stabilized the financial condition of most school districts. But many have not made much progress in recovering from damage they suffered during the Great Recession and now they are struggling to help their students with problems that start outside of school."

For example, a Capital Region superintendent wrote,

> We are still recovering from the 2008 economic downturn where staffing and programmatic cuts were extremely deep. We are trying to add back a little each year, but still well below where we were in 2008. This has created huge inequities in available student opportunities compared with our wealthier suburban neighbors. While we are getting by financially, we are not back to pre-2008 staffing levels, even ten years later with enrollment levels remaining roughly the same. This opportunity gap is a loss for our students and their futures.

There was a nine-point increase in the percentage of superintendents saying they are optimistic in thinking ahead three years or so about the ability of their schools to fund adequate services, from 20 to 29 percent. But 70 percent of superintendents remain pessimistic, including 7 percent who said their schools cannot fund adequate services now. Districts in this group are predominantly small, rural, and higher in student poverty.

Asked what factor causes them the greatest concern in thinking about their schools' financial prospects, 50 percent of superintendents cited the possibility of inadequate state aid, 16 percent chose the impact of the tax cap, and 15 percent selected increasing needs of students, up from 10 percent in 2016.

The survey was conducted online between July 25th and August 21st. It was completed by 322 superintendents, a response rate of 47 percent.

# # #

The New York State Council of School Superintendents is a professional and advocacy organization with over a century of service to school superintendents and assistant superintendents in New York State. The Council provides more than 800 members with professional development opportunities, publications and personal support while advocating for public education and the superintendency.