

TESTIMONY: UJA-FEDERATION OF NEW YORK

**The Joint Fiscal Committees of the New York State Legislature
Mental Health Budget Hearing for Fiscal Year 2019-2020**

**Submitted by:
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On behalf of UJA-Federation of New York, our network of nonprofit partners and those we serve, thank you for the opportunity to testify on the importance of maintaining and expanding support for mental health services in New York State.

Established more than 100 years ago, UJA is one of the nation's largest local philanthropies. UJA's mission is to fight poverty; connect people to their communities and respond to crises both locally and around the world. UJA supports nearly 100 nonprofit organizations serving those that are the most vulnerable and in need of programs and services.

SUPPORTING NEW YORK'S NONPROFITS

Minimum Wage, COLA and Capital Investment

UJA's nonprofit partners deliver programs, services and resources such as access to food, educational and after school programs, mental health services, workforce development training, subsidized and supportive housing, and access to benefits that support the wellbeing of all New Yorkers across their lifespans. However, static or reduced funding has forced nonprofit program budgets to adjust, leaving them unable to expand service delivery to meet the needs of New Yorkers.

Over the long term, expanded investment in the nonprofit sector will allow for contracts that cover the real cost of providing services; appropriate, competitive compensation for the workforce, and investments in core programs that help bring communities from crisis to stability.

The state can make the following investments to respond to the needs of nonprofits and ensure stability in the sector:

- ***First, fund the minimum wage increase for state contracts not yet adjusted to reflect the increased cost of service provision, keeping nonprofits from filling the gap of another unfunded mandate.*** This would cost \$25 million for FY2020 for human services providers with direct service contracts.

- ***Second, provide salary increases for workers who have not seen an increase in over nine years.*** A statutory cost-of-living adjustment would cost \$140 million. This would encompass the entire human services sector, including organizations contracting with the following State agencies: OTDA, OCFS, DOL, DHCR, DHR, NCS, OMH, OPWDD, OASAS, DDPC, CQCAPD, DOH and NYSOFA. This investment would help ensure that our agencies can continue to provide essential services and that their programs can be sustained throughout the State.
- ***Third, allocate \$100 million in recurring funds to support nonprofit infrastructure and technological improvements.*** This funding will enable targeted investments in projects to improve the quality, efficiency, accessibility and reach of nonprofit human services organizations throughout the state.

These three investments will help promote a healthy, stable nonprofit sector capable of delivering high-quality, efficient and effective services to its clients.

DEVELOPMENTAL DISABILITY SERVICES

Coverage of Medically Necessary Treatments for Children with Autism

UJA supports Governor Cuomo’s proposal in the Executive Budget to expand access to services for children with autism. Access to services would be expanded by passing legislation to require insurers to apply the same treatment and financial rules to Autism Spectrum Disorders as those used for medical and surgical benefits while also requiring the Department of Health to expand Medicaid to cover Applied Behavioral Health Analysis for children with autism.

In 2011, the state of New York passed legislation that required state-regulated health plans to cover medically necessary care for Autism Spectrum Disorders. Individuals covered by these plans have had access to interventions and treatments that improved their quality of life resulting in many individuals with autism to rely less on publicly funded services. ***Further expanding coverage for medically necessary treatments for children with autism will allow more individuals to benefit from treatments and interventions that were once not covered by Medicaid.***

Transition to Managed Care

UJA supports the inclusion of \$5 million in the Executive Budget to improve provider readiness for the transition to managed care. However, we also recognize additional resources must be offered to OPWDD providers to assist them in the transition to managed care. Many providers lack the technology needed for data maintenance, electronic health records and reporting required to transform current systems into the managed care format. Providers have been expected to develop this costly technology with little investment from the state. ***The state must provide additional resources in order to help providers properly develop the technology needed to transition to the managed care system.***

Housing Options for People with Intellectual/Developmental Disabilities

UJA supports the inclusion of \$15 million in capital funding in the Executive Budget to expand independent living opportunities such as the development of affordable apartments for people with intellectual/developmental disabilities. The FY 2019 enacted budget also allocated \$15 million in capital funds to develop affordable housing opportunities.

Access to affordable and accessible housing options continues to be a struggle for individuals with intellectual/developmental disabilities (I/DD) especially in New York City. One of UJA's non-profit multi-service providers in Manhattan fields questions daily from parents or guardians searching for affordable housing for their family members with intellectual/developmental disabilities. ***Availability of affordable housing must be combined with reliable information on how to access housing.*** Housing navigation or counseling services assists a person with I/DD to understand their housing needs and options, support the individual to secure housing and fosters establishment of procedures and contacts to retain housing after it is initially secured.

Organizations such as the New York Alliance for Inclusion and Innovation have created housing navigator initiatives where trained housing experts assist individuals with I/DD to locate available housing and identify services that are available to them. Replication of this initiative will result in more individuals with intellectual/developmental disabilities finding and maintaining appropriate housing across New York State.

The Residential Request List (RRL) and the Certified Residential Opportunity (CRO) list were created by OPWDD to determine residential service needs and assist in the housing planning process for individuals with intellectual/developmental disabilities. For example, certified residential opportunities are released based on the need indicated in the CRO list. Both of these lists will accurately display housing needs of individuals only if families and professionals know about the lists and understand how to be included on them. ***More training needs to be done by OPWDD to educate individuals and families about the RRL and the CRO in order to properly reflect the need for housing.***

The reliance on "backfilling" placements in certified residences can often be problematic for providers. Individuals should not be placed in a housing placement simply because it is vacant. Housing works when combined with services and supports that meet the needs of the individual and helps them to remain in the placement. ***Individuals should also not be moved to the end of the CRO list if they decide a vacant housing opportunity will not meet their needs.***

Providers are often forced to operate with vacancies in certified residences for months, resulting in a significant loss of funds for the programs that oversee the residences. The process of how individuals are moved from the CRO list to a residence with a vacancy is overseen by OPWDD and leaves many providers feeling they have little control over who and when someone will be placed in a vacant spot in one of their residences. OPWDD has recognized flaws in the residential placement system and proposed creating a provider workgroup to "explore efficiencies and suggest improvements". We look forward to the workgroup outcomes and urge the legislature to include additional funding in the FY 20 budget to agencies dealing with residential vacancies. ***90 days of transitional funding should be provided to agencies after an individual leaves a certified residence in order to assist providers with the financial burden placed on their programs due to prolonged vacancies.*** Providing additional financial support to providers and improving the process of placing individuals into certified residences from the CRO list will connect individuals with intellectual/developmental disabilities to housing in a more timely and efficient manner.

Early Intervention

The transition from fee for service to rationalized rates has impacted providers by decreasing rates and removing surpluses. In the past, surpluses were used by providers to offset unfunded costs of insurance or utilities or sustain underfunded services such as Early Intervention (EI)

programs. The reduced rates and lack of surpluses is causing underfunded programs to close, reducing access to services and penalizing providers for serving higher needs individuals.

The shortage of surpluses is being felt particularly by EI providers. There has not been a rate increase for state-funded Early Intervention providers since 2004 and in fact, there have actually been two rate decreases in 2010 and 2011, making it very hard to sustain a business and provide workable and competitive salaries for service providers. Because of low reimbursement rates and funding shortages, many programs have had to close their doors or cut back significantly on available slots. Instead children are now being put on waitlists for EI services such as speech, physical and occupational therapy that are designed to assist children to meet developmental milestones. ***UJA supports the increases proposed to the EI program in the Executive budget and urges the legislature to maintain the \$3.6 million increase as well as the proposed 5% increase in reimbursement rates for licensed physical therapists, occupational therapists, and speech language pathologists.***

Self-Direction

Self-Direction is appealing to individuals because it allows them more freedom to make decisions on how money is allocated to obtain services. Unfortunately, the costs and complexity of a successful Self-Direction program have been underestimated. Necessary investments in the state's budget have not been made to support individuals to purchase the basic array of services to live a fully independent life. The skills and time needed to manage this service delivery model are overwhelming for many families while a shortage of qualified staff to support individuals to self-direct services makes it nearly impossible to produce successful outcomes. ***UJA urges the legislature to increase investments in Self-Direction services in the FY20 budget to continue to make this a viable service delivery option for individuals with intellectual/developmental disabilities.***

MENTAL HEALTH SERVICES

Strengthen the Behavioral Health System for Children

The children's behavioral health system is currently facing significant fiscal and workforce related challenges. 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.

The children's behavioral health system desperately lacks the resources to meet the great demand for services. For example, in 2012, Citizens' Committee for Children released an analysis of the gap between the need for services and the availability of services. The analysis found that there were not enough treatment slots to meet children's treatment needs in New York City. While the total unmet need citywide could not be calculated due to the lack of data for Queens and Manhattan, the 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 ***Enhanced data collection on service capacity and the needs of the provider workforce must be done in order to better serve children requiring services.***

Additionally, 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 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. ***An increase in funding is needed for providers to further develop health information technology systems. 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 to implement the design elements of the transition to Medicaid Managed Care in 2019.***

CONCLUSION

UJA-Federation of New York respectfully urges your consideration and support of these vital programs that assist our state's most vulnerable and neediest individuals and the organizations that serve them. Thank you for the opportunity to submit testimony and if you have any questions please email Faith Behum at behumf@ujafedny.org or 212-836-1338.

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