



TESTIMONY: UJA-FEDERATION OF NEW YORK

**The Joint Fiscal Committees of the New York State Legislature
Mental Hygiene Budget Hearing for Fiscal Year 2020-2021**

**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 submit testimony 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 Nonprofit Human Services Providers

UJA's network of 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, while New York's economy has been growing steadily since 2008, state funding for the human services sector has been cut by 26%, resulting in 68% of New York's human services providers anticipating not being able to meet the needs of their communities.

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 must make the following investments to respond to the needs of nonprofits and ensure stability in the sector:

- **Include a 3% increase on all human services contracts and rates for the next five years.** UJA requests that this crucial funding for all human services organizations contracting with the state be included in the enacted budget.
- **Allocate \$100 million in recurring funds to the Nonprofit Infrastructure Capital Investment Program (NICIP).** This funding will enable targeted investments in projects to improve the quality, efficiency, accessibility and reach of nonprofit human services organizations throughout the state.

While the Medicaid Redesign Team has been tasked with identifying \$2.5 billion in savings to the state, should that not be achieved, it is critical that nonprofit providers are held harmless. These programs and the investments that UJA requests be made to support them can simultaneously reduce Medicaid expenditures. Nonprofits play a significant role in the lives of low-income individuals and underserved communities. ***As budget negotiations take shape, it is critical that no cuts are made, or unfunded mandates implemented, that will adversely impact the fiscal health of nonprofit providers.***

The Executive Budget proposes shifting Medicaid costs to local governments. Federal and state governments make the majority of the decisions related to Medicaid eligibility, services, and payments. New York is one of the few states that secure a significant local share of funding for the program. In recent years, the state has assumed responsibility for a growing share of Medicaid, increasing statewide access to the program.

Under the Executive Budget proposal, local governments would be required to cover the non-federal share of Medicaid cost growth above three percent. Local governments have little control over Medicaid eligibility, services, or payments and yet would cover increasing costs related to this program with no additional financial support from the state or federal government. A financial burden would be felt particularly by lower income counties. These counties have higher Medicaid enrollment and less capacity to raise revenue to cover additional Medicaid related costs. ***New York State should not inappropriately shift Medicaid costs to localities resulting in an undue fiscal burden to local governments.***

Developmental Disability Services

Implementation of Managed Care

OPWDD providers require additional resources to assist them in implementing the new managed care system. Many providers lack the technology needed for data maintenance, electronic health records and reporting required to transform and maintain current systems into the managed care format. Providers have been largely expected to develop this costly technology with little investment from the state. Moving forward, the resources to create and maintain these systems should not come from the operating budgets of providers delivering supports and services to individuals with intellectual and/or developmental disabilities or existing OPWDD resources. ***The state must provide additional resources in order to help providers properly develop and maintain the technology needed for 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 2020 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. ***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 FY 2020 budget included a 5% increase in reimbursement rates for licensed physical therapists, occupational therapists, and speech-language pathologists in Early Intervention (EI) programs. Before the enacted FY 2020, there had not been a rate increase for Early Intervention providers since 2004 and in fact, there were actually two rate decreases in 2010 and 2011, making it very hard to sustain a business and provide workable and competitive salaries for service providers.

Years of low reimbursement rates and funding shortages have caused many programs to close their doors or cut back significantly on available slots. Instead children are now being put on waitlists for EI services that are designed to assist children to meet developmental milestones. According to Winning Beginning New York, the percentage of children statewide receiving timely EI services fell from 74% in 2015 to 66% in 2019. While grateful for the 5% increase in reimbursement rates for three categories of service in the EI system during FY 2020, more investments need to be done to combat previous years of stagnant rates and cuts. ***UJA supports the Executive Budget proposal to increase payment for EI services from commercial insurance and encourages the State to implement a more robust assessment of how much commercial insurance should contribute to EI claims. We also urge the legislature to increase rates for all EI providers, evaluators and service coordinators by at least 10% to close accessibility gaps for these much needed services.***

MENTAL HEALTH SERVICES

Strengthen the Behavioral Health System for Children

The children's behavioral health system in New York State is currently facing significant challenges. For every 10,000 children, there are two child psychiatrists¹, fifteen psychologists², and forty-nine social workers³. Workforce shortages like these contribute to long wait times for outpatient care, intensive inpatient services, or community support services. Parents, families and caregivers of children needing behavioral health services have difficulty affording or locating care. And in many cases, are forced to drive hours when they locate a provider.

To combat further weakening of the behavioral health system for children in New York State, *UJA urges the state to place a moratorium on any cuts to children's behavioral health services*. This includes restoring cuts and/or addressing under-funding of current behavioral health programs. In early 2019, the Children and Family Treatment and Support Services (CFTSS) were implemented and aimed to provide greater access to mental health services for children on Medicaid who were not at risk of being hospitalized. The state committed to providing start-up costs during the initial implementation of the CFTSS. However, the release of the enhanced start-up rates was delayed. Regardless, the State rolled-back the enhanced rates. Providers have found the current rates to be insufficient and have only been able to reach a fraction of the children eligible for the program. *UJA urges the State to include a \$2 million increase in CFTSS funding in the FY 2021 budget in order to support behavioral health programs to serve the 200,000 children eligible for CFTSS*.

UJA also supports fully funding and implementing the Children's Medicaid Redesign Plan. Children's Medicaid Redesign promised to increase access to behavioral health services for children while increasing the services covered under Medicaid Managed Care. Estimated cost of implementation was \$63.7 million but the state only invested \$15 million. *UJA urges the state to provide the additional \$48.7 million to support the transition to Medicaid Managed Care for children's behavioral health services*. This additional funding will ensure children have access to the improved behavioral health system developed in the Children's Medicaid Redesign Plan.

UJA also supports restoration of the 1% across the board Medicaid cuts that were implemented at the end of 2019 and impacted Children's Health Homes and behavioral health services provided through Article 28 clinics. Cuts to both Children's Health Homes and Article 28 clinics will impede access to behavioral health services for children. A total of \$522,350 was cut from Children's Health Homes while the amount of the Article 28 clinic cuts is still not known. UJA urges the State to restore this funding.

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 McBain, Ryan et al., "Growth and Distribution of Child Psychiatrists in the United States: 2007-2016." *Pediatrics*. November 2019.

² CDC-"Behavioral Health Services in New York". 2015

³ Ibid.