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Health
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Citizens' Committee for Children of New York is a 76-year-old independent, multi-issue child advocacy organization. CCC does not accept or receive public resources, provide direct services, nor represent a sector or workforce; or priority is improving outcomes for children and families through research and advocacy. We document the facts, engage and mobilize New Yorkers, and advocate for solutions to ensure that every New York child is healthy, housed, educated, and safe.

We would like to thank Chair Weinstein, Chair Krueger and all the members of today's Committees for holding today's hearing on the Health proposals in the Governor's Executive Budget for the State Fiscal Year 2023.

As we enter the third year of the COVID-19 pandemic, New York's children and families continue to experience hardships across nearly every aspect of their lives. Loss of loved ones, disrupted education, job loss, housing instability, food insecurity, and heightened behavioral health needs have all negatively impacted children's well-being. COVID has exacerbated inequities that were already prevalent and deeply felt in our state, underscoring profound disparities and long-unaddressed needs that require significant action and investment. With the addition of new federal funding for recovery, now is the time to invest in our children to ensure they not only recover from this crisis, but thrive.

A. Address the Child and Adolescent Behavioral Health Crisis

It is difficult to overstate the deep and long-lasting impact the pandemic is having on the mental health of children and adolescents. The American Academy of Pediatrics, American Academy of Child and Adolescent Psychiatry, and Children's Hospital Association have declared a national state of emergency in child and adolescent mental health.

Families in New York have long faced a bleak landscape when trying to access behavioral health services for their children, whether they are seeking preventive care or more intensive and comprehensive services for children with more complex needs. The State has been rapidly shutting down psychiatric beds and residential treatment facilities for children, but has failed to provide long-promised community-based preventive resources that would significantly reduce the need for higher-intensity inpatient services.

COVID-19 entered this dramatically under-resourced system to devastating effect. Between March and July of 2020, 4,200 children lost a parent or caregiver to COVID-19, and approximately 325,000 children were thrust into or near poverty; those numbers have only increased since then.[i] Children are entering their third year of profound personal loss, economic instability, housing and food insecurity, and unprecedented educational disruption.

In New York and across the country, the pandemic has led to declines[ii] in critical mental health screenings and access to services, even as rates of anxiety, depression, substance use, and suicidal ideation have risen.[iii] Children are experiencing serious emotional distress, yet have been unable to access adequate primary and preventive services, resulting in stark increases of psychiatric symptomatology and hospitalizations.[iv] This has created a perfect storm that is impacting all children, and disproportionately impacting low-income communities and families of color.

The foundation for these challenges were laid well before COVID-19 arrived, driven by chronic underinvestment in the children's behavioral health system, deeply inadequate reimbursement rates, and a failure of the state to support a full continuum of behavioral supports for children and their families.

With millions in new federal funding entering the state, New York has an unprecedented opportunity to change the state's trajectory and address the root barriers to children's access to behavioral health supports. The Governor's Executive Budget takes critically important steps towards addressing these barriers, and we urge you to fund and sustain these investments, as well as make significant additional investments to address the children's behavioral health crisis.

CCC leads the Healthy Minds, Healthy Kids Campaign, which is a statewide coalition of behavioral health providers, advocates, and family organizations that has joined together to create the public and political will necessary to ensure that all children and adolescents in New York receive the high-quality behavioral health services they need. As a member of this Coalition, we urge state leaders to take the following steps to address the children's behavioral health crisis:

Address Deeply Inadequate Rates that Have Harmed Family Access to Care
A history of inadequate rates is at the root of the shortage of behavioral health providers for children. This shortage has driven children onto waitlists and into emergency rooms, where they are discharged into communities unable to provide them with the critical ongoing and preventive services they need. Given the extent of the workforce shortage in New York, the State's primary workforce strategy must be to increase reimbursement rates in Medicaid, commercial insurance, and State contracts so that providers receive adequate compensation to enter and remain in the field. We urge you to take the following actions in the Enacted Budget:

- **Support the proposed rate increase for Article 31 outpatient clinics in the Executive Budget, and ensure all proposed rates are sustained and made permanent.** The combination of enhanced FMAP funding and the 5.4% COLA will allow for a 10.67% rate increase. Clinics have been deeply underfunded for years, resulting in serious access barrier for families and far too many children presenting at Pediatric Emergency Rooms. Any rate increases in the budget must be made permanent and built on in future years. We are hopeful that the $111 million ($222 million with federal matching funds) in recovered funds from insurers for mental health services underspends will support the state in making these rates permanent. In addition to addressing a great injustice, these recovered funds provide an opportunity to make sustained investments in the behavioral health workforce.

- **Support proposals in the Governor's Executive Budget that would ensure telehealth parity.** Telehealth created new opportunities for families to access care; we must ensure that both in-person and telehealth services are equally viable options for families.

- **Reform rate methodologies to help ensure rates are sufficient to support much-needed capacity for children's behavioral health needs, and conduct an annual assessment of the viability of clinical rates.** Current rates for Clinics, Residential Treatment Facilities, Home-Based Crisis Intervention, CFTSS, and Home and Community-Based Services are all based on faulty or outdated methodology. The state will never develop the capacity to serve all children if rates are not aligned with the reality of the cost of service delivery.

- **Provide an additional $3 million to prevent a rate cliff for Children and Family Treatment and Support Services (CFTSS) on 10/2/22.** This array of six services is intended to provide family-focused, home- and community-based services to prevent the need for more intensive behavioral supports later in life. Using enhanced FMAP funding, DOH reinstated a 25% rate increase for these services. This funding is critical given that the initial base rates were insufficient to meet the cost of providing care, and resulted in dozens of providers de-designating as providers. On 10/2/22, the rate will drop back down unless the state takes action to maintain the enhanced rate in the budget. We urge the Legislature to extend the rate enhancement through March 31, 2023 and require DOH and OMH to conduct a rate review of all CFTSS and HCBS services and report their findings to the Legislature no later than December 31, 2022 to allow for potential adjustments in the SFY 2024 budget cycle.

Expand Access to Essential Behavioral Health Supports

An effective behavioral health system requires adequate supports for children at all levels of need and across all ages. Unfortunately, New York has significant work to do in order to develop a true continuum of supports for children and their families. We urge you to take the following actions:

- **Support proposals in the Governor's Executive Budget that would sustain and expand access to care, including:**

    - **$7.5 million to enhance rates for Home-Based Crisis Intervention.** These programs provide intensive in-home crisis care to children between 5 and 18 years old and are intended to be an alternative to hospitalization.

    - **$7.5 million to enhance rates for Residential Treatment Facilities and prevent additional closures.** The number of children's RTFs has fallen from 600+ in 1986 to fewer than 270, without a matching investment from the state to support community-based alternatives to residential treatment.

    - **$11 million to align behavioral health services in Medicaid and Child Health Plus.** Currently, the Child Health Plus program offers a narrower array of behavioral health services for children than the Medicaid program does. Among those services provided in Medicaid but not CHP are Child and Family Treatment and Support Services (CFTSS), which offer an array of family-focused, community-based services that were introduced as a cornerstone of the State's redesign of the children's behavioral health system. Medicaid also covers Home and Community Based Services and Assertive Community Treatment. Children in CHP – including children ineligible for Medicaid due to immigration status – should have access to the same behavioral health services as those in Medicaid.

- **Enhance funding for two-generational, multi-disciplinary models that integrate mental health in pediatric primary settings.** CCC strongly supports additional funding for the HealthySteps program, which brings together the expertise of a child development expert, a HealthySteps specialist, and a pediatric primary care provider to foster healthy child development and life-long well-being: social-emotional development; language and literacy skills; cognition skills; and perceptual, motor, and physical development.

  Additionally, we join partners in urging the State to increase investment in advanced pediatric primary care by using the 1115 Waiver for funding a two generational value-based payment model for young children in Medicaid. An advanced primary care model is an integrated care-delivery model that supports additional components of care not found in existing fee-for-service and VBP arrangements. By making cost-effective investments in multidisciplinary, team-based care with a two-generation focus, our state can address social determinants of health and social-emotional behaviors in order to improve outcomes and achieve long-term health, education, and economic benefits for children and their families.

- **Provide $5.5 million funding for Family Support Services to extend services to families without Medicaid.** These services would include youth peer, skillbuilding, respite, and care coordination for families without Medicaid.

- **Support $100 million in the Executive Budget for school-based behavioral supports, but direct a portion of funds for grants to start up or staff school-based mental health clinics.** The state must strive to achieve parity between school-based and community-based services to ensure investments in schools result in an overall increase in behavioral health capacity, rather than a redistribution of existing staff. One important strategy to strengthen the supports in schools and communities is to enhance investments in school-based mental health clinics to ensure more students have access to clinical supports.

Strengthen the Children's Behavioral Health Workforce
Chronic workforce shortages have led to families on waitlists or unable to find urgent care. We urge you to take the following steps:

- **Support the 5.4% COLA for human services in the Governor's Executive Budget.** This funding is critical for combatting workforce shortages and creating a sustainable human services workforce.

- **Support workforce bonuses in the Governor's Executive Budget and address any administrative hurdles to disbursement.** These bonuses are an important opportunity to support the workforce. However, some administrative barriers exist, such as the requirement that providers pay bonuses upfront before being reimbursed by the state. For providers already struggling to operate on thin financial margins, this can be a significant hurdle. We hope issues such as this and complex eligibility requirements can be addressed before disbursement. We believe bonuses are an important incentive to support the workforce, but must be administered in conjunction with the permanent, systemic investments in base salaries and benefits that are essential for recruiting and retaining staff.

- **Make the human services COLA permanent, and ensure that children's providers are carved in.** Current statute excludes providers licensed to provide children's services, whereas the

Governor's budget is inclusive of all provider types. It is imperative that the COLA be sustained and made permanent, and that statutory language includes children's providers.

- **Fund additional efforts to address chronic workforce issues, including a worker retention tax credit and employee assistance grants.** The Legislature should consider a $600 Children's Direct Care Worker state income tax credit for the next five years. Additionally, the State should invest in a children's mental health workforce support program that will allow for non-taxable grant payments to help workers in need of health insurance expenses, stipends for food, housing, transportation or child-care expenses, or for payments to avoid default or interest on student loans.

- **Authorize Licensed Mental Health Counselors (LMHCs), Licensed Marriage and Family Therapists (LMFTs), and Licensed Psychoanalysts (LPs) to diagnose and develop assessment-based treatment plans.** Currently, there are too few diagnosing professionals, leading to a logjam of children who are unable to receive services because they have been unable to secure a diagnosis. Due to a scope of practice exemption, LMHCs, LMFTs, and LPs have been able to diagnose, which has helped combat this shortage. However, the exemption that authorizes them to diagnose is set to expire. Without intervention, the State will see a dramatic reduction in diagnosing professionals, which will result in even more children and adolescents unable to access critically needed services.

- **Support measures in the Executive Budget that move the state closer to holding managed care plans accountable for providing the services they are legally entitled to provide.** CCC supports the Executive Budget proposal to require managed care plans to participate in a competitive procurement process. We also see the value of reducing the number of plans to no more than five in each region, while also recognizing the disruption and harm any changes to managed care can pose to consumers. The State must prioritize the needs of patients in any reform. More generally, the State must dramatically enhance oversight, surveillance, monitoring, and enforcement of the managed care industry, including by re-examining the managed care model contract, to ensure that consumers receive the care they deserve and are legally entitled to.

B. Improve Outcomes for Young Children with Developmental Delays and Disabilities

Decades of research have shown that children's earliest experiences play a critical role in brain development. Intervening in the first few years of life can change a child's developmental trajectory, leading to positive outcomes across health, language and communication, cognition, and social/emotional domains.[v] Early Intervention provides evaluations and services to children age birth to three with developmental delays or disabilities, addressing the unique needs of each child in the home, in a child care setting, or in whatever setting is natural for the child.

Despite the critical role that Early Intervention plays in the lives of young children, New York State's Early Intervention payment rates are currently lower than they were in the mid-1990s, even with the 5% rate increase paid to select providers (occupational therapists, physical therapists, and speech-language pathologists) in the FY20 Budget. As a result of rate cuts in 2010 and 2011, the maintenance of deeply inadequate rates, and administrative barriers, experienced, high-quality EI providers have shut their doors or stopped taking EI cases. The number of billing providers in New York State has fallen from approximately 1,300 in 2018, to 904 in 2020, to 852 during the third quarter of 2021.

The result has been children in certain areas unable to access much-needed high-quality services in a timely manner. Statewide, approximately 17% of infants and toddlers (11,000) deemed eligible for EI services experienced delays in receiving services. Of those who received services, many are only receiving a portion of the services they have been determined to need.

A 2020 report by CCC and Advocates for Children analyzed NYC data and found that deep disparities in access to EI evaluations and services based on borough and neighborhood demographics, and race.[vi] The neighborhoods where children are less likely to be evaluated and receive services are primarily low-income communities of color. Even in neighborhoods where higher rates of eligible children receive services, there are significant racial disparities, with Black children being less likely to receive services that white children.

These results have been born out in statewide data as well. A 2021 report by the NYS Bureau Early Intervention found that children of color face inequitable access to EI services[vii]:

- Non-Hispanic White children were more likely to be referred to the EI program at a younger age than children of most other races and ethnicities.
- Non-Hispanic Black children were less likely to receive a Multidisciplinary Evaluation for eligibility determination.
- Non-Hispanic White children were more likely to have services initiated within 30 days and were less likely to have services delayed by a discountable reason.
- Non-Hispanic White children were more likely to have an IFSP initiated within 45 days of referral and were typically less likely to have their IFSP delayed by a discountable reason.

Given these challenges, CCC is disappointed that the Executive Budget does not direct any funds made available through the recent Covered Lives assessment towards an increase in reimbursement rates. We join the Kids Can't Wait Campaign in urging the state to take the following actions to ensure all young children with developmental delays or disabilities in New York can access the support and therapies guaranteed to them under federal law:

1. Increase rates for all Early Intervention providers and evaluators by 11% to move New York State closer to meeting the needs of all young children in New York with developmental delays or disabilities. To help achieve this goal, the State can use the new Covered Lives assessment, signed into law in December 2021, which requires private health insurance companies to contribute $40 million to the Early Intervention program.

2. Conduct a comprehensive assessment of the methodology used to determine payment for all Early Intervention evaluations, services and service coordination and re-setting rates accordingly (S.5676/A.6579). The state's current method of estimating the cost of providing EI services is not reflective of true costs, particularly in light of inflation rates and new costs associated with telehealth. We urge state leadership to support legislation that would adjust reimbursement rates to accurately reflect the true cost of providing services.

3. Ensure that expansions in New York's child care assistance provide equal access and needed support for families with children with disabilities through enhanced rates and supports for providers serving children with disabilities so that they are not turned away from child care programs.

4. Require that the Bureau of Early Intervention publish an annual report with data by county, disaggregated by race/ethnicity, about referrals, assessments, enrollment, and timely receipt of services.

C. Improve Health Coverage Options for Families and Strengthen New York's Public Health Infrastructure

There are still 154,000 low-income New Yorkers excluded from enrolling in health insurance because of their immigration status. In addition to being a basic human right, health coverage for parents has a direct impact on the healthcare of children. Research has shown that when parents gain health coverage, it increases the number of eligible children who enroll in public insurance.[viii] By expanding coverage options for all New Yorkers, our state can make important strides in improving health outcomes for children, families, and communities. We join members of the Coverage 4 All Campaign in **urging the Legislature and Governor to create a state-funded Essential Plan for all New Yorkers up to 200% of the federal poverty level who are currently excluded because of their immigration status (A880A/S1572A).**

We strongly support the Governor's proposals in the Executive Budget to expand eligibility for the Essential Plan from 200% to 250% FPL, eliminate the CHP premium for households under 223% FPL, and to seek federal funding to change postpartum coverage from 60 days to one year postpartum. Extending the coverage period is essential for promoting the mental and physical needs of new parents and their children, and for addressing inequities in health care access.

However, the Governor's proposal currently excludes 3,500 immigrant New Yorkers from coverage who receive only 60 days of postpartum coverage through the Medicaid for Pregnant Women program. This is a serious and unacceptable oversight; it moves New York further towards inequity and disparate treatment of immigrant New Yorkers and New Yorkers of color. **New York must ensure that immigrants are included in the postpartum extension. Moreover, the state should commit to extending the postpartum period up to three years for both parent and child to help ensure uninterrupted health and behavioral health supports during this critical period.**

Additionally, the Enacted Budget must finally restore the 36% state share for New York City's General Public Health Works program, which is currently reimbursed at only 20%. Though the Executive Budget proposal increases base funding for Article 6 public health across the state, it does not address the progressive cuts the state has made to its share of NYC's program. The Article 6 General Public Health Works program supports a broad range of services that are heavily accessed and relied on in communities that have been disproportionately impacted by the pandemic - including communities of color, Indigenous New Yorkers, and immigrant households, as well as people with disabilities and those experiencing chronic illness impacting their physical and mental well-being. Needs have only increased since this funding was first cut, and we urge full restoration of the 36% state share.

Finally, we urge the state to finally eliminate the Medicaid Global Cap. The Medicaid Global Cap remains an impediment to meeting the health needs of New Yorkers today and in the future. Though the Executive Budget proposes to modify the methodology by which the cap is calculated, it does not eliminate it and therefore does not reverse the state's harmful practice of enacting Medicaid cuts in response to an arbitrary spending limit. Early and consistent investments in children's health

and mental health ensure that children grow up to be healthy, thriving adults, and create the best path towards creating long-term cost-savings across health care and human service systems.

Respectfully submitted,

Alice Bufkin

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