

**TESTIMONY OF
NEW YORK STATE COALITION FOR CHILDREN'S BEHAVIORAL HEALTH**

**PRESENTED TO THE SENATE FINANCE COMMITTEE AND THE ASSEMBLY WAYS AND MEANS
COMMITTEE**

JOINT LEGISLATIVE BUDGET HEARING ON HEALTH

JANUARY 23, 2024

Thank you, Chair Krueger and Chair Weinstein, for this opportunity to submit testimony to the State Fiscal year 2025 Joint Budget Hearing on Health. By way of background, the New York State Coalition for Children's Behavioral Health (CCBH) is a statewide coalition representing children, families, and the behavioral health service providers who support them, with the common goal of ensuring timely access to needed services. Collectively we serve over 200,000 people per year and employ over 14,000 staff.

As you know, the demand for behavioral health services for children and families continues to outpace system capacity. New York's behavioral health service continuum continues to suffer from longstanding systemic issues, including a shortage of practitioners and other service providers, long wait times for services, and a lack of adequate funding to retain staff and create a sustainable system capable of serving all in need. Surveys of providers across the behavioral health system have showed upwards of 20% vacancy rates among service providers, and children are routinely waiting months, even over a year, to receive the behavioral health services they need today. We can and must do better, and we look forward to working with you on improving access to quality care for all young New Yorkers.

We respectfully submit our reactions to the Governor's SFY 2025 Executive Budget, as well as additional recommendations for consideration.

Article VII Policy Proposals

- **Support HMH, Part H** – This proposal would reform the Managed Care sector by establishing a procurement process for Managed Care Plans (MCP) and enhancing the ability of DOH to fine MCPs for violating the model contract. There have been many challenges with the Managed Care system since the transition, including with the claims and payment processes, credentialing, and enrollment. These challenges have directly hindered provider ability to deliver timely care to those that need it most. We support this part and urge further Managed Care reform, including streamlining and standardizing the forms and processes to enroll children in programs and to bill for services, and standardizing the credentialing process among all MCPs.
- **Support HMH, Part M** – Allowing continuous enrollment for youth aged 0-6, regardless of changes in income and re-enrollment paperwork, will ensure timely access to behavioral health services at a critical age of development. Commercial insurance does not cover many of the robust behavioral health services Medicaid does, so ensuring this coverage avoids unnecessary and potentially devastating disruptions to care.
- **Support HMH, Part AA** – This provision mandates that commercial health plans provide reimbursement at the Medicaid rate (or better) for OMH- and OASAS-licensed outpatient behavioral health services. Most commercial insurers continue to pay well below the Medicaid rate for behavioral healthcare, which makes it financially impossible for many providers to fully participate in

commercial markets, thereby significantly reducing in-network services. Many consumers with commercial plans are forced to seek out-of-network care, which is cost prohibitive for so many hard-working families. Enactment of this proposal, along with strong network adequacy regulations from DFS, are essential to building robust networks and ultimately improving access to care in the commercial market.

- **Support and urge improvements to HMM, Part FF** – We support the proposed 1.5% Cost-of-Living Adjustment (COLA) and strongly urge that it be increased to the July 2023 CPI-U of 3.2%. Inflation makes everyone’s dollar go less far, and provider agencies and staff are no exception. Without an annual COLA that is tied to the CPI-U and effectively combats inflation, providers cannot raise salaries to retain staff, and we all agree that our workforce is the backbone of the children’s mental health system. We are facing a severe shortage of staff, especially in direct service, at a time when the need is spiking to crisis levels. A 3.2% COLA begins to recognize the need to pay this essential workforce an appropriate, living wage and supports increased costs related to operations. We also urge that the COLA include all human services programs, including community-based prevention services programs, Health Homes Serving Children Care Management Programs, and community and residential domestic violence programs, as in **Senate Bill S7793**.

Appropriations:

- **STRONGLY OPPOSE** the \$125M Medicaid Scorecard out-year savings from a proposed restructure. The Department of Health stated publicly that they do not have plans as to how such a cut will be implemented or how savings will be achieved. In addition, the total Health Home appropriation is significantly less than in past years, with vague explanations that do not add up. While Health Homes Serving Children (HHSC) were supposed to be held harmless in the SFY 2024 Enacted Budget, DOH subsequently took administrative actions through the implementation of the CANS-NY 2.0 algorithm, which resulted in a \$40M net cut. Through advocacy with the Department, this net cut was reduced, but it will still result in a shocking \$21M reduction to HHSCs statewide this year if no further action is taken. We urge rejection of these proposed cuts, and that HHSCs be held harmless from any funding cuts or restructuring that will mean a de facto rate reduction and services being eliminated for children and families.
- **Support the \$9.6M increase** in funding for the creation of **12 additional Youth Assertive Community Treatment (ACT) Teams** statewide. While additional teams are certainly needed to serve a growing population of young people with severe needs, we must raise that the current Youth ACT Team funding / staffing structure is not sustainable. Adolescents are not just younger adults, and their care requires considerably more contact and coordination with an array of other individuals, including their families, than the adults the model was originally

designed for. Even at only partial caseloads, team members are burning out and leaving not only their jobs, but the behavioral health field. DOH recently submitted a State Plan Amendment seeking CMS approval to provide “flexibility” that is intended to address the issues we have raised. We urge the legislature to secure a commitment from DOH and the Governor that the rate and staffing challenges will be fixed for all teams along with the acceptance of this additional funding.

- **Support the rate increase of \$7.6M for children’s mental health services provided in integrated settings.** We ask that the legislature clarify the scope of settings and providers that will receive the increase, including a breakdown of the percentage of the rate hike by provider type / category. We encourage that integrated OMH/OASAS clinics be included if they are not already.
- **Support** the proposed **5% rate increase** for Early Intervention (EI) services and the **4% EI rate modifier** for rural and underserved areas.
- **ADD \$195M to support Medicaid rate increases for three categories of children’s behavioral health services – Home and Community Based Services, Children and Family Treatment and Support Services, and Article 31 Clinics.** The Healthy Minds Healthy Kids Campaign (HMHK) commissioned a study that found what our providers have said for years: the rates in children’s outpatient services are inadequate to cover costs, let alone support a sustainable system for the future. See the attached one-pager for a more detailed breakdown of the recommended investments that would bring the rates closer to the actual cost of providing care.
- **Support the Governor’s continued commitment to school-based mental health clinics (SBMHCs), and urge increased funding for deeper start-up grants to be provided and that will allow additional clinics to open.** Last year’s addition of startup funding enabled over 100 new clinics to open inside schools, and the Medicaid rate increase was critical for helping to keep SBMHCs operating. Schools are an ideal place to serve children, and we support efforts to increase school-based service provision by community behavioral health providers.