



Testimony of

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Submitted to the
New York State Senate Finance Committee
and
New York State Assembly Committee on Ways and Means

Regarding the New York State Executive Budget Proposals for Mental Hygiene
Fiscal Year 2019-2020

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CCC is a 74-year-old independent, multi-issue child advocacy organization dedicated to ensuring that every New York child is healthy, housed, educated, and safe. CCC does not accept or receive public resources, provide direct services, or represent a sector or workforce. For over 70 years, CCC has undertaken public policy research, community education, and advocacy efforts to draw attention to children's needs so that we can advance budget, legislative, and policy priorities that produce good outcomes for our youngest New Yorkers.

I would like to thank Chairwoman Krueger and Chairwoman Weinstein, and all the members of the Senate Finance and Ways and Means Committees, for holding a hearing on February 7th, 2019 on the proposals related to mental hygiene in the Governor's Executive Budget for State Fiscal Year 2019-2020.

CCC appreciates the Governor's commitment to improving health outcomes for vulnerable New Yorkers. We applaud the inclusion of funding to implement Medicaid redesign and support new children's behavioral health services. We also commend the Governor for additional funds for mental health grants in middle and junior schools, and for strengthening behavioral health parity protections.

However, we also oppose proposals that would weaken the nonprofit human services sector, and we see important opportunities to further strengthen access to behavioral health services for more New York children.

We urge the Legislature to negotiate a budget with the Governor that eliminates cost shifts, and invests significantly more in the programs and services that will produce good outcomes for children and families throughout New York.

Please find below our Executive Budget recommendations related to Mental Hygiene.

Children's Behavioral Health

1) Ensure successful implementation of new behavioral health services for children and adolescents, and provide increased access to treatment, support, and developmental services.

CCC commends the Governor for including \$10.5 million in state funding in the Executive Budget to reimburse providers offering new Child and Family Treatment and Support (CFTS) Services. Medicaid redesign offers an unprecedented opportunity to provide preventive, community-based services that catch problems earlier, before they require more intensive services. The state's sustained commitment to this transition is essential for its success.

Our state's behavioral health system has consistently struggled to meet the needs of children in need of mental health and substance abuse services. Approximately 220,000 of the two million

children enrolled in Medicaid receive substance abuse or mental health services.¹ However, numerous additional families wait months for an appointment with a psychiatrist or child therapist. Parents without access to preventive services are often forced to bring their children to emergency rooms in moments of crisis, or cycle through children’s psychiatric units in New York hospitals. Only a fraction of children with a serious emotional disturbance (SED) receive specialty mental health treatment.²

New York is undergoing a significant redesign of its mental health benefits for children as the state finalizes its transition to Medicaid managed care. Among the most transformative aspects of the transition is the introduction of six new services for children, known as Children and Family Treatment and Support (CFTS) Services. Previously only available to high-needs children served through waiver programs, these services are now meant to be available to all Medicaid eligible children under the age of 21 who meet medical necessity criteria.

At their core, these services seek to intervene early to prevent the need for more restrictive or higher intensity services. These evidence-based services are provided in homes and communities where children and families live. Services are culturally competent and trauma-informed, and must involve communication and coordination with family, caregivers, and/or legal guardians. With these new services, more children and adolescents will gain access to services that help identify needs early, focus on recovery and resilience, prevent the need for higher-end services, and support the child at home and in community settings.

CCC supports the inclusion of \$10.5 million to reimburse providers designated to provide the new Child and Family Treatment and Support services, and urges the Legislature to include this funding in the adopted budget.

CCC urges the Legislature to take additional steps to ensure the success of Medicaid redesign and increase access to new services:

- **Extend enhanced start-up rates for Children and Family Treatment and Support Services beyond the first six months.**

As part of the funding allocated to the transition, providers will receive an enhanced rate for the new services during the first six months after their introduction. At the end of six months, this rate will decrease, before eventually falling to the base rate after 12 months of operation.

This enhanced rate is essential for ensuring a successful launch of new services, providing support for behavioral health providers as they adjust to a new array of services and

¹ Kennedy-Shaffer, Lee and Chad Shearer. “Understanding Medicaid Utilization for Children in New York State: A Data Brief.” United Hospital Fund. July 2016.

² New York State Office of Mental Health. “Health Home Serving Children Implementation Policy Bi-Weekly Webinar.” July 19, 2017.

conduct community outreach. Enhanced rates will cover startup costs, such as adjusting to the transition from fee-for-service to managed care, and covering staff costs during the slow ramp-up period as families and communities become aware of new services.

While this enhancement is important for ensuring the success of the new services, a number of challenges make clear that six months of enhanced rates is insufficient. The original timeline for system transformation has been substantially modified as a result of decisions by the Centers for Medicaid and Medicare Services (CMS). Providers were also responsible for implementing several major reforms in January, limiting their ability to conduct outreach to children in the community who would most benefit from new services.

A recent survey by the NYS Coalition for Children's Behavioral Health found turnover rates as high as 40% and vacancy rates as high as 20% for behavioral health providers. Without enhanced rates, recruiting and retaining providers to offer these critical services will be increasingly difficult.

No additional funding would be needed to continue enhanced rates, provided the budget agreement includes a directive to fully spend the start-up funds.

In order to ensure the state successfully rolls out new CFTS services, CCC urges the Legislature to include Article VII legislation that authorizes the state to fully use available funds to continue CFTSS startup rates beyond the first six months.

- **Add CFTS services to the Child Health Plus program.**

Currently, CFTS services are provided only to children eligible for Medicaid. However, approximately 386,807 children receive their health and mental health insurance through the Child Health Plus program. Extending CFTS services to CHP children would enable the state to reach more low-income children who are not eligible for Medicaid and do not have insurance through their parents, including undocumented children. Adding CFTS services to CHP would require approximately \$2 million in state funding. **We urge the Legislature to work with the Governor to add CFTS services to CHP.**

- **Dedicate additional resources to outreach, education, and training around the children's Medicaid system transformation.**

Children's Medicaid redesign represents a substantial transformation of the children's behavioral health landscape. In addition to the introduction of new services, components include the movement of 1915(c) Home and Community Based (HCBS) Children's Waiver members to Health Homes; the movement of exempt Medicaid services and populations to Medicaid managed care; and the consolidation of HCBS Waiver Programs into a single HCBS array.

As with any major health transformation, there is a need for coordinated outreach, as well as on-the-ground education and training for child-serving agencies. CCC's conversations

with community partners have made clear that more work is needed to educate child-serving agencies about how to navigate these reforms to ensure that children and families do not experience a disruption of services. More work is also needed to educate families and communities about the introduction of new services and how to best access them.

We urge the Legislature to invest additional funding to enable OMH and DOH to conduct enhanced outreach, education, and training to families and child-serving organizations about the children's Medicaid system transformation.

2) Adopt Executive Budget proposals that will strengthen the behavioral health system for children and families.

CCC supports the following proposals in the Executive Budget and urges the Legislature to include them in the adopted budget.

- **Adding \$1.5 million for mental health grants for middle or junior high schools.** Funds can be used to provide wrap-around mental health services, improve school climate, combat violence and bullying, and support social-emotional learning. Up to \$500,000 may be used to support the school mental health technical assistance center.
- **Extending APGs (government rates) for Article 31 and Article 32 providers through March 31, 2022.** Years of underfunding for community-based behavioral health services have left many clinics, including Article 31 school based mental health clinics, and Article 28 school based health centers, on the verge of closure. This proposal will address some of the barriers to clinic solvency and increase access to critical support services for children.
- **Medicaid coverage of Applied Behavioral Analysis (ABA) for over 4,000 children with Autism Spectrum Disorder, including those who have aged out of the Early Intervention program.** The Executive Budget includes \$6.4 million for Fiscal Year 2019-2020.
- **Behavioral Health Parity protections.** CCC supports proposals in the Executive Budget to ensure parity between health and behavioral health insurance. These are important steps towards meeting the mental health and Substance Use Disorder (SUD) needs of children and adults in New York. Funding includes \$1.65 million for 10 new FTEs to help ensure health plans are in compliance with parity requirements. Some of the parity proposals CCC supports include:
 - Allowing for immediate access to mental health inpatient treatment for children under age 18 by eliminating prior authorization for a 14 day stay; Requiring minimum coverage standards; Removing certain benefit limitations; Prohibiting denial of medically necessary care; Prohibiting multiple co-payments per day and requiring behavioral health copayments be equal to a primary care office visit; Prohibiting prior authorization for medication assisted treatment; Requiring mental health utilization review staff to have subject matter expertise; Allowing OMH to review and approve clinical review criteria; and prohibiting insurers from retaliating against providers that report insurance law violations to State agencies.

3) **Reject Executive Budget proposal to defer the statutory Cost of Living Adjustment (COLA) for OMH, OASAS, and OPWDD staff for one year.** For years, the statutory COLA adjustment for nonprofit human services employees has been delayed. As a result, providers have experienced high turnover, challenges recruiting and retaining staff, and difficulty continuing to provide high quality services. A 2.9% COLA adjustment is critical for recruiting and retaining staff in the field and preventing further behavioral health provider shortages. We urge the Legislature to reject the COLA delay.

4) **Improve data collection related to service capacity and provider workforce.**

Among the greatest challenges to determining the impact of the state's transition of children's behavioral health services is a lack of sufficient, comprehensive baseline data on the gap between the number of children who need behavioral health services, and those who actually receive them.

In 2012, CCC conducted one of the few analyses of the gap between the need for treatment slots and the number of treatment slots available for children in New York City. Through our analysis, we found that there were only treatment slots for 1% of children ages 0-4 and 12% of children ages 5-17 who have treatment needs within the three boroughs we examined.³ This analysis underscores the need for detailed, regularly-updated data to identify gaps in access.

Estimates on the gap between capacity and need remain frustratingly sparse, making it difficult to assess the true unmet need within the state. **We therefore urge the state to improve the collection and dissemination of data on children receiving behavioral health services.** By establishing a baseline of children served prior to the transition, the state can better monitor the impact of these large systems changes. This data is invaluable for lawmakers, advocates, providers, and other stakeholders seeking to identify how to best increase access in a strained and under-resourced system.

In addition to the need for more data on children served, there is need for more data on workforce availability. Though we know the workforce shortages are widespread, it is difficult to quantify the extent of the problem without more robust data collection from the state.

Last year, Senator Lavelle introduced S8204, which would have required additional reporting and data collection on health care practitioners. This bill would have required 40 categories of health care practitioners to report information as part of their registration/re-registration process. Reportable information would include the type of setting where the practitioner practices and their geography. This data would help inform the state whether, where, and how behavioral health professionals are practicing, and this bill would have made the data available in aggregate form on the DOH website.

Modeled after a similar requirement for Nurse Practitioners enacted in the 2014-15 budget, this bill would have taken an important step towards tracking and reporting on where services are being provided. **CCC urges support for additional data collection that would help the state identify and address the workforce shortage for children's behavioral health services.**

³ Citizens' Committee for Children of New York. "New York City's Children and Mental health: Prevalence and Gap Analysis of Treatment Slot Capacity." January 2012.

Thank you for this opportunity to testify.

Respectfully,

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