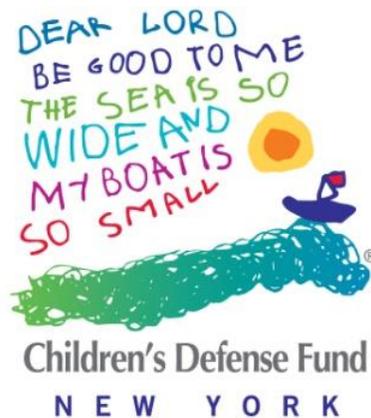


Joint Legislative Hearing on Mental Hygiene
2015-2016 Executive Budget Proposal

February 10, 2015



Testimony of The Children's Defense Fund – New York

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The Children's Defense Fund's (CDF) Leave No Child Behind® mission is to ensure every child a healthy start, a head start, a fair start, a safe start and a moral start in life, and successful passage to adulthood with the help of caring families and communities. CDF provides a strong, effective and independent voice for all the children of America who cannot vote, lobby or speak for themselves. We pay particular attention to the needs of poor children, children of color and those with disabilities. CDF – New York's unique approach to improving conditions for children combines research, public education, policy development, community organizing and advocacy activities, making us an innovative leader for New York's children, particularly in the areas of health, education, early childhood and juvenile justice.

We would like to thank the Assembly and Senate committees for this opportunity to submit testimony on the Mental Hygiene related proposals in the Governor's Executive Budget for State Fiscal Year 2015-2016.

Overview

CDF-NY is committed to ensuring equitable, barrier-free access to physical and behavioral health coverage for New York children and families. Governor Cuomo's Executive Budget proposal takes significant steps to advance children's access to behavioral health care. Specific proposals CDF-NY applauds include:

- Transitioning Child Health Plus reimbursement rates for ambulatory behavioral health services to the more financially viable Ambulatory Patient Group rate.
- \$22.5M in funding to fully implement the children's health home program.
- \$5 M in funding to promote coordination between health homes and the criminal justice system.
- Raising the age of criminal responsibility to facilitate rehabilitation and improve safety and mental health outcomes for adolescents.

We believe these initiatives will enable New York to extend behavioral health care access to its most vulnerable populations. However, CDF-NY urges the Legislature to act to further safeguard children's access to care and more broadly promote greater connectivity to critically needed behavioral health care services. We request that the Legislature:

- Preserve access to comprehensive health care, including behavioral health care services, through school-based health centers.
- Support designated funding to guarantee access to crucial behavioral health care services during the transition to Medicaid managed care.

Child Health Plus Rate Setting for Behavioral Health Services

Inadequate reimbursement rates are a chief reason for the insufficiency of the children's behavioral health infrastructure. On average, providers receive approximately \$67 for an outpatient behavioral health visit for a child covered under Child Health Plus. The APG rate for the same service is approximately \$130.¹ Under the existing rate structure, clinics that provide critical services to a patient population that consists of a larger percentage of Child Health Plus consumers find it more difficult to remain financially sustainable. The proposed increase in reimbursement will enable clinics to better meet the critical behavioral health care needs of children. Connecting children to quality, community-based outpatient behavioral health care improves a child's overall health and social outcomes, while promoting a more

¹ New York State Coalition for Children's Mental Health Services, "Testimony of Andrea Smyth, Executive Director: The Joint Legislative Budget Hearing on Mental Hygiene." February, 2014.

efficient use of care. For these reasons, **CDF-NY supports the Governor's proposal to align Child Health Plus rates for ambulatory behavioral health services with the existing Ambulatory Patient Group (APG) rate as outlined in Part C of the Governor's Health and Mental Hygiene Article VII Legislation.**

Health Homes – Children's Health Homes

The Governor's Budget allocates significant resources for the full implementation of the health home model. Among the included allocations is \$22.5M to implement the children's health home program. The health home model will integrate the medical and non-medical services required to address the full spectrum of need experienced by children living with multiple chronic conditions. **CDF-NY supports the inclusion of this funding.** The care coordination promised by the health home model will facilitate a more efficient and beneficial receipt of health care services. Importantly, the health home model will help better integrate physical and behavioral health care services needed by children. Behavioral health providers will have an increased capacity for retaining children in care as they develop greater connectivity with primary care providers.

Health Homes – Coordination with the Criminal Justice System

The Governor's Budget also includes \$5M in funding to promote coordination between health homes and the criminal justice system. **CDF-NY supports the Governor's allocation to support coordination of care in this way.** Better coordination between the criminal justice system and health care providers and insurers will help secure not only better health care outcomes for justice-involved adolescents and young adults, but also improved social and educational outcomes. Specifically, appropriately connecting youth to services upon release from criminal justice settings helps to encourage successful re-entry, reduce recidivism and maintain public safety.

Raising the Age of Criminal Responsibility

The Governor's Executive Budget includes a proposal to Raise the Age of Criminal Responsibility. New York is one of only two states in the country to automatically charge youth as adults at the age of 16 years old. In 2013, 34,000 16 and 17 year olds were arrested and involved in New York's adult criminal justice system, subject to adult jails and prisons, and saddled with criminal records that negatively impact the rest of their lives. Processing young people in the adult criminal justice system increases their likelihood of being abused, and increases the likelihood that they will recidivate and return to the criminal justice system in the future. The Governor's proposal would raise the age of criminal responsibility to 18 years old by 2018, remove all youth under 18 from adult prisons and jails and provide diversion and other treatment and mental health services to justice-involved youth and families. **CDF-NY supports raising the age of criminal responsibility and believes these important elements of the Governor's proposal will facilitate rehabilitation and improve safety and mental health outcomes for adolescents.**

School-based Health Center Funding

School-based Health Centers (SBHCs) are critical health care access points for over 160,000 New York children. For many students, SBHCs are the only option for receiving comprehensive health care services, including primary care, chronic disease management, behavioral health care services and more. The state has slated SBHCs providers to transition from fee-for-service Medicaid into Medicaid managed care beginning on July 1, 2015. Without careful consideration given to the unique nature of this service

and the vulnerable populations that access it, the transition could threaten the financial viability of SBHCs, causing a potential loss of \$16.2 million in reimbursement statewide, and could weaken the existing school-health infrastructure. SBHCs must be held harmless during this transition to ensure students' maintain access to appropriate, high-quality school-based health care.

Given the already fragile nature of SBHC financing, CDF-NY asks the Legislature to restore funding for SBHCs at last year's level of \$21.2M. The Executive Budget proposal eliminates this discrete funding stream for SBHCs. Instead, funding for 41 health programs would be consolidated into the Maternal and Child Health block grant, reducing overall funding by 15 percent. Under this proposal, SBHCs would need to compete with other programs for Maternal and Child Health block grant funding for less available funding. **Additionally, CDF-NY asks the Legislature to restore \$557,000 in HCRA funding to support core services for children and adolescents served by SBHCs.** *These grants are a critical source of funding accounting for 42 percent of total funding,* allowing SBHCs to provide a comprehensive array of services that promote substantial improvements to children's health. These funding sources allow SBHCs to provide services that may not be typically covered by Medicaid, or may not be reimbursed under public insurance programs because of confidentiality concerns, such as reproductive and behavioral health services.

Children's Behavioral Health Funding

In its current form, the children's behavioral health infrastructure does not have the capacity to meet the high prevalence of need among children. The State plans to bring certain children's behavioral health services into mainstream Medicaid managed care beginning on January 1, 2016. The movement of special populations of children, who currently receive services through fee-for-service Medicaid and/or daily per diems such as children with serious emotional disturbance, developmental disabilities, and children in foster care into managed care, if not handled properly, could further weaken this infrastructure. With the level of service access already so low, children cannot afford to have their behavioral health treatment options limited any further.

The Governor's Budget includes a number of separate allocations for the transition of both the child and adult behavioral health populations into Medicaid managed care. The budget re-appropriates \$20M from last year for the behavioral health transition, including \$6M for provider training, \$12M for health technology for non-Medicaid providers, and \$2M for country regional planning efforts, as well as \$68M for the Balancing Incentive Program managed care preparedness funding and the previously identified \$22.5M to implement the children's health home program, which will be essential to the behavioral health transition.

CDF-NY supports the Governor's inclusion of this funding for children's behavioral health initiatives in his FY2015 Budget. However, we recognize that it falls short of adequately addressing the needs of children's behavioral health providers and consumers. CDF-NY, along with a coalition of children's behavioral health advocates, believes that New York State should set aside at least \$50 million to address critical infrastructure needs that will prepare children's behavioral health providers, by facilitating:

- **Provider readiness;**
- **Workforce development;**

- **A robust benefit package;**
- **Rapid access to acute stabilization services;**
- **Expanded early childhood mental health services; and**
- **Enhanced intermediate levels of care.**

Dedicated funding is critically needed to preserve and, eventually, enhance children's access to behavioral health services. By setting aside funding to support provider infrastructure, the State can help ensure that children's behavioral health needs are met.

Thank you for carefully considering our testimony. If you have any questions or you would like further information, please contact me at aleonard@childrensdefense.org or (212) 687-0642.