BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

JOINT LEGISLATIVE HEARING
In the Matter of the
2010-2011 EXECUTIVE BUDGET ON
MENTAL HYGIENE

Hearing Room B
Legislative Office Bldg.
Albany, New York

February 3, 2010
9:45 a.m.

PRESIDING:

Senator Carl Kruger
Chair, Senate Finance Committee

Assemblyman Herman D. Farrell, Jr.
Chair, Assembly Ways & Means Committee

PRESENT:

Senator Liz Krueger
Vice Chair, Senate Finance Committee

Senator John A. DeFrancisco
Senate Finance Committee (RM)

Assemblyman James P. Hayes
Assembly Ways & Means Committee (RM)

Assemblyman Peter M. Rivera
Chair, Assembly Committee on Mental Health

Assemblyman Felix W. Ortiz
Chair, Assembly Committee on Alcoholism
and Drug Abuse

Assemblyman Harvey Weisenberg

Assemblyman William Colton

Assemblyman Michael J. Cusick

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PRESENT: (Continued)

Assemblyman Mike Spano

Senator Velmanette Montgomery

Assemblyman Jeffrion L. Aubry

Assemblyman Keith L.T. Wright

Assemblyman J. Gary Pretlow

Assemblyman Steve Englebright

Assemblyman Joseph S. Saladino

Assemblyman Michael J. Fitzpatrick

Assemblyman Clifford W. Crouch

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SENATOR KRUEGER: Good morning. We're just waiting a few minutes for our chair, Carl Kruger, to come. But why don't we just start off by welcoming you and doing introductions.

I'm Senator Liz Krueger, the vice chair of Finance. And to my right is John DeFrancisco, the ranker on Finance for the Senate.

And Assemblymember?

CHAIRMAN FARRELL: Thank you, Senator.

I'm Assemblyman Farrell, and my microphone isn't on. Now it's on.

And I've been joined by Assemblyman Cusick, Assemblyman Spano, Chairman Rivera, Chairman Weisenberg, Chairman Felix Ortiz, Chairman Jeff Aubry, Chairman Bill Colton, and Mr. Hayes, who is the ranking member.

And now here he is, the Senator.

CHAIRMAN KRUGER: I apologize. Us from the city, we're not used to cleaning our cars off so early in the morning.

Good morning, everyone. Pursuant to

the State Constitution and Legislative Law, the fiscal committees of the State Legislature are authorized to hold hearings on the Executive Budget proposal.

Today's hearing will be limited to a discussion of the Governor's proposed budget for the mental hygiene agencies, including the Office of Mental Health, OMH; the Office of Mental Retardation and Developmental Disabilities, OMRDD; and the Office of Alcoholism and Substance Abuse Services, OASAS.

A period following the presentations will be allowed for questions from the chairs of the fiscal committees and other legislators.

We'll begin with testimony from Commissioner Michael Hogan of OMH, followed by testimony from Commissioner Ritter, of OMRDD, and Commissioner Palumbo, of OASAS.

Joining us this morning are our vice chair, Senator Liz Krueger --

SENATOR DeFRANCISCO: We already did that.

CHAIRMAN KRUGER: Oh, you did it already. See, I'm always a step behind.

Thank you again, and good morning, Commissioners.

COMMISSIONER JONES RITTER: Good morning. Good morning, all. And a special thanks to you, Senator Kruger, and Assemblyman Farrell, Assemblyman Rivera, and Assemblyman Ortiz. And we know that Senator Morahan will not be here this morning, and we will miss him.

But we're really delighted to be here with you and all of the distinguished members of the Legislature, colleagues, advocates and all of the guests that came this morning to hear our testimony.

I would like your permission to reorder our presentations. I drew the short straw this year; I get to go first. We would like Commissioner Carpenter-Palumbo to go second, and we save the rank for Commissioner Hogan, of Mental Health. Is that acceptable to you?

CHAIRMAN KRUGER: Without a doubt.

CHAIRMAN FARRELL: Yes.

COMMISSIONER JONES RITTER: Thank you. Thank you very much. I'm delighted to be here with my colleagues as well. And I want you to know that none of us are going to read our written testimony that we have submitted, and it does include much detail and many descriptions of all of the things that we've accomplished this year, including the details of the budget and what we expect to achieve with the proposed budget in the next year.

So we're going to just spend a little time each highlighting some of the key areas of our testimony, if that's acceptable as well. We expect that we'll go and do our presentations and then we'll be open to your questions, if that's okay. Okay.

First off, I'll just do some overarching comments for all three of us.

And first, we all three agree that the Governor's Executive Budget really does demonstrate his commitment to the individuals and families that are served by

all three of our agencies, particularly in the context of this very serious and continuing fiscal crisis.

You know, we'll soon be ending one difficult fiscal year of gap-closing activities and moving into another very difficult fiscal year in 2010-2011, with a projected state budget deficit of $7.4 billion, and the projections from the Division of Budget over the next five years are $60 billion. So while our agencies have not escaped the adverse impact of the state's financial crisis, we are all really poised to exhibit the leadership and the vision that we think is necessary to see our agencies through this very difficult time and to stay on course with the objectives that you've endorsed over the years and that we feel passionate about.

The Governor is committed to rebuilding New York's economy to a national model of innovation and strength and to rebuild the people's trust in the fiscal viability of our state and the stability of our state.

And what we want you to know is that we will contribute our share collectively and individually.

I think collectively the three of us believe that you will be pleased to know that we're really joined at the hip on a number of cross-system collaborations. Karen and Mike, in my opinion, have really raised the bar for interagency collaboration on the outstanding work they've done on co-occurring disorders. They have really done an outstanding job on that. I know one of them will speak to that as we go forward.

We have also been working with our sister agencies in advancing New York State's first comprehensive Children's Health Plan. And that began with the leadership of Commissioner Hogan on a children's mental health plan.

In addition, we are advancing the intent of Olmstead via our work on the Most Integrated Setting Coordinating Council, also known as MISCC. We have a plan, or New York State has a plan for the first. And

that is a council that I chair.

And also we have really improved and we have more productive relationships with the county mental hygiene agencies, with Commissioner Carpenter-Palumbo as the chair of the IOCC. So you'll find the details of those collaborations in our written testimony. But we do want you to know and recognize that we are working together, we're having measurable outcomes and making significant progress on cross-system initiatives.

So now let me start the clock with my OMRDD hat on.

OMRDD's mission continues to serve as our compass. And putting people first is really at the heart of everything we do, all the choices that we make. We do this and we offer supports and services to over 125,000 individuals with development disabilities and their families -- and that includes approximately 45,000 children under the age of 22.

And we do this with four outcomes in

mind, four outcomes that we've heard from families and self-advocates that they really want us to focus on. One is living in a community in a home of their choice. Another is working or engaging in activities that contribute to their communities and personal growth. The other is enjoy meaningful relationships and maintaining good health.

But these are not just words. We help people live better lives. There are two people here today who are living, breathing examples of those living lives of distinction due to the work that we have done to assist them to this point.

First let me tell you about John. John is a 30-year-old man who in the past was served by a state-licensed school and briefly by state and voluntary residential providers. In those settings, he matured and he learned new skills. In recent years, John has participated in the Everyday Heroes Program, and he's also volunteered in the Capital Region Food Pantry.

John recently moved into a home in a community, and he's closer to his family. He's enjoying his new home, his housemates and his recliner in his own bedroom. He attends a day habilitation program, enjoys shopping at the mall, he walks to the golf course in Troy, and on Monday night he goes to the disco.

So John and his family are happy with their life changes. And I'm really pleased to acknowledge John, who is here today in the audience. John?

(Applause.)

COMMISSIONER JONES RITTER: And John is not shy.

(Laughter.)

COMMISSIONER JONES RITTER: We also have Abigail. And after an earlier effort for a support plan failed, Abby and her friends, what we call a circle of support, met with the staff from Rensselaer ARC Innovation and Design Department to develop what we call a person-centered plan. And although she'd been seeking a 24-hour

supervised group home, her new life plan turned out to be a budget around a shared apartment in her hometown, residential habilitation during key times during the day, and a paid neighbor to pitch in when the staff are not available.

Abby works at the local Price Chopper as well as the dollar store. She's a very hard worker. She'll soon move into her new apartment, she's buying furniture, and she's really looking forward to her new life.

Abigail, would you stand and say hi?

(Applause.)

CHAIRMAN FARRELL:

COMMISSIONER JONES RITTER: Thanks, Abby.

So our budget really supports people like John and Abigail and real people with intellectual disabilities. But our budget supports people with very complex medical challenges and very difficult behavioral challenges and a full range of diagnoses. We're supporting, like I said before, 125,000 individuals, and they all have

different abilities, they have different dreams and different life plans.

You know, we've been really good at OMRDD, I believe, in listening to the voices of advocacy. You know, we have lots of opportunity to hear from families and parents, our voluntary agency partners, self-advocates and other stakeholders. So I'd just like to take a minute and summarize four key areas of what I've heard from those voices and how this budget responds to it.

Our constituency was most concerned that the 2009-2010 budget did not include a trend factor. And the feeling was that the trend factor is really critical and essential to recruitment and retention of a qualified workforce. And this budget, I'm very, very pleased to say, not only includes a retroactive trend for last year, it includes a new trend factor for 2010-2011. And we're absolutely delighted with that.

It also includes some resources to enhance healthcare benefits. So we heard the voices, and the recommendation is in

this proposed budget.

Many parents who are aging and who are caring for their loved ones at home are really concerned that they will not know how their loved one will be cared for when they're no longer able to do it. I hear this everywhere I go. And they are concerned that there aren't enough bricks-and-mortar group homes to meet all the demand on our waiting lists. And there's even a rumor that we stopped developing group homes altogether and that there are no new resource for New York Cares. Neither is true. This budget funds 530 new New York Cares residential opportunities, including group homes. And we actually expect to serve over 1300 people with these resources, and using the back-fills and the vacancies that we have. So it's really true.

And you will hear, I'm sure, over the course of the next several months that the scope and pace of what we have been doing has changed due to the fiscal situation.

That is true. But we have slowed, we are not stalled.

In addition, this budget provides additional resources for resources for family support services, mostly crisis intervention and respite services. It includes more resources for at-home residential habilitation, including intensive supports for people who have loved ones at home that have very challenging behaviors. It includes resources for young people transitioning from school to adult services. And it also includes resources for supported employment, which continues to be one of my top priorities.

In fact, in total, this budget will support over 6900 individuals with new services. And I think that's very good in this fiscal environment.

The third piece is that there's a real high demand for individualized and customized services. And we are moving in a direction of person-centered plans for everyone in our system, regardless of where

they live and where they spend their days and regardless of their diagnosis or disability level. We really believe that person-centered plans will allow us to meet the needs of the individual and also in a more efficient way.

So we're continuing to develop group homes, but we're also trying to balance our system by developing more opportunities that provide more flexible individualized supports. And we have introduced a portal project which is really just a way of expediting, streamlining, and the improving access to individualized services. So we continue to balance our system, but not at the expense of one support or the other.

And the fourth and final area is that advocates continue to be concerned about individuals who are still living in institutional settings. One of the first decisions I made in my administration -- and that the Governor and you supported, thank you very much -- was the closure of our Western New York DDSO. And this budget

makes it happen by the end of 2011. We're really thrilled with that.

And you know New York State has been a leader in deinstitutionalization. From, you know, more than 27,000 people in institutions 30 years ago to less than 1500 today, that's extraordinary commitment on behalf of all of you and on behalf of New York State.

So this budget actually allows us to, what I say, complete our commitment to the individuals living in developmental centers. It includes resources for 400 individuals to move into the community. And it also includes the resources -- and they will be there -- for the staff who support the individuals to move into the community with them. It's a win/win. It's a win/win for maintaining the meaningful relationships between the staff and the individuals, and it's a win/win for the staff for continuity of employment.

And OMRDD has been very good about that, and we're pleased. So with your

support, New York State can finish its commitment to people living in developmental centers by closing all of them over the next several years.

Now, our budget isn't all roses. You know I have to throw out what the challenges will be, and I'll do that briefly. But the budget requires OMRDD to really meet the Governor's challenge of structural reform and recurring efficiencies. And since the writing is on the wall regarding controlling the rate of growth in Medicaid spending, we really do have to take giant steps forward, looking closely at investments, utilization, and expenditures and how they really measure up to the outcomes that we're achieving for people.

Efficiencies will require innovation and looking at partnerships, shared services, reducing costs, looking at every expenditure, capitalizing on natural supports, and really restructuring how we deliver the services. For me it means the right individual gets the service in the

right place, they get the right opportunity, and always at the right price.

So the greatest challenge in our budget is the restructuring, reform and streamlining of our rate and price-setting methodologies in such areas as day habilitation -- which was actually enacted in the budget last year by you -- Medicaid service coordination, and we're going to be looking at our residential habilitation services and our supervised individual residential alternatives group homes.

In addition, we'll be seeking greater efficiencies in administration of family care. I have challenged my staff and I've challenged my voluntary agencies to really identify and implement cost savings under three conditions. One, that there's no impact on health and safety. Two is that we minimize the impact on current services. And three is that we really make these choices and push efficiencies that really result in improved outcomes for the people that we serve.

And this is the most difficult part of my budget, and I'm sure you're going to hear more about it. And I tell you I will be monitoring very closely the impact of those efficiencies.

On the state side, we'll continue to be aggressive about reducing spending and without layoff of staff. In fact, due to our state-operated community development, we actually have a net increase of 89 staff on the state side.

So the written testimony gives you much more detail, but I want you to know that we're going to continue to improve our system. We're going to continue to improve our quality management. We have lots of improvements in fire safety. We're going to continue to implement our autism platform. And we will launch the initiative of Talent 2020, which is going to really help us to leverage the actions of today so we have the workforce for tomorrow.

So in conclusion, the Governor's budget recommends a total of $4.8 billion for our

agency. And this budget really allows us to preserve the base of core services with efficiencies that I talked about. It allows us to support some new people. And it really allows us to make advancements in our system without compromising our mission or vision or our values.

And I really do look forward to working with you and working with your staff as we go forward, and understanding both the opportunities and the challenges. And I really want to thank you for the budget that you enacted this year, because we were able to serve almost 8,000 new people.

Thank you. And I'm going to turn it over to Karen Carpenter-Palumbo.

CHAIRMAN KRUGER: Thank you.

CHAIRMAN FARRELL: Thank you.

COMMISSIONER CARPENTER-PALUMBO: Thank you. Well, again, good morning, Chairmen Kruger and Farrell and the distinguished members of the Legislature. It's good to see you again, as we've spent a lot of time together. And I hope you'll see and I hope

you'll conclude that we're all doing a great deal of good work together.

It's good to be here to present, now for the third year, the Governor's Executive Budget. And it's always an honor to be with Commissioner Hogan and Commissioner Jones Ritter. We do, as we promised you on our first session with you that we work collaboratively, we work very hard, we work very diligently.

We sent you in late December the IOCC, Interagency Coordinating Council, list of accomplishments. We sent them via email, I may add. And they're available on our website. But it does list the accomplishments that we have worked so hard together to benefit the New Yorkers we served and it's an honor to continue to serve, as we do with our other sister agencies. And the Governor's mandate is collaboration to improve the life of all New Yorkers.

As Commissioner Jones Ritter said, the Governor's Executive Budget really

institutes key reforms to put New Yorkers on the road to economic recovery. And I think it simultaneously reflects his commitment to continuing the services that are so critical for the New Yorkers that the three of us serve.

In the OASAS environment, we know that the need is great. And we know that the need for addiction services continues. Addiction services are needed for one out of every seven New Yorkers. I think Commissioner Hogan and Commissioner Jones Ritter could recite that as much as I do, because that's how important it is. That is 2.5 million New Yorkers in need of addiction services. And, ladies and gentlemen, I don't want you to ever forget this picture, because somebody said this to me yesterday. This is enough people to fill the new Yankee Stadium fifty times over. Fifty times over. That is the need we have for addiction services in the State of New York.

And it's very startling, but you need to know we're doing everything possible we

can to make sure that we do three things. We improve access so that people have ready access to addiction services for prevention, treatment and recovery; and that we offer people the highest quality of care, gold-standard treatment that you could get for any chronic illness; and that we improve the overall outcomes, which means helping people to lead a life of long-term recovery.

That's our goal. We are one of the nation's largest addiction service systems. We serve 110,000 New Yorkers every day in 1550 programs in each one of your districts. We have a workforce of over 35,000 paid and unpaid staff, which includes nearly 8,000 credentialed prevention and treatment employees and professionals.

And our mission remains the same as it was when we first came before you, which is to improve the lives of all New Yorkers by leading a premier system of addiction services through prevention, through treatment, and through recovery.

And as I said, our goal is clear:

Increase access this year, ensure a gold standard of care, and improve outcomes for the long-term recovery. And we believe Governor Paterson's budget does just that. It hasn't been easy. It's been very difficult. We have many late-night sessions, as we all know, with our staff, trying to ensure that we can meet the fiscal challenges. And I believe we have.

We've streamlined agency operations, and we continue the necessary support for the infrastructure, for our core prevention, core treatment and recovery services. This year to your budget is an increase, because the Governor has shown his commitment to a number of initiatives, certainly first and foremost which is the expansion of clinical and residential services to support drug law reform.

We also have provided operating dollars for residential beds that have been authorized in previous budgets and those that are coming through grant dollars and additional federal programs that are coming

to this.

The budget has allowed us to continue our core programs. And you'll hear it over and over again: Prevention, treatment and recovery.

In prevention, this year we have authorized prevention guidelines -- first time it's happened in 15 years -- to make sure we are using evidence-based, cost-based strategies to ensure prevention works. We have also authorized and provided dollars for five regional prevention resources, in Batavia, Syracuse, Orange County, Rochester and Manhattan.

We continue to also provide -- which is becoming, still becoming one of the new-faced addictions, which is gambling. And we're continuing to support 41 gambling-prevention programs. Because gambling, as I've said to you before, is where addiction for drug and alcohol was about 15 years ago. It's growing, it's in need of services, and it is the oversight of OASAS to make sure we provide the same

prevention, treatment and recovery services for the addiction of gambling.

In treatment, we continue to provide and to ensure that in this budget there are no program treatment cuts. There are no program treatment cuts. We know that those 110,000 New Yorkers need the highest level of care for treatment, and we've provided it and the Governor has provided it in this budget.

We also have ensured that we have continued significant managed addiction treatment services and case management programs for those that are continuously going through the revolving door. And we have made sure that we can follow them and provide over $6 million in five counties that are having the highest rates of improvement in Orange, Suffolk, Dutchess, Westchester and Erie counties.

We will continue to provide the ongoing development and dollars for over 350 residential beds to support the high-priority populations that you have

worked with us on: 100 additional beds for veterans, 100 additional residential beds on Long Island, and 100 additional residential beds in upstate New York to ensure we have those services available for the people when they need it and that they don't have to wait for care.

I think, as you'll see as we continue to move forward, recovery remains one of the top priorities for this agency under the Governor's review and oversight. This year, as many of you know -- and certainly Felix and others were there -- we had over 10,000 people in Brooklyn in September, you know, shouting recovery, identifying themselves sometimes for the first time that they were in fact in recovery and proud of it. And that is the constituency movement we need in New York State.

And I was so thrilled yesterday to attend the first rally of its kind -- as you did, I believe, Assemblyman Ortiz, yesterday -- for Friends of Recovery for New York, where they had 200-plus people for the

first time advocating as consumers in what they wanted, not only for the Legislature but for prevention, treatment and recovery in the State of New York. And it was a landmark event, and I was thrilled to be there.

In addition to recovery, the Governor has awarded over $5,000 in operating funding to establish the first three recovery community centers in Brooklyn, Rochester, and Oneonta. I'm from there, I should get that right, Oneonta.

And I think it's important to note that successful long-term recovery -- and this is something we've always tried to educate folks on -- is more than just abstinence, but it is where I live and it is what job or education I have. So we're thrilled and we look forward to inviting you all to the opening of those recovery centers in early April.

In addition, we have authorized in this budget request for proposals for a statewide organization to provide seed money for a

true community organizing initiative. Again, it has never happened before in the State of New York. So we're thrilled that the Governor put dollars for this year to ensure that that happens and it is authorized. And I hope you will continue to support that for the next five years.

So as we continue to look forward and look at housing and look at vocational services and look at our residential treatment programs in outpatient and other settings, we know one of the crucial factors we have is to ensure that the staff we have remain intact.

And what we know in our field, especially in the behavioral health field, one of the additional -- in addition to the budget items that are in this particular Executive Budget, we also want to point out a very critical issue regarding the exemption of certain licensing agreements for social workers and other mental hygiene professionals. We need you to pay attention to that on all three of our behalfs, because

failure to approve this extension would generate extensive costs to our field and really endanger more than 20,000 public and private jobs.

We have specialty behavioral healthcare service professionals, certified alcohol and substance abuse counselors, particular addiction vocational counselors. We all have important titles that need to remain, and we encourage you to look at that.

Obviously these are difficult times that have impacted our agency. And similar to Commissioner Jones Ritter, we in some cases have had to slow down some of our efforts. We have deferred -- not canceled, but we have deferred additional resources going to gambling-prevention programs. We had originally wanted to authorize more recovery centers; we can't. And the COLA was not able to be taken into account in this budget period. Those are difficult, but we know that this is what we had to do under the Governor's direction to in fact balance the budget.

In addition, there are no funds in this budget to offset the $22 million cut by the federal government in the Safe and Drug-Free School Program that provides additional prevention in schools and in local communities, so you need to be aware of that.

I also want you to know, and I think we often don't talk about that, that our state agency operations have been significantly cut. And in fact, the OASAS workforce has been cut by over 10 percent. We have additionally eliminated the use of all temporary service personnel. We have reduced the travel in OASAS by 25 percent. And we've eliminated all nonessential nonpersonal service expenditures.

We have strictly adhered to, and I think I can speak on behalf of all of us, to the Governor's directive to fill only health, safety, revenue-generating or mission-critical positions. And I have to be honest with you, the staffing level at OASAS is now what it was in 1992 when we

first created OASAS. So we are doing more and more and more with less. And I know you appreciate that, but I hope you do. Because we still, even with these reductions and even in these difficult budget times, we are -- and I am very proud to say that we as an entire field are moving forward in providing the highest-quality services of the prevention, treatment and recovery.

And we do that in a very organized way. We have organized the entire department in five strategic destinations, around mission, around provider engagement, around leadership, around talent management, and clearly around financial stewardship. First and foremost, in mission, you know, as you know, drug law reform now is fully operational. You know, it's fully operational in diversion, in programming behind -- in the prison system and in reentry. We add to it every day. We serve people. We have provided over $13 million for outpatient assessment and clinical case management services. We are expanding

residential treatment capacity as we need it. It's ready to go.

Through $18 million in federal stimulus money, our budget also includes support for four reentry programs at Orleans, Bayview, Hudson, and Edgecombe Correctional Facilities. The Division of Criminal Justice Services will also be releasing a report shortly to show the evidence of drug law reform and how it's impacted our entire state and system of care.

In addition, we've provided more housing to support scattered-site permanent supportive housing. We are no longer building, we are purchasing, through rental subsidy, apartments in buildings so people that we know are in recovery have those support services -- not in, you know, hundreds of people in one residence, but 10 in each residence and 10 in another residence.

And when that individual is able to support themselves, we don't ask them to move, we ask them to pay for the apartment

they're in so we can take that rental subsidy and move it to somebody else in need. That is the wave of the future, and we're really proud of that. And as a matter of fact, we're getting much national attention on that because it's a new way of doing business for housing, certainly for those in recovery.

We were also, as you know, the first in the nation to ensure that our system of care of over 1550 providers went tobacco-free. I am thrilled to tell you that more than 80 percent of our current program providers are now in compliance with that tobacco-free policy.

Again, was it easy? Absolutely not. But the facts were clear: 92 percent of those, you know, with an addiction smoke. And it is a linkage to their ongoing addiction. If we did not stop it and provide for -- assist them in their health and well-being, we were not answering their entire challenge for recovery.

And I am thrilled that our field, in

this landmark policy, has been going forward. And again, we are getting international requests on "How did you do it in New York?" And that is New York. We are the leaders. You know, we try to be, we try to work hard on your behalf and every New Yorker's behalf. And we're thrilled to be able to provide that information to people across the country and internationally.

The engagement with our providers, again, a critical destination for us. We need to develop the gold system of care. We want you to be proud, just as you look to understand where you should send your daughter, your husband, your wife to get the best cardiac surgery, we want you to also know where you can get the highest level of gold-standard care for those with an addiction.

And we are again, I have to say, the first in the country to provide scorecards for each one of our programs in elements that they measure themselves among their colleagues and peers on retention and

outcome, and we can determine where some of the needs are based. We don't come in and sanction them, we come in and give them toolkits to improve the system of care so you can have that knowledge that you have evidence of what may happen to your son, daughter, wife, sister, brother. And we're thrilled about that.

And again, I think they will be -- just as any chronic illness should be, they are going to be available to the public in the upcoming year to make sure that you have that information and any consumer has that information available for prevention, treatment, and recovery services.

We've also embarked on what I believe is an important community-based solution. Healthcare is local, we know that. Behavioral healthcare is local. So we have given information to counties and local nonprofits and individuals in recovery on a particular county. And this is available to all of you, and it appears on our website.

We have given them all the information

of who they have in need of those 2.5 million New Yorkers, how many people are in need in their community, how many people they are in fact serving, and given them exactly how much they are spending on those services. And we've said to them: You know what, we want you to improve access, we want you to ensure the highest quality of care, and we want you to increase outcomes. How do you want to do it? How do you want it do it within these dollars that we have, that we have available?

And when we go around, as I go across the state and provide that information, it's empowering. And that's exactly what we want. And our job is sometimes to get out of the way with regulations and with other guidelines that we may have that limit their flexibility. So this is about those three I's of improving access, insuring quality, and improving outcomes with flexibility. And we have done it, continue to do it, and we encourage every county in the state and region to continue with that.

We're also part of a national program where we're talking about a hundred walk-throughs in a hundred days. We need to do this with all our programs. What's it like when you first walk into a program? What do you see? Is it welcoming? You know, people with an addiction, as with most chronic illnesses, they will use an excuse or many excuses not to do what needs to be done. So if that environment when you first walk in the door is not welcoming, you know, it needs to be.

And so we have had over a hundred providers -- we wanted a hundred walk-throughs in a hundred days. We have a hundred providers that have already committed in 50 days to look at their own program and assess it differently. You know, be the individual coming through. What does it mean? How am I treated? Just to see if we're providing the best access to services that we possibly can.

And we're thrilled about that. And we already have another -- you know, we're

looking now for the next hundred. So our field has come forward to say, you know, we're ready to serve and we want to make sure that we are the gold standard of care.

As we move forward we also, clearly, we don't call the people that work in our field the workforce, we call them talent. And we need that talent. And we know that we are a profession of choice. It's not just a happenstance that you come in the field, we want to be that field that attracts, retains and develops talent.

And of that 35,000 workforce, we need another 10,000 today. We need another 10,000 today. But we need quality individuals that are trained. And we're providing that service, as we have 4,000 people in training to be certified alcohol and substance abuse counselors right now.

We in fact are so committed to being a profession of choice, three of our addiction service providers have been named Best Places to Work in New York. Not often do you see that in the human service arena, but

we have seen it. And that is a marker in business that this is an organization, this is an employer that cares about the people that work for them, and they will do anything possible to recruit, retain and ensure they are offering the best-quality services to the employee as well as to the individuals we serve. So we're thrilled about that.

And the last but certainly not the least of our destinations is financial stewardship, how can we create a system with the strongest return on taxpayer investment. And we now are developing a new Medicaid reimbursement system for outpatient services as part of our overall effort to create a recovery-oriented system of care. And this methodology, very similar to what Commissioner Jones Ritter said, is to make sure that we have the right services in place for the right people at the right time so we can help them to long-term recovery. Help them. Not do it for them, but help them achieve long-term recovery.

And everything that you see in the Governor's budget we believe supports that. The Governor is personally committed and certainly professionally committed to ensuring the delivery of prevention, treatment and recovery services in this state. And I think and I hope you see through the collaboration and innovation and absolute dedication of all of us working together that the challenges of those 2.5 million New Yorkers, of that new Yankee Stadium 50 times over, is being met today and will continue to be met this year and many years to come.

So thank you. And I believe I'm turning over to the distinguished Commissioner Hogan.

COMMISSIONER HOGAN: You just say that because I'm older than you are.

COMMISSIONER CARPENTER-PALUMBO: Yes, I do.

(Laughter.)

COMMISSIONER HOGAN: Thank you. And good morning, Chairs Kruger and Farrell and

Rivera and Ortiz and all the members. We're happy to be here with our colleagues who have already reinforced many of the points that I'd like to make.

I'll also try to go through my written testimony just touching on a couple of high points, because I know you'll have many questions.

My testimony starts by illustrating, as Commissioner Carpenter-Palumbo has done, the significance of these issues. Some kind of mental health problem touches one in five New Yorkers every year, and it hits one in 10 hard enough to cause problems in family life or home or school.

There are many barriers to getting care. On the bottom of page 1 of my testimony, there's a little picture that illustrates that. It's hard to recognize there's a problem. A lot of people don't get care because they're afraid, frankly, of the downside of getting care, of being stigmatized for seeking it.

If you jump those hurdles, there are

hurdles of where to find and access that care. There can be insurance problems that you have significantly started to address with making Timothy's Law permanent in this past year, which I really appreciate.

The costs of mental illness in our society are greater than the costs of cancer, they're greater than the costs of heart disease. But unlike those other areas of healthcare where the costs are for treatment, the costs in our arena are disproportionately the costs of people not getting treatment. And they're represented by lives lost to suicide, excess use of other healthcare services, incarceration, homelessness and disability payments, for example.

Page 3 of my testimony has kind of an illustration of the mental health system which goes to several key points to keep in mind. One is how the system that OMH operates really is a safety net. Many people, if they think they have a problem, will start out by going to their family

physician, or they might see a private therapist if they are lucky enough to have coverage. Only a minority of people come through that system and fall into, in effect, the safety net that we operate. But that system touches 650,000 people every year.

I want to just hit quickly on a couple of dominant issues and challenges that we're working on before I turn it over to you for questions. One of those has to do with the very challenging problem of sustaining access and in fact increasing access to our hospitals while maintaining quality.

There's a map of these hospitals on page 5. This is a big healthcare system -- as many hospitals as the Columbia Presbyterian network, almost as many beds as the LIJ network -- and we run it within the constraints of government. I'm pausing there just because government has a lot of constraints, and providing quality healthcare within these constraints, particularly in tough times, is

exceptionally challenging.

We've made progress. In the last two years, from 2007 to 2009, we actually were able to increase the number of people we were able to admit for care in our hospitals by 40 percent. And I think that was important, because access to care when you need it most is critically important. And we did that at the same time while reducing costs, reducing overtime expenditures, for example, very substantially over that same period of time.

But maintaining quality is an exceptional challenge. I just asked recently to get a sense of this, because we're concerned about quality, we're concerned about the quality of leadership we have across the board. And I discovered that OMH is down 20,000 employees in the last 20 years, from about 36,000 to about 16,000. That's a lot of loss of talent. That means we haven't been able to hire from the outside as we would have liked to.

So we are working exceptionally hard

within the limits of the state system to sustain that quality. We do think we're vulnerable in that regard, but it's a major effort.

The second major challenge that I want to touch on are our efforts to reform models of care and the quality of care in outpatient clinics. You authorized us in last year's budget -- which we appreciate -- to go forward and implement an approach. Your authorization I think was based on a sober reading of problems that existed in outpatient clinic care, where access was dwindling.

A report that you commissioned in 2007 documented the inequities in payment for different levels of clinics, where a clinic on one side of the street might be reimbursed $100 for a visit that the clinic on the other side of the street is paid $300 for, while at the same time that reimbursement system wouldn't distinguish in payment between a payment made for a doctor and a payment made for a brief counseling

session.

This problem also is of long standing, in that the way we do it in New York frankly isn't in line with federal expectations either with respect to Medicaid or with respect to billing. So we've worked very hard and collaboratively over a number of years to design a program for our clinic reimbursement which we expect to go forward within the next few months.

This is phased in very slowly over a four-year period of time, which we think will provide time for providers to make the adjustments that are needed. We have created a work group with providers and other advocates to monitor the impact of the phase-in so that we can make the necessary midcourse adjustments.

One of the challenges that our providers support that we in fact agree with and are sympathetic to is that our payment system covers fee-for-service reimbursement for people going to a clinic, but people in managed-care plans are subject to the

recoupment offered by those plans. So we've been working carefully with our colleagues in the Department of Health and have a commitment we believe that will be finalized within the next few weeks to set a floor, in effect, for what the responsibilities of health plans are for mental health care -- which is frankly necessary in terms of our overall success.

I want to briefly mention two other issues that I know you are concerned about. Commissioner Jones Ritter has already mentioned our progress in developing the Children's Plan, the first Children's Plan across all of our agencies. We don't call it the children's mental health plan because children with these challenges are in all of our agencies and many others.

Obviously, moving to implement that plan in a time of such fiscal challenges is very difficult, but we're making good progress. We're working particularly on two issues that I'll just mention. One of those has to do with collaborations with schools,

particularly with urban schools that face the greatest challenges of children with behavioral problems. And these are challenges which, make no mistake about it, must be addressed before you can get to reading and writing and arithmetic. It's the behavioral challenges that are the driving reason for school dropouts and so on.

So we're invested in efforts to try to learn from the best of what's going on locally, including a program in Senator DeFrancisco's hometown, in Syracuse, that is going to raise the standards for instruction across the whole Syracuse City School District, with the support of the university and with our involvement to try to line up the mental health supports that young people need.

And a second thing that's a great priority is to work on providing some support to pediatricians, who actually do more mental health business than mental health professionals do, and for whom mental

health visit are the dominant visit that they have every week of the year, frankly, except for the flu season.

But they need more reliable help to be able to reach, for example, a child psychiatrist on the phone to get an opinion or a backup with respect to what they might be thinking about, or to get a referral for care. And we hope to put a network like that in place within the next couple of years.

The second and perhaps final issue that I'll mention has to do with our efforts to work on challenges in housing. As Commissioner Carpenter-Palumbo said, it's very similar if you're wrestling with the challenges of addiction or mental illness. If you don't have a safe, decent and affordable place to live, recovery is going to be exceptionally difficult.

And we face a problem in New York in that in all of downstate New York, rental housing is more unaffordable to low- and very low- income people than anywhere else.

A study has just been completed in New York finding an erosion of 40,000 affordable housing units over the last five years. And these are housing units that are affordable to people who have half of the city's median income. That half of the city's median income, about $25,000, is three times as much as you have for rental if you live on SSI.

So we are continuing to work very hard to sustain and develop housing. And one of the reasons why I mention that is that the Governor's budget -- which I would describe overall and with respect to us as tough but fair -- the Governor's budget takes on structural challenges that the state faces. But interestingly, with respect to all of our agencies who serve probably some of the neediest New Yorkers, the budget sustains essential supports. And while in this budget there's almost no new programs, one of the things that does exist is an increased level of expenditure for those housing programs that are just now coming

online and need these resources to be able to go forward.

So I mention that partly because of the importance of the housing issue and partly as an indication of the necessity of supporting this budget.

Just a couple of things about the budget itself, and then I'll close. It's very lean. We've accomplished very significant reductions in anticipated spending over the last couple of years. As one example of that, we're down, in OMH, 900 FTEs from our employment levels of less than two years ago. Which frankly may be down a little bit too much. But we've achieved tremendous savings in that regard, and we've deferred new initiatives.

There actually is only one thing new that's proposed in this budget, and that's a small investment that would finance the administration's approach to begin to resolve the adult home problem. You know that there was a lawsuit -- and really it's the first court opinion in the United States

that applies the so-called Olmstead standard to private facilities. That standard is essentially that if a state is going to take care of somebody with a disability, you have to do it in the least restrictive fashion.

The lawsuit itself was in the case of people who were mentally ill and mentally retarded in state institutions. The court in its ruling found that adult homes were protected under Olmstead, or the people that live in them. And so the budget includes a modest investment for us to begin to respond to that problem.

So I can close by saying, as I've emphasized throughout, this is a budget that's tough, it's lean, and it's fair. And we hope it has your support.

And with that, all of us I know are eager to try to respond to your questions. Thank you.

CHAIRMAN KRUGER: Thank you, Commissioner.

I guess before we go to our first question, I'm going to slide in and ask for

a comment.

Commissioner Palumbo, how much money do we spend on smoking cessation programs?

COMMISSIONER CARPENTER-PALUMBO: How much money do we spend on smoking cessation? We get about $4 million from the Department of Health to offer technical assistance and support within our -- that's not obviously all of New York State, that's just what we're doing within our programs to provide --

CHAIRMAN KRUGER: Within your program. It doesn't include the Department of Health?

COMMISSIONER CARPENTER-PALUMBO: No, it does not.

CHAIRMAN KRUGER: Do we have a total number, by any chance?

COMMISSIONER CARPENTER-PALUMBO: We provide $1.2 million a year within OASAS in NRT support.

CHAIRMAN KRUGER: Okay. Well, I guess it begs the question that the Governor, in his budget, proposes a dollar

increase in a pack of cigarettes. Is it your professional opinion that raising the price of cigarettes will be a deterrent for people to smoke?

COMMISSIONER CARPENTER-PALUMBO: My professional opinion and supported by the research, absolutely.

CHAIRMAN KRUGER: And if we lower the price of cigarettes, will it cause more people to smoke?

COMMISSIONER CARPENTER-PALUMBO: Give me that again. Lowering the price -- raising it makes less people want to smoke.

CHAIRMAN KRUGER: And lowering it would cause more people to smoke? The converse.

COMMISSIONER CARPENTER-PALUMBO: Possibly. Possibly, yes.

CHAIRMAN KRUGER: So then if we put out 40 million packs of untaxed cigarettes out into the marketplace, we would expect more people to smoke --

COMMISSIONER CARPENTER-PALUMBO: Yes, we would.

CHAIRMAN KRUGER: -- than if we raised the tax on those 40 million packs of cigarettes?

COMMISSIONER CARPENTER-PALUMBO: It's interesting, yes. We don't support smoking. You know, we know the link that it has to ongoing addiction. So anything that we can do -- and I think the Governor has done that, based on the research -- to raise the tax discourages increased smoking.

CHAIRMAN KRUGER: Well, I guess, you know, that's your opinion. And obviously you work for the Executive. But the Governor hasn't done that, because we have 40 million packs of cigarettes out in the street that are untaxed. Okay, thank you.

COMMISSIONER CARPENTER-PALUMBO: I answered the clinical decision.

CHAIRMAN KRUGER: I understand. Not the political one. Or the fiscal one.

And interestingly enough -- and I know that my colleagues would prefer that no one smoked and we didn't get one penny of revenue out of the sale of cigarettes. But

since folks are going to, we can offer as much of a deterrent as possible.

COMMISSIONER CARPENTER-PALUMBO: But the tax increase is absolutely a deterrent, just so that's clear.

CHAIRMAN KRUGER: Okay, thank you. Thank you.

CHAIRMAN FARRELL: Peter Rivera.

But before we do that, we've been joined by Assemblyman Keith Wright, Assemblyman Gary Pretlow, Assemblyman Englebright.

And, Mr. Hayes?

ASSEMBLYMAN HAYES: And Assemblyman Phil Boyle in the audience.

ASSEMBLYMAN PETER RIVERA: Thank you, Mr. Chair.

Just a comment before I start. And I want to thank the two commissioners that I see regularly for sharing with me some of your concerns about the budget, where we're going on the budget and what the budget looks like before we've had this opportunity to talk here.

So even though I have a whole bunch of questions, some of these questions were answered by both of you on prior occasions. And so I'll restrict my questions for about five to 10 minutes, and I hope -- I have about half a dozen questions. I just hope that we try to answer all the questions that I have in the next five to 10 minutes.

Commissioner Hogan, you talked about the children's plan. And New York was one of the first states to pass a Children's Mental Health Act. And I was so impressed with your Children's Plan -- not yours, collectively your Children's Plan. And even those commissioners who are not here, because it just didn't involve the three of you, it was a much broader plan. And the plan was, as you indicated, not a mental health plan, it was a plan to really impact on all our kids in all our school systems throughout the state.

And you limited your testimony here to one aspect of the Children's Plan, which is the impact that it has on the mental health

side. What about the other parts of the Children's Plan? Are we addressing any of those other issues in this year's budget?

COMMISSIONER HOGAN: Mr. Chairman, yes, we are. I think it might be most efficient for me to provide you with a summary offline. But my colleagues here and other colleagues -- Commissioner Carrion and people in education and Commissioner Daines and his staff and in other agencies as well -- really have stepped up.

There are about two dozen efforts that are going forward. These largely represent commitments or reprogramming of existing resources to better address these challenges. I just mentioned the two that are sort of at the top of the list for us, the pediatricians and schools. But there are a lot of others with probation as well. So if I provide you with a summary offline, I think it might be more --

ASSEMBLYMAN PETER RIVERA: I would appreciate that. Thank you.

Commissioner, also as you know, the

PDL, which you and I have discussed at these hearings time and time again, has shown its ugly head again this year in trying to attach the PDL to three specific areas.

And it's my believe that a lot of people look at the PDL as a cure, as a magic bullet. I'm waiting for the day that we do a PDL for placebos. And I know that that's around the corner. That's one of those areas that we really haven't tackled yet.

But I can tell you that advocates have come to see me about having antipsychotics on the PDL and the impact that it will have on that community. And there's always the talk of a savings -- I think the savings are a little over $2 million if we have a PDL for this class of drugs. And I've always questioned whether those savings are real or what do they mean. As I said, I think most people look at the PDL as a magic bullet.

Can you comment on the PDL and the antipsychotics?

COMMISSIONER HOGAN: Yes, thank you. And this is an area where I think our

field's understanding has evolved over time, I think it's important to note.

And so I do not object to the proposal in this year's budget, in part because it includes something that is very important, and that is the ability of the doctor to prescribe the medication, in consultation with the patient, that they think is right. So it doesn't restrict prescribing.

And one of the things that it will do will be to facilitate the Department of Health to get rebates that sometimes companies haven't been willing to negotiate because they've hid behind it.

But the main thing, aside from the ability of the physician to prescribe what they think is appropriate, is that frankly our scientific understanding of these medications has evolved. And in particular, there are new so-called atypical antipsychotic medications which came on the marketplace about 10 years ago or so with a great deal of fanfare that these are going to be much better. They have not proven

better, they've proven different.

And the difference includes some benefits. The side effects are different. You're less likely, under these medications, for example, to develop neuroleptic malignant syndrome, which can kill you. You're less likely to develop tardive dyskinesia or other really scary involuntary movement disorders. But you're more likely, with some of these medications, to go through significant weight gain and develop lipid problems and other challenges.

So given what we now understand with what's gone on in the marketplace, we think it's appropriate for physicians and patients, in consultation with each other, to be able to choose the specific medication that is best. And we don't see this language as getting in that way.

So my objection to this is probably even less than it would have been a couple of years ago when we hadn't yet been -- you know, we were still sort of seduced by the bill of goods we'd been sold, frankly, about

the supposed superiority of these new medications.

ASSEMBLYMAN PETER RIVERA: Your budget also calls for a $700,000 savings by not doing a study on underserved populations. And as you know, that's an area that I have worked on time and time and time again. In fact, when we convened a task force -- many of the individuals who participated in the task force are here right now -- they considered the underserved population as a key area that the state should be looking at.

And there's still a lot of questions as to what are we doing with this population, how well are we serving this population, and where are we going with this population. And New York State has been the lead state, I think, in the nation when it comes to looking at these populations and focusing energy and resources to these populations.

So, I guess, two things. One is a request on our part that you reconsider that savings that you have. And, two, that it's

an area that we still need to do a lot of work in. So whatever we can do in that area, we'd appreciate it, Commissioner.

COMMISSIONER HOGAN: I would just say, Assemblyman, that I appreciate the sentiment and your passion and willingness to exercise leadership to push us in the direction of doing that. My testimony always starts with a recitation of unmet needs, because most people who have mental health problems get no care at all, and we pay for it. And they pay for it. So Lord knows we have unmet needs.

I don't know if, frankly, we can afford it at this time. You know, we're down 900 staff. You know, we're down 10 percent in the central office. There aren't the people to work on it. That's what we think it would cost.

But by no means would I want to have that be concluded as saying that those needs aren't unmet. We're in denial about some of those needs. Some of these needs kill people. And we should have a better and

more complete system than we do.

ASSEMBLYMAN PETER RIVERA: One last area, Commissioner, before I turn to your colleague, is the sexual predator law, the changes that are in the budget that would like to be enacted, which is televising everything, rather than having confrontation of whosever -- of whatever process we have, including televising the trial or teleconferencing the trial.

I'm not a fan of television. I'm one of those individuals who votes every year, or whenever we had it, against televised trials or putting cameras in the courtroom. And I still feel the same way about -- particularly about this area. I don't think that you have a true system of justice when you have a teleconferencing of witnesses in sexual predator trials.

COMMISSIONER HOGAN: Well, we might just have a difference of opinion about that. I think the quality of the -- and I understand, you know, your perspective on this as a former cop and as an attorney.

The quality of this technology has advanced quite a bit. So it's used, for example, very regularly now in medical contexts. And so if a physician can use it to make a prescription, I might argue that a judge could use it to aid a trial.

One of the reasons for wanting to do this is just fiscal. As an alternative to having that ability, what we now do is transport people, with multiple staff doing the transport, miles and miles -- in some cases, hundreds of miles -- from where they're being kept to a court, and then staff stay with them on a 24/7 basis, if they're kept locally, or transport them back and forth. So the costs are killing us.

And I guess it's a trade-off between what those costs are and the principle. There is a principle that you articulate. And I just don't know, I think -- but the costs are killing us.

ASSEMBLYMAN PETER RIVERA: Thank you, Commissioner.

Commissioner Ritter, just a couple of

questions. I think of both budgets, I had some questions for Commissioner Hogan about the closures, but I'll reserve that to a later point in time.

But I think, of both budgets, I think your budget historically has been an easier budget for us to deal with. And this year, notably so. I think the growth in your budget is probably a little better than the growth in your budget, Commissioner Hogan.

In any event, I'm concerned with workforce development issues when it comes to you. We indicate we have allocated some monies for workforce development and for health benefits. And my colleagues, whenever we have conference committees, always pointed out that. They wanted to make sure that that money was used directly for that workforce, that it wasn't used for anything else.

And so is there any way of guaranteeing -- I know you'll be looking at that. But should we be looking at that also to guarantee that this money goes to that

direct care worker rather than somewhere else?

COMMISSIONER JONES RITTER: The trend factors that are included in the budget will, as you know, allow us to allow our voluntary agencies to provide salary enhancements and increase benefits for the workforce of over 60,000 individuals.

Your question of if we can guarantee that those resources will be used for those enhancements -- "guaranteed" is a difficult challenge. Because the only way that we would be able to do that would be to go to the federal government and really amend our state plan. Which for a variety of reasons isn't a desirable thing to do. Given all of the changes that are happening on the federal level, we really want to reserve state plan amendments at this time.

But what we are prepared to do is require regulation that each provider present a plan, provide a plan to us in terms of how they will use and apply these trend factors and healthcare enhancements.

And that way we believe there will be a record of accountability for the use.

Because, as you know, last year we had no trend in our budget and we held hearings around the regulations and basically said no trend. For the first time ever, hundreds of people showed up at these hearings, of advocates and providers and representatives, to say "We need the trend factor, and we need it because it will help us recruit and retain the workforce we need."

So we're going to hold our provider agencies accountable in using those resources for what it's intended. So we'll be receiving plans, and we will be very closely monitoring those plans on the use of the funds.

ASSEMBLYMAN PETER RIVERA: And, Commissioner, you and I have worked on an education program with the workforce and a recognition program with the workforce. I know that the Assembly had allocated some monies a few years ago, and you were kind enough to allocate some monies in your

budget, I think last year, if I'm not mistaken.

What's the status of that? Will we be able to maintain those programs that educate our direct care workers and really acknowledge the work that they do? And are we thinking of expanding that program? Because I also understand that this is not only about the worker, but this is also about the whole management team participating in these programs. Is there going to be any expansion in that area?

COMMISSIONER JONES RITTER: Absolute ly, yes. You know, the resources that you and your colleagues provided in our budget several years ago went towards an exceptional caregiver program. And with your assistance and that of your colleagues, you really helped us to establish relationships with the Stony Brook University and their School of Social Welfare.

And because of that initial investment, we were really able to see the incredible

benefit of providing better training to our direct care workforce and really giving them the tools and the skills to improve the relationships with the individuals that they support.

And we have invested more resources because it's been successful. We have evaluation, we have research that demonstrates that the improvements in the quality of the workforce that have been through these programs really translate into better outcomes for the people we serve. We can prove that.

So we have expanded and put our own resources into continuing those, and particularly working with our supervisory staff around the state to elevate their game as well.

But in addition to that, one of the things we know and we're always concerned about is the high amount of overtime that our workforce works. And they are challenged. And this work is hard, as you know. Direct care workers are our angels, I

call them, in our system and really perform extraordinary tasks and they work a lot.

And overtime we know can cause a lot of stress for the employee and for the individuals they're serving. And given the whole fiscal environment, we know our workforce is already challenged. These are some of the lowest-paid workers in our state.

So because of that, and because we've had such a successful relationship with Stony Brook, we are expanding those development opportunities to include workshops all around the state for our direct care workforce on caregiver stress. And we have already started and will be expanding it, and we have already received just enormously positive feedback from the workforce, because now we're giving them tools to de-stress. And that will, of course, translate into less incidents in our system. So we're really delighted.

And yes, we're sustaining the resources and we're actually increasing our investment

because it really translates to better outcomes on the other end.

ASSEMBLYMAN PETER RIVERA: I had worked a couple of years ago to expand it to the workers for the aging population. And I know this is not your area, but are we working with that -- has it expanded to those workers that work with our senior citizens and so on?

COMMISSIONER JONES RITTER: If I could flip to another hat and put the chairperson hat on for the MISCC committee, we are working with Michael Burgess and the State Office for the Aging on initiatives to provide better training not only to the direct care folks for seniors but to the other practitioners, so that people are clearer on the guidelines and the opportunities for increasing care to the aging.

So through MISCC, we're actually working, all of us together, to support initiatives that are helping the aging folks in all of our populations.

ASSEMBLYMAN PETER RIVERA: Thank you, Commissioner. Mr. Chair?

CHAIRMAN KRUGER: Thank you so much. Senator DeFrancisco.

SENATOR DeFRANCISCO: Yes, I was looking at some charts that were prepared for me, and it looks like about 10 years ago you said that -- first of all, someone said that there was 20,000 less employees than there were 10 years ago?

COMMISSIONER HOGAN: (Raising hand.)

SENATOR DeFRANCISCO: The budget for mental hygiene is about twice what it was 10 years ago. What accounts for the increase? Is it simply inflation and the cost of employees? Or why the doubling if there's 20,000 less employees?

COMMISSIONER HOGAN: I would say that the single thing is all of these systems, probably more -- I mean, and Commissioner Carpenter-Palumbo's area has been much more building up something where there used to be nothing. In both of our areas, it's been a movement from more of a dependence on

institutional care to community care.

And that has been aided very significantly -- much more, frankly, in Commissioner Ritter's case than mine -- by the ability to use Medicaid as a source of reimbursement for those community alternatives. And so in the Office of Mental Health there's less General Fund money in our budget today than there was in 1981. Less General Fund money, but more reliance on Medicaid.

COMMISSIONER JONES RITTER: And similarly with our system. It's primarily Medicaid-funded. Very little General Fund is left.

SENATOR DeFRANCISCO: All right, you're each commissioners in three different organizations. What is the total budget of each of your organizations?

COMMISSIONER HOGAN: Well, in my case, the total budget, All Funds, is about $3.8 billion in this budget. I should point out, not to complexify too much, but there are some mental health services that are

paid through Medicaid in the Department of Health. You know, so there's another billion or so over there, but that's in their appropriation. Our appropriation is about $3.8 billion.

COMMISSIONER JONES RITTER: And our appropriation in the proposed budget is $4.8 billion. But similar to Commissioner Hogan, we have about another $3 billion worth of expenditures that are funded through the Department of Health.

I did want to mention that for OMRDD the major growth in our sector has been in the voluntary provider community. We have, through deinstitutionalization, really grown our community-based services. There's over 700 not-for-profit organizations that provide services throughout New York State in each one of your districts, and that has been the major growth in our system.

SENATOR DeFRANCISCO: Okay. And yours?

COMMISSIONER CARPENTER-PALUMBO: Rig ht. And the All Funds budget for the

office, to make Commissioner Hogan's point, is $720 million with an additional $1 billion in Medicaid funding that appears in the Department of Health budget.

SENATOR DeFRANCISCO: Okay, there was some talk about the incredible improvement of getting people out of institutional care and into a less restrictive environment. I remember when I first got in the Senate that that obviously was an important ongoing thing. And I also remember hearing that it was also less expensive to have someone in the community as opposed to being in an institution.

Have there been cost savings over the years with this movement? And is there some way to demonstrate that?

COMMISSIONER JONES RITTER: I'd like to start. And that is that the cost savings that we've achieved on the institutional side, because you don't have the huge physical plants and all of the support around that, the savings that we have achieved -- and we have achieved significant

savings -- have been reinvested in the community. And we've taken those dollars and really grown community residential group homes, day programs, and other services by reinvesting those dollars.

So yeah, there's savings, but in order to provide the appropriate level of support, we put them in the community.

SENATOR DeFRANCISCO: Well, I'm not arguing that it's not a good thing to reinvest. I'm just saying that in fact there has been no real savings because it's been reinvested into a different system.

COMMISSIONER JONES RITTER: Yes. Right.

SENATOR DeFRANCISCO: Okay. And lastly, and I'm not looking for it now, but I'd like to also see -- each of you have administrative staffs -- if you each could provide to me the staffing levels, I'm talking about the administrative staff, 10 years ago for the central office and what it is today.

COMMISSIONER JONES RITTER: I'm sure

all of us will demonstrate really significant reductions in central office.

And I, like Commissioner Hogan, am really concerned about the continuing capacity to provide oversight. You know, in my system we provide services and we also oversee, you know, this system of 700 providers. And I'm really concerned about our capacity. And look at our budgets. We've got all these efficiencies we've got to work with our voluntary agencies and the state to perform. We need staff, really, to do that. And we're just continuing to be stressed.

SENATOR DeFRANCISCO: I under -- understand that --

COMMISSIONER JONES RITTER: Happy to provide you the data.

SENATOR DeFRANCISCO: Well, I didn't know it would be such a good question.

(Laughter.)

SENATOR DeFRANCISCO: But I'd like to know it. And the reason is not necessarily moving in on these organizations. But

people are saying all across these budget hearings that they're being treated unfairly in some way. And I just want to be able to justify some of the numbers that we're being given. Or, if they're not good numbers, then ask more questions.

Thank you.

COMMISSIONER JONES RITTER: Thank you.

CHAIRMAN KRUGER: Thank you, Senator.

CHAIRMAN FARRELL: Thank you.

Assemblyman Hayes.

ASSEMBLYMAN HAYES: Thank you, Mr. Chairman. And, Commissioners, thank you for your testimony.

I have just one question I want to ask, for Commissioner Hogan.

Commissioner, within the past month, several of my Western New York colleagues and I contacted you by letter with regard to the current civil confinement law in the State of New York. And I think, as you're familiar, we had a specific incidence in Western New York in which a 100-year-old

pedophile was released into the community after serving eight years in prison on a sexual abuse charge back in 1999. Prior to that, that same individual spent a year in jail for sexually abusing minors. And three years before that, he was sentenced to parole.

If ever there was a case for your office to recommend to the Attorney General a civil confinement proceeding to be brought, the people in the Western New York community believed that was the case.

However, as my colleagues and I were dismayed to find out, your office declined to make that referral to the Attorney General. And as a result, in spite of very devastating pleas from the pedophile's daughter, who personally said in the *Buffalo News* that she had witnessed this individual rape a child when she was a child and that his pedophilia was of long standing, a 60-year history, in fact, of committing these crimes against children -- I know that in certain circumstances there's

confidentiality, and I respect that. But if ever there was a case for your office to make a referral to the Attorney General, we believe it would have been here.

Is this a loophole in the existing law that prevented your office from making the referral? Is there something you need from us in the Legislature to close that loophole? Is there more money, is there more staff? What is it about the existing law that makes a case like this just boggle the mind that the state's laws can't protect the people of our community?

The good news, I'm sure you know, is since the uproar about this individual he has been sent back to prison by a judge on a parole violation, of all things. And the parole violation was a refusal to attend sex offender counseling.

So my question remains, what does your office need when we come upon specific cases like this where the referral is not made? Should we just change the law and ask for a mechanism whereby citizens can go directly

to the Attorney General and bypass OMH? What do you need in cases like this?

COMMISSIONER HOGAN: This is a deeply complicated area. One might say in this case that there are aspects of the system that worked. This gentleman was on parole. In fact, the last time he had been incarcerated, he was incarcerated for a parole violation also. So people might not have liked that he was under parole supervision, but that supervision was very tight. And when he refused to participate in treatment, he went back to the slammer. So you could say it was working.

There are many things that boggle the mind about this case, including the fact that for all of the stuff that has come out, he was apparently never convicted of anything until he was 72 years old. And so I'm wondering, with this terrible history, what was going on. He was never once sentenced to the maximum sentence allowed under the statutes under which he was sentenced. So I wonder what's going on in

that regard.

With respect to our responsibilities, as I think you know, in general these civil commitment laws -- and there are about 18 states around the country that have one. New York's is, frankly, more thoughtfully designed than most. But these civil commitment laws address -- try to address a loophole, which is that some of these guys just don't serve enough of a sentence. And then they get to the end, they can't be incarcerated anymore because they've served their time.

So if they can't be incarcerated, there's nothing to try them on, what do you do? So somebody came up with the idea of let's declare them mentally ill and use a civil method of confinement, not a criminal method.

So this law requires for there to be a finding upheld by a court that justifies a civil commitment. So this creates a tremendous challenge for us and for the Attorney General and for the courts to carry

this out.

The way that we approach it, and in fact the law requires us to do this, is to recommend for civil commitment in effect the worst of the worst. There's a lot of research -- and here's another anomaly. If we were better at predicting future behavior, there wouldn't be any bets on the Super Bowl because everybody would know what was going to happen. But, you know, we can't predict it there and it's pretty hard to predict it over here.

But there's a lot of research on what are the kinds of factors that will allow somebody to reoffend. So we apply that research when we classify these individuals. And our threshold is that if the risk of reoffense is in the range of a third, then we go forward to the Attorney General's office, based on the research.

What that really means is that to put one of these individuals in a prison costs us about $200,000 a year. And as long as we keep the threshold at about one-third, we're

spending $600,000 a year to have three guys confined, one of whom would have reoffended and two of whom would not have.

So we try to do this conservatively. In the case of this particular gentleman, we did review him before. And one of the factors here was that he had already been out on probation for quite a while and had not reoffended when he was under probation supervision.

So what I would say is if we want to be able to, you know, put people away on based on some finding other than the research or, you know, some other finding, I just don't know what that would be.

ASSEMBLYMAN HAYES: Well, Commissioner, it's my understanding that the law is very clear. It's your office that has to determine whether the individual suffers from a mental abnormality and presents a real threat to the community.

And whether or not the legal system caught him early enough, the costs involved with his incarceration, as far as I'm

concerned, are of no matter in you making a determination on that very narrow question and giving the Attorney General the opportunity to bring that into a court of law where a judge, sir, can decide whether or not that individual should be incarcerated.

And clearly, in this particular case with the long history, as I mentioned, 60 years of this happening -- whether he wasn't caught until he was 72 or he was caught twenty years earlier, the fact remains he had a longstanding history of serving jail time for raping young children.

Now, it seems to me that the members of the Western New York delegation who wrote to you need something more than this was kind a one-third judgment call and in this case, you know, we didn't think it was necessary to make the referral.

I think that there either has to be some kind of legislation that's proposed to either tighten that up, to take your office, quite frankly, out of the equation if we're

missing one-third of the predators who should be put behind bars because of a judgment call. The Attorney General has told us his hands are tied. He can't bring the petition for civil confinement unless it's referred from your office. You have tremendous power in the statute, currently, to exercise in keeping our community safe.

And so when I see one specific example of where that did not work where it should have worked -- and then, thank God, he was caught on a parole violation. That's a subsequent matter. That doesn't address the matter at hand, which was that he was never referred in the first place upon his release after what the judge said when he was sentenced. Given his advanced age, the judge, she thought it was a death sentence because he would probably die behind bars in prison. Not so. One hundred years old, and he served his full criminal penalty and was released.

So again, the question is if it's just a judgment call and we're catching one-third

of them, what do you need from the Legislature to tighten that up? And quite frankly, would you rather be relieved of the responsibility in these matters?

COMMISSIONER HOGAN: Well, here's the challenge. You all can change the bar or you can give it to somebody else. In that case, almost unquestionably, the law will be found unconstitutional because of the fact that it's a civil, not a criminal requirement.

And that's the challenge here. The Supreme Court upheld a similar statute in Kansas. And a lot of their rationale -- I think it was 5-4, I can't remember -- was that the finding of a very serious offense raised such a bar so that you could deprive people of their liberty.

We just are administering the law in this regard. And I will say we've so far screened and not referred over 2,000 of these individuals. And the rearrest record so far of those 2,000 individuals who are screened and not referred is that one-half

of 1 percent of them have been charged with any reoffense that was greater than a misdemeanor. And when you're predicting future behavior, that's -- and frankly, I'd rather at some level not have this responsibility. But that's a pretty good track record so far.

So we do the best job we can to faithfully -- and consistent with the evidence, and in a way that will protect this program from a judicial review -- to implement the law.

ASSEMBLYMAN HAYES: And so you're saying that your staff did in this particular days evaluate this individual and determine that he did not suffer from a mental abnormality and was not a clear and present threat to the community, and so you declined to refer him me to the Attorney General for the civil prosecution?

COMMISSIONER HOGAN: That's correct. And if he comes up again, we'll look at him again and we'll apply the law.

ASSEMBLYMAN HAYES: Thank you.

CHAIRMAN KRUGER: Thank you.

Senator Montgomery, who has joined us, has a question.

SENATOR MONTGOMERY: Yes, thank you.

Good morning, Commissioners. Thank you for being here.

And I want to just ask you, all of you, each of you to respond, if you will. As you know, we are sort of under the gun for improving our juvenile justice system. And based on the profile of the youth in those facilities where they're placed, a very high percent of them have mental health issues. And in addition to that, substance abuse issues and some developmental disabilities issues as well.

However, there is not a system that can provide adequate support for these young people either in their communities prior to them being incarcerated, so to speak, nor is there anything adequate going on while they are in any facility. And certainly when they return to their communities, there is no system that really is able to catch them

and give them the support that they need.

So I'm just wondering if there is anything in your budget or in your planning to address this dearth of mental health, substance abuse and other needed treatment for young people either in their communities as well as while and if they are in any juvenile justice facility.

And I would like to add to that, how do you intend to work with the Office of Children and Family Services to make sure that, as we try to turn the system around and meet the requirements of the department of justice, what will be your role in terms of helping to improve that system?

COMMISSIONER CARPENTER-PALUMBO: Wel l, why don't I begin, Senator Montgomery. Thank you for the question. We are very involved in this.

And as you know, last year the Governor authorized ACTION, Addiction Collaboration to Improve Outcomes for New Yorkers. And it consists of 20 state agencies that look at the public health, public welfare, public

education and public safety form of all systems of care, and particularly juvenile justice.

We have been all working with Commissioner Carrion and the Office of Children and Family Services for the last two and a half years, without doubt. We -- and I can speak to specifically on the substance abuse side -- you answered it, absolutely. Over 70 percent of the children that are in the care of the commissioner suffer from a substance abuse disorder.

We currently have four designated treatment sites within the Office of Children and Family Services. We are expanding them to ensure that we have substance abuse services available in every single one of her treatment facilities. And that has been long in work prior to any juvenile justice -- you know, the recent federal justice report.

So I think what you will see in this is not only a dedication of staffing and of certified, certified substance abuse program

models within each facility, there's also -- very similar to how we viewed drug law reform, we're looking at three parts of the equation.

First, what can we do to divert children from going into any institutional practice whether or not they need, in many cases -- in my case -- substance abuse care?

Secondly, provide these certified program models within the institutional setting so we can be assured that they are offering, you know, the best program models for substance abuse program.

And then, finally, ensure that the reentry program is just that, it is a reentry into a family, into a community that again offers ongoing, in the case of substance abuse, care and treatment in an outpatient residential or other setting.

So I think you will see tremendous progress has been made. And we continue to that, and we'll do that this entire year.

COMMISSIONER JONES RITTER: I would like to just add -- and I agree with

Commissioner Carpenter-Palumbo that we are doing a number of things cross-systems to help in this population.

But I'd like to give maybe three examples in my system where we believe we are interacting to help.

One is working directly with Gladys Carrion, Commissioner Carrion in the Office of Children and Family Services on the Bridges to Health waiver. And that really allows us to import developmental disabilities services to individuals with DD in her system to provide better outcomes for them. So we have that collaboration, and there's funds in the budget to continue that.

The second area that I think will be very interesting to you is that we began a collaboration with the New York State Education Department and the New York City Board of Ed and our Institute for Basic Research. We've begun a program in New York City where we are bringing experts into classrooms for intervention for individuals

with developmental disabilities who have severe behavioral challenges.

Because what we know is -- and we've done a lot of work on disconnected youth across our systems -- that if they're out of school, then there's a greater opportunity for them to end up in some of the higher-risk areas.

We're really excited about this investment, and we're going to take what we learn from it, there's a research component, and then try to cascade it across the state, of course as resources are available. But we think that intervention is key as well.

In addition, in my system we support individuals with developmental disabilities, many of whom have forensic backgrounds in a number of our locations. And we have three levels of intensive treatment. And it does include people that, you know, of course, like I said, have some interaction with the justice system. And we are providing intensive supports to allow them to improve so eventually they can return to their

communities.

And when we know an individual has developmental disabilities, they're identified to us, we don't lose track of them. They're ours for life -- we say cradle to grave in terms of our system. So when they go back to their communities, we know who they are and we link them with appropriate services.

Thank you for the question.

COMMISSIONER CARPENTER-PALUMBO: Tha nk you, Senator.

And I wanted to add, one of the things we often concentrate on is the juvenile justice component of OCFS. And we also have to realize, as you are well aware of, the Department of Social Services aspect of OCFS. And I wanted you to be assured on the entire diversion.

And we are also, from the Office of Alcohol and Substance Abuse, ensuring that we have our certified outpatient clinics available right in the Department of Social Services offices for the mom, the parent, as

well as the child. So we cannot even begin to look at the juvenile justice part of the equation -- so I didn't want to miss that opportunity, because that is as important as anything else we're working on within juvenile justice.

So, Mike, sorry.

COMMISSIONER HOGAN: I would say amen to what my colleagues have said, with just -- I'll just say two things specifically about our collaboration with Commissioner Carrion.

One of the deficiencies that's noted by DOJ that we have about 50 mental health staff who work in various of those facilities. And one of the findings was that they were somewhat separate and weren't adequately integrated with the staff of those facilities.

We think they need to be integral. We're not looking to duck our responsibility, but we're looking to find a way to have Commissioner Carrion, frankly, have more control and authority so that the

mental health record can be available on the people on the unit, and so on. So we're trying to figure that one out.

The second thing that we think is essential is that some of these youth we believe are going to need a dedicated treatment capacity of some kind. That they may have committed a crime, but they are predominantly disturbed. And you're never going to address that in a correctional environment.

So some approach that creates a dedicated residential treatment capacity that meets mental health standards for residential treatment is something we're exploring also with Commissioner Carrion.

SENATOR MONTGOMERY: Thank you for that. And I'd just like to -- you mentioned your work with the Department of Education and State Ed and the difficulty integrating the mental health component into the operation of the facility for those young people.

And I would just like to say that one

of the reasons that I'm such a proponent of school-based health clinics is that through that kind of resource you would be able to, we would all be able to identify and hopefully figure out a prescription for young people at a much earlier point. And so that the treatment could begin and hopefully have a greater impact over time.

And I hope that we can also talk about especially making sure that as you move into the educational settings that it's in not a program that's separate from the mental health component, that we build actually a comprehensive mental health, health and mental health program for young people. So that everybody is looking at the same child and can identify and begin to work with them earlier.

COMMISSIONER JONES RITTER: I agree.

COMMISSIONER CARPENTER-PALUMBO: I think you'd be thrilled to know that when Mike instituted several of his children's programs within the school system, you know, we thought, okay, should we do another

substance abuse. Absolutely not.

What we did, we did a lot of cotraining among the three of us to make sure that the clinics that already existed were asking and doing some of the testing that needed to happen to identify a substance abuse disorder.

So I think the efficiency is there, as is the practice, because it's one kid and you want to make sure they have one clinician.

SENATOR MONTGOMERY: I appreciate that. And I have schools in my district that have -- their population comes from homeless shelters. And so obviously there's a need even before you identify it. And so we could really use of a lot of that kind of teaming up to provide services in those settings.

So thank you very much. Thank you.

CHAIRMAN KRUGER: Thank you, Senator Montgomery.

CHAIRMAN FARRELL: Thank you.

Harvey Weisenberg.

ASSEMBLYMAN WEISENBERG: Thank you, ladies and gentlemen. It's interesting because we opened up with a little question about our political situation. I just want to share with you that I had in my office the Mill Neck Manor School for the Deaf, the Viscardi School for Children with Disabilities, I had 17 people in my little office when the phone rang. And who was it? It was *Newsday*: "I hear -- are you going to run again?"

And it just caught me, and I responded very briefly because I don't really care much about the media. And I said, "God gave me a challenge, God gave me a blessing. We're a family with a special child." I said, "I have 17 wonderful human beings in my office. And in answer to your question, I love my job, I love the satisfaction that I have and the thank-yous that we get for being able to have the resource to help people." So he said, "What does that mean?" I said, "If you can't figure it out, print what you want."

(Laughter.)

ASSEMBLYMAN WEISENBERG: With that in mind, I am here today, I would say this is the first time since this session started that I see a little sunlight that is coming through out of this institution today. I am happy to have you here. I am happy to have had the experience of working with our commissioners and the people that are sitting in this audience.

We talk about the people that you introduced, the young adults, and we smile. And then I say that the people are not even aware of probably the greatest working department in this Capitol are our messengers. And these are all people with disabilities that you can count on every day to be able to be there and do their job. And every day you will get a smile from one of these special children or young adults.

So when you see what our children can do and you focus on the positives, you can see the results of your efforts and all of our efforts.

Now, this year, it's devastating. I remember -- and I hope I'm not violating anything -- Commissioner Ritter at mental health and she was speaking and says, "I have to cut 1500 jobs." And I got her on the side, and I said, "That's what you say, but that's not going to happen." And I'm telling you, we cannot do anything that's going to impair the ability to provide the resources, the dignity, the self-respect the needs of our people that are in OMRDD and in our mental health not-for-profit and state agencies.

And I really applaud you, because you looked at me, and I felt what your heart was saying: This is not my budget or my proposal, it's something that I have to do. And you did a miracle, because you gave me your word by saying "We'll do what we have to do, but we will not impact in any negative way the services that we provide for our families and children."

So now I'm talking as a parent, and I get a little emotional because I'm saying to

you, thank you for what you're doing. Because you know what? We're moving forward. As bad and as bleak as the economic conditions in this state are today, we are moving forward. Because I've always said you can't look at numbers, you look at people. It's the quality of life. It's the dignity and respect. You cannot understand, unless you are a parent or have a family member, to know what it means to have a special person who they might be nonverbal. And if there aren't enough staff, nobody talks to that person. That person is by himself or herself. You're lucky if they can all be fed when you have people that have to be fed and you have four staff people and 14 people to be fed, who has the patience and the time to be able to feed another person?

So you need the staff. And this is what we call direct care service professionals. And I want -- because I give my word, and I always do this -- I want people to understand the most difficult job

in the world, and all of you should know that, is taking care of another human being. And every professional direct care service provider that I have met who is employed by either the state or in a private facility are working two jobs. Because they don't get paid enough money that they can survive.

This is amazing. I don't know how we'll ever be able to turn the values of our society around to take hold and appreciate the need and the ability for people to dedicate their lives -- and many of these direct caregivers are there for 20 and 30 years. But they bond to our children. They love our children. We used to have foster grandparents programs. People would take two buses to take care of somebody else's special child. But there was a love there, there was a connection. And that's the only way our children can survive and move forward.

Look at the wonderful achievements that we have. We published a book -- I'm not selling it, we give it away. It's a book of

hope. And it's called "The Beauty of Our Special Children," and putting a face on those with disabilities and those who care for them.

But when you look in this, because these are all programs that I have been involved with, and all of our members -- especially from the Island delegation -- participate in. And you see things that you can never believe that have ever happened before, the results of which are magnificent. It doesn't happen if we don't do it together as a team.

So I am here basically just to say thank you for all that you have done to be able to advocate for the people that need the advocacy the most, direct care service professionals, if you will. And I just wish there was a way that people can be able to have one job, do what has to be done, and be able to have some quality of life.

But I am -- and I have my grandson, who just graduated college, here today. And I said, you know, You're looking for a job.

If you're going to find a job, find a job that's going to make you happy. Because a job is a job. But if you're not happy, you're not going to be successful in what you are doing and you're going to have a void in your life."

And the greatest -- and you can't put a dollar value on the feeling that you get. I'm going to share something again very personal, and I'm glad my wife isn't here.

(Laughter.)

ASSEMBLYMAN WEISENBERG: I was with my special child Ricky the other day. He sits in a wheelchair. And I was talking to him and telling him, "You're the best boy, and you're wonderful." And for the first time, at age 51, he put his arms out and gave me a hug.

COMMISSIONER JONES RITTER: Oh, wow.

ASSEMBLYMAN WEISENBERG: And I can't tell you what that meant. And I share that with you because I want you to know that these children, while they're nonverbal or they have disabilities, they look different,

they make different noises or sounds -- but they all have a mind, they all have feelings. And you have to understand that, you know, they're a human being and a person.

Where would we be if we were not the leaders in this state? Look at the population that you're servicing that we've defined today. I want you to know, the staff never gets enough thank yous, our legislators don't get enough thank yous. Our commissioners, who are doing the best they can to service the needs of our people, don't get enough in the way of thank yous.

And the media refuses to reflect on any of the positive things that we do. All they can say is how bad it is, and dysfunctional. But if they really took the time to investigate and evaluate the successes that we have, they would find that we have a very good working government. It's a democracy. We're in trouble, but we're going to do the best we can.

And I really -- I'm here as a parent

and as a legislator to say thank you and God bless you for you all you do.

COMMISSIONER JONES RITTER: Thank you.

ASSEMBLYMAN WEISENBERG: Drug and alcohol -- now I'm going into some of the other things. I say in my hometown, the City of Long Beach, a couple of weeks ago I went to five funerals in two weeks, alcohol-related. Two children, two young adults, 19 and 23. No apparent problems, both died of heroin overdoses.

I want you to know that we have an epidemic on Long Island. And together, the Long Island delegation, we all met together, bipartisan, in my office talking about how we can address and help the people to be able to prevent and make people aware of what is taking place.

We did DWI bills, as you know. I happened to be the sponsor of that bill where that if you drive with a child in the car, you're going to be convicted of a felony. Why? Because I have a DA and I

have law enforcement and we have a Legislature that cares about protecting our children and what drunk driving is all about.

Being a former chair of drug and alcohol, one out of every four families have an alcohol problem in it. And how does that impact our society? I mean, we have a lot to do. We have a very dysfunctional youth, I would say, because everybody's looking to escape and not taking the time to appreciate who they are or what they have. But I don't know what they're looking for, but I know we have to do something to prevent try to prevent and if we can, being the very liberal Democrat that I am, incarcerate to the maximum those people who will in any way get anything that could take another person's life.

And I'm saying that because I really feel strongly. Nobody understands the consequences of a child losing their life. It's very sad for that child. It's very said for that family. But it's very sad for

the city, the community, the state. And we have to do the best that we can, working together, to be able to get legislation that we would like to be able to get done to make people aware of consequences of what they do.

One more thing in regard to the Health Department. Many hearings in the Village of Island Park. It's contiguous to Long Beach. In a motel, pedophile, history of sexual violations. At a school bus stop a half a block away from the school. We had hearings, because everybody in the community found out, and we talked about him and said we've got to do something, they shouldn't be there. I mean, it's like -- and there's a candy store or a luncheonette where kids go to every day and this guy, he's a half a block away. And what happened two weeks ago or three weeks ago? He raped a person in my hometown.

So I'm sitting and I'm saying what is happening in our society today, where you are, we are, the people that have to do the

best we can to prevent the stories that were related here today. And the only way we can do that is if we work together on a bipartisan basis to really focus on the needs of our people and our communities, and to hell with the politics.

So I thank you very much for being there, and again I say God bless you.

COMMISSIONER JONES RITTER: Thank you so much.

COMMISSIONER CARPENTER-PALUMBO: Tha nk you.

CHAIRMAN KRUGER: Thank you, Assemblyman.

Any questions?

CHAIRMAN FARRELL: Jeff Aubry.

ASSEMBLYMAN AUBRY: Thank you all for your testimony. I really do appreciate it. It's been very informative.

I'd like, Commissioner Hogan, I'd like you to talk about the collaboration that your agency engages in with the Department of Corrections, specifically about how we're proceeding with the settlement with the

disability advocates and the implementation of the SHU bill which passed the Legislature and will begin to be implemented I guess in another year, about, I believe. Would you tell me how that's going?

COMMISSIONER HOGAN: Well, first of all, thank you for your leadership on that issue.

It's a very difficult mission, but I think we're doing well. It's probably not the area that I would have chosen to be best in in the country, but we are best in the country in terms of mental health care to people in our state prison system, in part because of that legislation and that lawsuit.

We've come a tremendously long way to solving one of the most vexing problems in that regard, which is to get inmates with a mental illness who have ended up in SHU for a whole variety of different reasons and then, you know, sort of act out and stay there longer and longer and longer, to get them out and to get them into treatment

programs.

The last time I checked on this, there were just a couple of dozen individuals with a serious mental illness who were still in SHU who hadn't gotten out yet to one of the alternatives we're creating. But they're all getting treatment, and that reflects dramatic progress.

The collaboration with Commissioner Fischer and his people is good. It's tough, but it's a good collaboration. And I just had the opportunity to go out -- and you might be interested yourself to visit the residential mental health unit at Marcy Correctional that represents probably the highest level of collaboration and the highest level of intensity for people who have been stuck in SHU.

And I am very optimistic about its success. And it may be the last critical thing that we need to do to resolve that problem. It's an exceptionally structured program. The leadership on the corrections side is, we think, very good. And of course

we feel pretty good about the leadership on our side in implementing that.

So it's not a problem that we've completely licked yet. I wish we could do a better job or make better investments in keeping mentally ill people out of prison, as opposed to having to do all this work in the prison. But I think we're doing very well.

ASSEMBLYMAN AUBRY: In that regard, is there a collaboration between yourself and the Office of Court Administration in regard to working with judges to understand mental illness? And at the same time do you have a similar relationship with the district attorneys in the state?

COMMISSIONER HOGAN: Yes, we do. Much better developed with the Office of Court Administration than on the DA side. And the area that I'd like to see us even do better at is support to police officers and collaboration between local mental health people and police officers, so they frankly can support each other.

But yes, the relationship with OCA in particular is very good. The mental health courts that have been established in New York, I think due in part to OCA's leadership, are better structured and more thoughtfully overseen than they are in many places around the country where it's sort of an ad hoc proposition. Here it's much more structured and the feedback has been very good.

ASSEMBLYMAN AUBRY: Also, I wonder -- and I don't know that we've done that, and maybe this is something that would cause us problems with the privacy requirements, is whether or not we've identified high incidences of individuals who are incarcerated in particular geographic areas. And we have a lot of studies that we do, but I don't remember or recall that there was any review to look at the particular neighborhoods where individuals who are in institutions and have mental health problems are identified.

Because it may lead us to some things

about how we deliver services in the communities to understand the relationship between incarceration and mental illness and that may be prevalent at a geographic place. Just a thought that you may want to look at.

COMMISSIONER HOGAN: Well, it's a good thought. And, you know, what are the underlying circumstances that led to the incarceration.

We do know that somebody with a mental illness at every stage of their involvement with the criminal justice system is likely to go deeper into it. They're more likely to be arrested, they're more likely to be sentenced, they're more likely to be sentenced to a long time, they're more likely to do more time. So we know that that's a problem.

But we can take a look at that question and see if we can identify any patterns.

ASSEMBLYMAN AUBRY: I appreciate that.

Commissioner, a similar discussion. The collaboration that you have with DOCS

and Parole, would you speak to that? I know we've made some tremendous strides because of reform as well the commitment by the Governor to cause this collaboration to happen.

COMMISSIONER CARPENTER-PALUMBO: Well, it's the same as I talked about with Senator Montgomery on the ACTION campaign. Obviously, Brian Fischer chairs the Public Safety Committee under the ACTION campaign, and I work as closely with all my partners -- with Commissioner O'Donnell, Director Evans, and Commissioner Fischer -- as I do with my colleagues here at this table.

And I think, as you've said, we have seen tremendous strides with the drug law reform that was, again, a moment of time for all of us to sit in your district and watch the Governor sign that legislation, to now the implementation, which is $46 million strong this year.

And looking at every point from the diversion and the -- as you know, we

presented Judge Klugler, Commissioner O'Donnell and myself before you, on the implementation efforts and where we are. I think you were pleased. We continue to move forward very diligently. The diversion end and the use of the courts and the drug courts is solid. The work that we're doing within the prisons is solid. And our work towards reentry is similarly solid.

And I think we've -- we meet regularly every six weeks to talk about every nuance that we possibly can, because we know how committed you are, as the Governor is, to the successful implementation of drug law reform.

I can go through the list of the beds and everything that we have, but I really -- I have seen this as, in all my career in government, as an unprecedented collaboration and cooperation among agencies that historically, historically did not work together to this degree.

ASSEMBLYMAN AUBRY: All right. Thank you very much. And now I'm going to turn it

over to my colleague and leader in this field, the chairman of Mental Health.

CHAIRMAN FARRELL: Felix Ortiz. He's here now.

ASSEMBLYMAN ORTIZ: Thank you, Mr. Chairman. And thank you for allowing me to go get my coffee very quick. I apologize to make you be late.

But let me just go straight to the point. And, Commissioners, thank you very much for your testimony. And thank you for the work that you have been doing since you've been in your posts, to address issues regarding mental health, alcohol, substance abuse and gambling.

One of the first questions has to do with the issue of the APG rate, Commissioner. And I would just like to know a couple of things. Number one, how involved OASAS has been in the process. And number two, if you have heard from providers about maybe the -- if providers have been also part of that process as well. Do they have the opportunity to have input into the

process? And last but not least, if not, the negative impact that that might have on providers.

COMMISSIONER CARPENTER-PALUMBO: Right. Well, you will be pleased to know that we absolutely -- the APGs, ambulatory patient groups, are one of our highest priorities at OASAS. So much so that our deputy executive commissioner, Kathleen Caggiano-Siino, chairs that, or I should say cochairs it with Mr. Chris Wilkins, who was the previous president of the Association of Substance Abuse Providers. So she meets regularly as a group. It is lockstep with our provider and our recovery community every step of the way in developing what we know, we believe will be a much more solid system, of which we absolutely can have Medicaid reimburseable services for things that we know lead to long-term recovery. Like peer coaching, like case management, that in this field has not been reimbursed as it has been in the mental health and mental retardation field.

So we are moving along. Is it a difficult process? Of course it is. You're reengineering the payment methodology for half of your system. But we are working diligently. That's why we committed an executive deputy and the president of an association in the provider community to work together.

So is input put there? Yes, and it will continue to be, as every single one of the initiatives that has been undertaken under my leadership at OASAS has always been chaired by a member of the OASAS executive team as well as a member of our provider and our consumer community.

ASSEMBLYMAN ORTIZ: Well, I'm very happy to hear that, because as you know, they've been knocking my doors and I've promised them that I would ask the question to make sure that the process is transparent and open and that we can come out with a very good outcome at the end of the day. Because at the end of the day it's to make sure that our providers and the folks who

need services get the services that they deserve.

My other question has to do with the gambling situation. In your statement you had stated that the Executive proposes savings of $300,000 by delaying the planned expansion of compulsive gambling prevention programs. Which county will be impacted by saving $300,000, and will this county have enough services to fulfill the offset of this cut?

COMMISSIONER CARPENTER-PALUMBO: Well, currently we dedicate over $4 million to the gambling prevention and treatment in this state. Is it enough? Absolutely not. However, we do have 44 communities that have prevention programs, and we have 21 that absolutely have treatment programs.

We know right now, because of all the stigma information and the research that we've had in drug and alcohol, the issue of people with a gambling addiction coming forward is problematic. So we're spending most of our resources on prevention so we

can in fact offer the treatment services when people come forward.

So the delay is purely a financial one. Are we covered statewide? No. Are we working to make sure that one county covers two or more right now? That's the best that we can do. And I think it's reasonable under the fiscal circumstances we're in.

Our commitment, though, I think we've done more for the addiction of gambling over the last ten years than has been done in two decades. And that is on the map. We are educating people about the problem of compulsive gambling. We're serving people on what to do about it. We've seen a growth. As we talked among our young people, the Friday night beer party has now been replaced with the Friday night poker party. Which seems simple, as many parents thought many years ago. Now it's no longer.

Does every child that gambles Friday night, are they going to be addicted to gambling? Absolutely not. But the possibility of the linkage to what can

happen has been created. So we're preventing, and then we're going to offer the best-quality treatment and we're going to help individuals on the road to recovery, no different than we do with any addiction that we serve.

ASSEMBLYMAN ORTIZ: Has there been any collaboration among the state agencies to address the issue of underage gambling at all? And also you had stated before that the federal prevention funding has been eliminated from the schools. I believe we're talking about the Congress Safe and Drug Free Schools community grants program that has been eliminated.

You know, I know that you're to make the impossible to be possible with whatever little money you have. And I don't know how you do it. But you've managed to at least come with the flag at the top.

My question to you is, you know, by this money not coming in, you do have a big gap there. How can we be helpful to make sure that these services will continue to be

there? And that, you know, taking into consideration not only the gambling issue, but we also have a big challenge ahead of us about underage drinking in this state.

COMMISSIONER CARPENTER-PALUMBO: Absolutely. Absolutely.

ASSEMBLYMAN ORTIZ: And, you know, how can we be helpful to you to make sure that we do have what we need in order to address, especially in these economic circumstances, this underage issue that is really tackling every household in the State of New York?

COMMISSIONER CARPENTER-PALUMBO: Right. Right. Well, be clear that we right now spend $110 million in prevention dollars, you know, for youth and to prevent the disease of addiction and gambling and drinking or drugging, absolutely.

Is that enough? No. Is the 20 percent reduction from the federal government going to hurt some of the communities in your community and your community and your community? Yes. We're trying to look at

where we can best mitigate that, you know. We will provide that split-up between approximately $17 million that is going to the State Education Department, that $22 million, and another $4 million that's coming to the Office of Alcohol and Substance Abuse. We are going to try to see what we can do to free up dollars to accentuate the loss that is before us. But we have no dollars, you know, to help with the assistance of the school-based programs.

So we're working with the State Education Department to do the best we can. Obviously, you know, in your course of business and negotiations to look at those dollars to see what they support and how they could continue to support is important. And I think it also says what we need to do on a federal level. The fact that these dollars were even cut says a great deal about what we need to emphasize, you know, relative to prevention of addiction, to parity issues and the like.

So you know of our efforts on underage

drinking and what we're trying to do throughout every school. We still have surveys that show us 50 percent of the children in grades 7 through 12 had a drink last month. The same is true: Will every one of those children turn out to be an alcoholic? No. But it is a beginning. And it's one that we have to put a stop to and remind people of the consequences of underage drinking. And we have several initiatives that do that right now.

ASSEMBLYMAN ORTIZ: Under your recommendations or the Governor's recommendations on the Executive Budget, the Executive proposed to eliminate what they call the Unified Service Program. The Unified Service Program is a source of supplemental funding for five counties.

What material methodology was used to determine that this funding was no longer necessary? And how will eliminating this program affect services in counties that have such programs?

COMMISSIONER CARPENTER-PALUMBO: We

all share in this, so we were just conferring on our numbers.

For the Office of Alcoholism and Substance Abuse Services, it's approximately $40,000. So it's of concern. But these were in fact enhanced rates. And when you are looking at -- not that they weren't necessary, absolutely. But when you're looking at the fiscal crisis that you're in, we have to make sure we can provide the core services. And that's what we continue to do.

I don't know if either one of you want to answer.

COMMISSIONER JONES RITTER: I will.

For OMRDD, the impact is about $1.7 million. This was approved in the 2009-2010 enacted budget. It's about a 10 percent cut in state aid that will affect direct contracts that we have for some sheltered workshops and will probably affect the administration of some of the county programs.

What we've already started to do is to

work with our county partners for them to identify where these resources were going and what individuals are impacted by these reductions. And we'll work throughout our districts in the state to prioritize, you know, the services that should be sustained and to work within our broader system to see how we can continue to support those individuals.

I do expect that there will be an impact, but we're working to mitigate them. And it was approved as part of last year's budget.

ASSEMBLYMAN ORTIZ: Thank you.

One other question I have -- it probably will be for the three of you -- will be regarding our veterans coming back to our hometowns. And as you know, a lot of them are suffering from some mental and substance abuse problems and others. As you probably heard already, the Department of Defense, they don't have enough mental health providers. And as a result of what happened in Texas, I learn more and more

that the problem of not having counselors, substance abuse counselors, really is detrimental for the armed forces.

I guess I would like to know in general what progress has been made within the three years of working together in collaboration to address our issues of men and women in the military when they come back home.

COMMISSIONER CARPENTER-PALUMBO: Well, let's begin with one. I mean, obviously we've worked diligently on this as well. And New York was one of 10 states that was awarded by the federal government to be part of the Policy Academy, which we took individuals from across our system of care to determine what is our best course of action. Because they had seen the progress to date.

This had begun early on in the administration when Mike and I had met with our own Department of Defense contacts to determine, you know, what we will do. We have also looked at honing in on services relative to what the vet -- the combination

of what the Veterans Administration offers federally and then what we offer as a state. OASAS has over 200 specific veterans treatment beds for women and men veterans. And Mike has similar programs.

But I think we also want to know something that we're coming up against, which is part of our federal agenda, is that the insurance plan for the federal administration right now, TriCare, does not authorize the use of our OASAS or OMH-certified program providers as part of their system of care. In fact, they provide only that individual practitioners can be offered to provide care.

That is not acceptable. And we are fighting, you know, vociferously against that because that is archaic, you know, and that there is no protection for the New York veteran when they come back to be in a certified program of care, of which we provide and have the expertise to provide. And we should get paid for it. And that is really, I think, a tragedy for us.

And we are working with all our federal contacts, and we would appreciate your assistance in that as well to ensure that that insurance program allocated through the Department of Defense has to provide that certified programs within New York and any state are what is the reimbursable service for prevention, treatment and recovery.

COMMISSIONER HOGAN: I would just say amen to what Karen has said, with a little bit of a digression, in that it's a curious thing, but this country has learned about mental health problems from wars. People were shocked in World War II when hundreds of thousand of people were found unfit to serve because of mental health problems. You know, nobody had noticed up to then, and all of a sudden that got attention and began to show us what the magnitude of the problem was.

And second, community mental health care was invented, frankly, in World War II when it was discovered that if people really had what they called then combat fatigue,

you'd better get them out of their unit and get them some help right away, but you'd better get them back in their unit quick. If you kept them too far away and you take them away from their buddies, they would in fact do worse. So it taught us a lot about crisis intervention.

So I have ambivalent feelings about this whole issue, because the deficits in our approach to veterans on the one hand is the most unacceptable of all of our problems in mental health care, but it's what families of people with schizophrenia go through every day. Every day they go through these kinds of problems.

We have appreciated the leadership of Jim McDonough, the director of veterans' affairs, who has been like a dog with a bone on this issue, the leadership of General Taluto in the National Guard, who agreed to create a problem program of universal screening for these problems. And they had to make it universal, because then there was no stigma to it anymore, and we could

identify people without having them stick out.

Now, you and several other members were kind enough to attend our first meeting of this council that Commissioner Carpenter-Palumbo recommended. And we had an opportunity there to look at a web technology that developed in California that would allow vets to sort of cut through the maze, in a sense, to find out where they're going to go. And so we're looking at how we might bring that technology here.

ASSEMBLYMAN ORTIZ: Let me just state that I welcome the opportunity to work with you all on this issue regarding the federal approach, because I've been a big proponent to mandate that every veteran that served in the armed forces, once they come back home, they should have access to any medical facility in our state.

And one other thing that I've been talking about is to give the opportunity to those veterans to use either their DD214 to identify them as a former armed force

member, or currently in the military, that when they suffer from whatever, they don't have to go just directly to VA.

It's not that I'm trying to turn down the VA hospital, it's just that I do believe that we should do better for our veterans. I do believe that our job as a leader is to ensure that those men and women who have served this country, they get the best access and the best opportunity to take care of their health. And I think that we become unfair to the military by not doing the right thing for them. And when we have the opportunity to do it, we don't do it.

And I'm glad to hear that at least this is a first step in the right direction approaching Washington, and I will be more than happy to continue to put pressure to Washington. I think that not only we can do it from the State of New York perspective, but I know definitely we can do it by joining forces throughout the other 50 states and the territory where we have friends and brothers and sisters that are

willing to work with all of us.

Last but not least is an issue that has been addressed, and with these budget cuts it makes me crazy sometimes, and also with the federal government taking money away, is the issue of heroin that we begin also to contemplate not only in Albany, not only in Nassau County, Long Island, but also in some parts of our state.

And I'm wondering what are we doing as agencies to pursue and trying to bring the real prevention that is needed to address the issue of heroin in our state.

COMMISSIONER CARPENTER-PALUMBO: Well, the concern, as you know -- I mean, as you're well aware -- is that right now it is cheaper to buy a bag of heroin than it is a six-pack of beer in most parts of the state. We're acutely aware of that. So what do we do?

You know, we begin with our message that we've started from day one. We try to prevent it. And you prevent it by educating about the consequences. What we've learned

from, you know, the adolescents themselves is "Stop telling me no, no, no. That doesn't work. You tell me what's going to happen, and you give me the opportunity to make the choices." And we have, in fact, that. We have a campaign called "I Decide." Right? I decide who my friends are, I decide what music I'm going to listen to, and I decide whether or not I put myself at risk.

That is what the research tells us is the best way. Because the no and the blind eye is no longer acceptable. And so that is how we begin to prevent it.

Obviously, we work with all our federal enforcement officials, you know, to try to stop the availability of it. But when we know that it's available, we have to make sure we put the education in the minds of adults and adolescents on making those choices. And that's what we're beginning to do. We've been -- not beginning, we've been doing it. You know what I mean?

But sometimes, as we know, the

stressors that you've all described, the stressors of young adults today, are very different, you know. And the access, the release of that stress, you know, and that's an immediate impulse to have that stress released.

So we're working to -- you know, in every school district, every community, make parents aware. Because parents are still, even though everything would make them think that that's not the case, parents and your family members are still the number-one influence of whether or not you will use alcohol or a drug, absolutely still the number-one influence.

So, again, we educate parents to the campaign -- what to look for, what to talk about. We still get calls, as I'm sure all of you do: "What do I say?" And we have now the capacity to give out information as it's available on the web, but the right information on how we can prevent the beginning, prevent the beginning of that first time.

And we're working diligently on it. You know, it's access and education. You know, decreasing the access and the availability and then educate people on the consequences if you make this decision.

ASSEMBLYMAN ORTIZ: Mr. Chairman, I am a big fan, a big believer of prevention. And I think that my colleague in the Senate was talking about the famous tax on cigarettes. And I just would like to bring -- I don't need you to answer that, to respond to my inquiry, but I do believe that the time has come where in order to diminish the access to alcohol, I think we need to also increase the tax on alcohol.

And I will continue to push my legislation, because I do believe that we need to bring the surcharge on alcohol back on the table in this session. I think the fact that we need money for prevention, money to make sure our kids from early Head Start through colleges, they should get the awareness -- whether through the media, whether it's through colleges, whether it's

through counselors for substance abuse or a mental health provider or health provider -- I think that we need to make sure that as the budget negotiations continue and move forward that we take into consideration the alcohol surcharge that will bring us almost $1.5 billion.

Thank you, Mr. Chairman. Thank you, Commissioner, for your response.

COMMISSIONER CARPENTER-PALUMBO: Thank you.

CHAIRMAN FARRELL: Thank you.

Assemblyman Cusick.

ASSEMBLYMAN CUSICK: Thank you, Mr. Chairman.

I want to thank the commissioners for your testimony today and thank you for your work during these hard fiscal times that we have before us.

I had two questions, but my colleague Assemblyman Ortiz has touched upon the issue of the veterans. And in the interests of time, I will reach out to you at another moment on specifics how we can be helpful in

the Legislature.

COMMISSIONER CARPENTER-PALUMBO: Please do. Please also know that -- Mike and I need to add that we have prioritized, you know, over two years ago, any veteran needing treatment will get that as a priority case.

ASSEMBLYMAN CUSICK: Yes. And I know you're working very hard on it. And we had a committee meeting in Veterans Affairs yesterday where we were speaking with the Veterans' Affairs folks about it. So for interests of time, I won't get into it, but I will be reaching out.

I would like to direct my one question to Commissioner Jones Ritter concerning the proposed budget proposal, in particular the issue of the 20 jobs at the Institute of Basic Research. I think you probably knew I was probably going to ask this question, the Institute being a jewel on Staten Island but also serves a major purpose throughout the state and the country for research for developmental disabilities.

Could you just run down for me how that will work, the elimination of the 20 jobs?

COMMISSIONER JONES RITTER: First let me say that yes, IBR is a jewel of research for developmental disabilities on Staten Island, in the state, in the nation -- but it's also in the world.

ASSEMBLYMAN CUSICK: Yes.

COMMISSIONER JONES RITTER: IBR is a world-class research institute. And, you know, I continue to see the opportunities it will present to improving the lives of people with developmental disabilities as we go forward.

So the 20 positions in the budget, just like every other area in our budget and every other agency's budget, we are pushing to prioritize what we do and to look very closely at what is core to our mission and what's not core to our mission. So that's every place in my budget and in my agency, and IBR is a part of that.

So we have challenged the leadership of IBR to look across all of its research and

identify research that is simply not core to what we're trying to achieve, not core to our mission of supporting developmental disabilities.

The good news is that we do not expect in this budget to use layoffs to achieve the 20-person reduction, but to really work over the year and probably beyond to attrit people through natural attrition in those areas. Meaning, you know, when they're done with their research and they're moving on to something else, that we will not continue that research.

So we're going to do it in a very natural way, in a deliberate way. But what's really important -- and I know you're really going to appreciate this too -- it does not impact this tremendous commitment and strides that we're making in terms of autism research and supporting people with autism and autism spectrum disorders. These positions will not impact that very important initiative that you and others have supported in the Legislature. Thank

research scientist, but also an awesome leader of the Institute -- to really look to make those decisions.

ASSEMBLYMAN CUSICK: I just have one quick question, and you may not be able to answer it now. But how much revenue does IBR generate from their research and the grants that they have there?

COMMISSIONER JONES RITTER: I can answer that, because you know we're looking at everything. They generate about $250,000 a year in revenue.

ASSEMBLYMAN CUSICK: $250,000?

COMMISSIONER JONES RITTER: Yeah, mm-hmm.

ASSEMBLYMAN CUSICK: Great. Thank you, Commissioner.

Thank you, Mr. Chair.

COMMISSIONER JONES RITTER: Thank you. Thanks for your support.

CHAIRMAN FARRELL: Thank you very much.

Mr. Saladino.

ASSEMBLYMAN SALADINO: Thank you,

Chairman. And I'd like to thank all of you for all the information you're sharing with us today.

I wanted to ask two questions that dovetail on the issues brought forth by Assemblyman Weisenberg and Assemblyman Hayes. But before I do, I wanted to thank you for the work that's being done on heroin abuse.

In the community I reside in, it is a very scary, very serious, and a very traumatic issue. And on a personal note, I've just attended way too many funerals. So we would greatly appreciate all efforts to raise the bar on substance abuse, but specifically heroin abuse and the heroin deaths that we have been seeing on the surge.

The two questions I had, the first is for Commissioner Jones Ritter, and that relates back to the issues of sexual predators. And I've been told that those with mental illness and developmental disabilities -- especially children, but not

only children -- are more likely to be the target of sexual predators. Could you address that, please?

COMMISSIONER JONES RITTER: You're saying that individuals who have co-occurring mental health and MR issues are more subject to sexual predators?

I am really sorry, Assemblyman, I do not have data off the top of my head on that. But I'll dig and see if I can find something. I'm not aware of that statistic.

ASSEMBLYMAN SALADINO: Some of the experts I've met with have stressed the point that those with developmental disabilities or mental illness are -- to coin a phrase, they consider them an easy target or an easier target, especially those with verbal issues and those who are less likely to understand what's going on to or to verbalize what has happened.

And I'm wondering if there is a special program that you have to help to combat that problem.

COMMISSIONER JONES RITTER: You know,

it seems reasonable to think that individuals would be more vulnerable because of their challenges intellectually. And in our system, you know, we really work to bring quality management and quality oversight to where people are living and where they attend day programs, to prevent those kinds of things from happening.

You know, we have really increased our diligence in reviewing incidents that do occur. We take swift action when we do find it. But, you know, we have learned a lot over the years, and I think we're doing the best we can to observe and prevent those things from happening.

But I was thinking you were asking if there was research originally that really demonstrates that, and that I'm not aware of. But I can again affirm that we take these matters very seriously. We do a lot of training -- oh, my gosh. We have a lot of investigators, we have a very prescribed and disciplined process for when we believe there's alleged incidents, and we follow up.

So it's not a program, it's really instituting quality management in every step of the way in those areas where we support people directly.

ASSEMBLYMAN SALADINO: Is there training that goes on to better help the parents and families of the consumers so they can be better apprised and prepared and have the tools to identify incidents of sexual abuse among their family members?

COMMISSIONER JONES RITTER: We do a lot of work, of course, in our system with families on those and other issues of supports and services. Families are part of a council at every one of my districts. We have parents and family members who are on our boards of visitors who are trained and engaged in those matters that could involve abuse.

And, you know, we do regular outreach, particularly through some of our family support services programs, to make parents more aware of all of the issues around the care of their individuals.

I think we're very good about engaging parents and family members in care and understanding -- you know, what to look for in terms of, you know, the progress of their individuals as well as particular challenges that could be adverse. I think we do pretty well.

ASSEMBLYMAN SALADINO: Thank you.

My last question is for you, Commissioner Jones Ritter, and Commissioner Hogan, and it addresses the issue that was brought up earlier -- we see it in our communities, we read about this in the media, and we have had many problems down on Long Island, reoccurring problems; the recidivism rate is just incredible. And that in light of the issues of sexual abuse of children, the issue of civil confinement was brought up.

And based on your knowledge, your extensive experience, your expertise in this field overall, do you feel that civil confinement is one of the best means of protecting the children of our state from

sexual abuse?

COMMISSIONER HOGAN: No.

ASSEMBLYMAN SALADINO: Why?

COMMISSIONER HOGAN: Because most abuse is done in or close to the family. And most of it's done by people that haven't done it before. And only a tiny fraction of it is done by these repeat offenders.

But at the same time, if it's possible to identify somebody who is at high risk of reoffending, there's no question that they ought to be, quote, unquote, put away in some fashion. And so I believe the law that was passed that we try to implement faithfully does a good job of that.

But that is just the top of the tip of the iceberg to, you know, sex offending that occurs, you know, in families or close to them or by people who have never done it before. And we don't have enough of a conversation about that, and we don't do enough to address those problems, to address, you know, sexual acting out by teenagers that can turn then into date rape

or abuse.

So we focus on the high end, and we don't do enough across the board.

ASSEMBLYMAN SALADINO: So I should better specify my question, Commissioner. When it comes to those people who have been -- I think we're in agreement that certain individuals can be identified as acute repeat offenders. When it comes to that subset, is the safest way to protect the public from sexual abuse of children from that subset, is that answer civil confinement?

COMMISSIONER HOGAN: I would say the best approach would be to sentence them better at the get-go and keep them incarcerated, where I would say they really belong. I would say that would be the best approach.

But even with sentencing reform, there are going to be these individuals who have already been sentenced and you can't sentence them anymore because they've served their time, and they're going to come out.

Those are the ones that it's our job to try to identify so that they can be committed.

ASSEMBLYMAN SALADINO: Commissioner Ritter, the same question.

COMMISSIONER JONES RITTER: What I would add to that is on the back end, when they do come out, you know, we are committed to providing them the best treatment possible to address their behaviors.

You know, like I said, I have about a thousand individuals living in three levels of intensive treatment of facilities across the state, and we have the best behavioral specialists that we can find, we do work with Commissioner Hogan and his team so that we can provide some treatment so people can, you know, move through to through different levels of their lives.

So that's what I would add to the back end. When we have them, we do the best we can to treat them and support them and to intervene on those behaviors.

ASSEMBLYMAN SALADINO: Certainly, Commissioner, we all realize how complicated

an issue this truly is and how difficult your job is in addressing treatment and even the identification component.

But when we have the recidivism rate so high and we have repeat offenders, that subset, that acute subset -- for those people, in terms of properly protecting our children, in terms of properly addressing the fears and the questions and the concerns of parents -- and in light of the fact that sentencing has not been to the extent, frankly, some have referred to it as a revolving door through the courts when it comes to this issue -- in light of all of that, is civil confinement the real answer to making sure our children are protected from that most dangerous subset?

COMMISSIONER JONES RITTER: I agree with what Commissioner Hogan says. It has got to be taken care of better on the front end.

ASSEMBLYMAN SALADINO: Thank you.

CHAIRMAN FARRELL: Thank you.

To close, I just would like to ask each

of you a question. Are you using temporary workers in your agencies? Yes?

COMMISSIONER JONES RITTER: I'll start.

Yes, we are. We are using temporary services in our agency, primarily, Chairman Farrell, for staff that have to go to the hospitals and stay around the clock with our individuals, because hospitals won't care for them unless we send someone in. And of course those are intermittent.

And also for nurses in parts of the state where it's hard to get nurses. And also to cover for the impact of the legislation that does not allow us to mandate overtime for nurses.

So we've been having to use some temporary staff to cover the clinical needs of our folks in those conditions. But if you look at our numbers relative to what we spend on personal service, the numbers aren't very high for us. We try to minimize the use where possible.

CHAIRMAN FARRELL: In other words,

you're getting around the regulations by keeping people on 24 hours? Yeah, okay.

Yes?

COMMISSIONER CARPENTER-PALUMBO: We have no temporary staff other than the nurses that we have to use to meet regulations. You know what I mean? If we cannot hire a nurse in a timely fashion, we must provide for the quality and safety of people in our care, and that is the only time that we authorize a temporary staffing.

COMMISSIONER JONES RITTER: Yeah, it's not getting around the regulation, it's just being in --

CHAIRMAN FARRELL: No, no. Well, I don't think any regulations really allow someone to do 24 hours. I'm thinking out loud.

COMMISSIONER JONES RITTER: Oh, okay, yeah. The mandate, right.

CHAIRMAN FARRELL: In other words, people do use -- someone has to do it.

COMMISSIONER JONES RITTER: Somebody 's got to do it.

CHAIRMAN FARRELL: Yes. But on the other hand, it's not something we acknowledge happens. Because if we did, we'd come up with some regulation to allow it to happen. But we don't, so -- okay.

COMMISSIONER HOGAN: And we do as well. We have probably a little bit more than either of the -- we have about a hundred individuals --

CHAIRMAN FARRELL: Permanent, rotated?

COMMISSIONER HOGAN: No. It usually is, as the name indicates, it's temporary. It's filling in for somebody where the function has got to get covered and we can't hire somebody yet. So until we get somebody in there, we would do this.

That amount is -- the annual payroll for these hundred individuals is less than a day's payroll for our system as a whole. So to put it in perspective, there's not that much of it.

CHAIRMAN FARRELL: All right.

CHAIRMAN KRUGER: Thank you very

much, Commissioners. Thank you again.

SENATOR KRUEGER: Thank you all.

COMMISSIONER JONES RITTER: Thank you for your support.

CHAIRMAN KRUGER: At this point we're going on to the Onondaga County Department of Health.

(Brief pause.)

CHAIRMAN KRUGER: Good afternoon. We would ask, since we have your written testimony for the record and we're running really late, if you could just summarize your comments. Thank you.

Commissioner Long?

ONONDAGA COMMISSIONER LONG: Well, first of all, thank you for the opportunity to speak with you this morning.

CHAIRMAN KRUGER: Excuse me. Could everybody please either find their way out or find a seat? Thank you.

ONONDAGA COMMISSIONER LONG: I'm Bob Long. I'm the commissioner of mental health for Onondaga County. Most of you probably known it's a community of about half a

million people including Syracuse, New York.

And I'm here today to talk to you because of my responsibility under state statute to strive to assure the adequacy of the provider network for mental health services in Onondaga County.

We have six licensed clinics in Onondaga County operated all by nonprofit or governmental entities, and all of them -- well, I don't know if all of them are, but many of them are losing money in the range of hundreds of thousand dollars per year.

This is not how it's supposed to be. These clinics accept Medicaid, and Medicaid is supposed to reimburse rates for the reasonable costs of an efficiently operated provider. Our providers are very efficient. Their costs are reasonable. And yet clinics -- I know of three of the clinics are losing between $240,000 and $400,000 per year each.

The loss of these clinics -- and I think they're on the verge of financial collapse. And I'm very concerned about the

adequacy of our ability to serve people. Clinics are the first line of contact for most people who contact the public mental health system, and clinics are the only place of contact for many people who receive services in the mental health system. They're also one of the most cost-effective treatment forms that we have available.

Not only would the loss of these clinics be a human tragedy, but it would be an economic one as well. In my written testimony I cite some statistics about the loss of productivity, incarceration, failure in schools, and many other consequences of untreated mental illness.

We need to do something to sustain our capacity to treat people with mental illness, and it has to be done sometime soon. Many of our clinics have been in fact struggling with covering these losses and other means for a number of years. With me today is one of the providers, who I'd like to have say a few words about that.

But one of our clinics did in fact go

out of business, and we were fortunate that another provider picked up that business -- but that provider is continuing to lose money.

That said, I'm not here to ask you for money. What I'm here to do is to ask you to --

CHAIRMAN KRUGER: That's good.

(Laughter.)

ONONDAGA COMMISSIONER LONG: Yes, we in the counties as well as at the state level understand the financial difficulties of the times.

But what we are here to do is to ask you to support clinic restructuring that's being proposed by the Office of Mental Health and in the Executive Budget request. And I believe this will help to maintain and improve critical mental health services in communities like mine and to help put New York on the road to economic recovery by increasing the productivity of our workforce by addressing some of the untreated mental illnesses that have a negative impact on

workplace productivity.

These clinic reforms are budget-neutral for the state and will ensure reimbursement equity to providers who have been arbitrarily penalized by Medicaid payment rates that are by any measure irrational.

There's no rhyme nor reason to the supplemental rates. They're a historical artifact of a fiscal gimmick that was implemented some 20 years ago in an effort, frankly, to draw down more federal dollars. And they were fixed at that point in time based on the amount of state aid that those programs were receiving.

Those programs no longer receive state aid because of the Medicaid supplement. But 20 years later, some clinics are receiving a supplement of $7 a visit, some clinics are receiving a supplement of $300 a visit, and that is not related to the types of Medicaid programs the clinic is running, the geographic location or cost of living of those programs, or any other factor that would logically explain why there is such a

wide differential in rates.

Budget neutrality is possible because the Office of Mental Health is proposing a leveling of clinic rates -- that is, a reduction in the rates of clinics who are earning $300 an hour and an increase in the rates of clinics who are earning $7 an hour for those services.

And I'm sure that you will be hearing, as legislators, from some of the individuals whose rates are being reduced. And although I believe it will be a difficult adjustment for them, I would ask you to think about two questions if you are approached about this.

If clinics cannot operate at $300 an hour supplemental rate, how can we expect the clinics in Onondaga County to continue to operate at $7 an hour on a supplemental rate when they're providing the same services? And if we don't equalize funding among clinics based on the reasonable cost of an efficiently operated provider, where will we find the money to provide a reasonable rate to the clinics that are

currently being grossly underpaid?

Although the cuts to the more highly paid providers are deep in some cases, I don't think we can any longer rely on fiscal gimmicks to finance unsustainable spending. We need to address those issues in other ways other than by trying to tie them to a Medicaid rate.

For the first time in 20 years, all clinics across New York State will have the resources and tools necessary to deliver quality clinic treatment. In these difficult and stressful times, I don't believe we can afford to forego this opportunity to better serve the most vulnerable individuals in our society.

And because of the time, I will keep it brief at that, but I would like to ask Kim Dec here to say a few words from the provider's perspective on this same issue.

MS. SULLIVAN-DEC: Thank you.

Hi. My name is Kimberly Sullivan-Dec. I'm the vice president of program operations for Liberty Resources at the Brownell Center

for Behavioral Health.

As Bob mentioned, Liberty Resources assumed operational responsibility for Onondaga Pastoral Counseling Center in 2007. OPCC had operated since the mid-1970s, and its board of directors voted to close the clinic doors to the community because it was no longer financially viable. This would have denied care to thousands of clients in Onondaga County, most of whom are from our most disenfranchised populations, struggling with extreme poverty and multiple life stressors.

Since 2007, when we assumed operational responsibility, we have invested significant economic resources to sustain these services in Central New York. Over the course of the past two years, we've focused our efforts on improving access to services, growing the clinic to serve more than 2,000 clients and nearly doubling our annual volume to provide more than 35,000 individual, group or family visits in 2009. We've made tremendous advances in staff productivity and improved

operational efficiencies.

But despite that, without clinic restructuring, the opportunity for us to continue to provide these services will be severely limited. And in fact, another provider in our community is in danger of closing its doors without the economic relief of clinic restructuring.

Today I was very hopeful to hear Commissioner Hogan mention that there's potential agreement with the Department of Health related to the inadequate rates paid by Medicaid Managed Care. That in fact is what's polarizing this discussion around clinic restructuring.

With the severely constrained budget, expanding state or county clinics is not an option, and it's not rational or affordable. Accordingly, sustaining private not-for-profit clinics in an already fragile system of care is critically important. And clinic restructuring is an absolutely necessity in maintaining the safety net of mental health services at the community

level.

The resolution of the public policy question on sustaining these services can be achieved by the following two actions:

Implementing clinic restructuring no later than July 1st. It's already been delayed twice and costs us hundreds of thousands of dollars in each delay.

And structurally address the rates of reimbursement in Medicaid Managed Care, Child Health Plus, and Family Health Plus, utilizing the existing financial resources within state agencies to underwrite these costs.

There are many that will tell you that clinic restructuring will have a negative impact for New York State. However, we are an example that clinic restructuring will be a positive impact for our community and the sustainability of mental health services in Central New York.

Thank you.

CHAIRMAN KRUGER: Thank you very much.

Questions? Senator DeFrancisco.

SENATOR DeFRANCISCO: Yes, thank you.

As usual, Onondaga County leads the way in not looking for more money but trying to get a fair distribution of funds, as they've been managed fiscally conservatively for many, many, many years.

I just had a couple of questions. Did I hear you right that the rates vary from $7 to $300 an hour?

ONONDAGA COMMISSIONER LONG: Yes. That's the supplemental rate on top of the base rate.

SENATOR DeFRANCISCO: It's the same service that's being provided?

ONONDAGA COMMISSIONER LONG: Yes.

SENATOR DeFRANCISCO: And how in God's name does that happen?

ONONDAGA COMMISSIONER LONG: That happened because about 20 years ago there was state aid funding some of these programs in the clinics, and the state converted that state aid to Medicaid supplemental rate. It was essentially a gimmick to draw down

additional federal dollars at that time.

Whatever the state aid was at that point in time for that clinic was what that was fixed at. They took the number of visits that clinic did, divided it into their total state aid amount, and that became their supplemental rate. That has not changed in 20 years. And some of the programs that were being supported by state aid are no longer being offered; others have morphed into different services. In any event, none of them are Medicaid-eligible services.

SENATOR DeFRANCISCO: All right. That being the case, if everything happened exactly the way you're looking for, would that rate somehow be closer for -- at both ends, or it would be the same rate for all providers?

ONONDAGA COMMISSIONER LONG: It would be the same rate for all providers, with the exception of some geographic differentials, recognizing cost-of-living differences in different areas of the state.

SENATOR DeFRANCISCO: All right. You're getting to the point I was ultimately going to arrive at.

The $7 and the $300, are those based on geographic differences now?

ONONDAGA COMMISSIONER LONG: No, they're not.

SENATOR DeFRANCISCO: So there's service providers upstate that are getting $300 an hour and some that are getting $7 an hour?

ONONDAGA COMMISSIONER LONG: That's correct.

SENATOR DeFRANCISCO: Now, the regional differences that you're talking about that will exist after the fact, do you have any idea how much the differences will be?

ONONDAGA COMMISSIONER LONG: I don't know off the top of my head, but it's nowhere near as substantial as the $293 that exists now.

SENATOR DeFRANCISCO: But you have looked at them, and as far as the cost of

living and everything else, if what you ask actually happens, it will be a fair system that should be acceptable to everyone except those who are getting cut?

ONONDAGA COMMISSIONER LONG: I believe so.

SENATOR DeFRANCISCO: All right. If they're not happy being cut, maybe we should put them on the $7 rate for a while.

Thank you very much.

ONONDAGA COMMISSIONER LONG: Thank you, Senator.

CHAIRMAN KRUGER: Just one quick question. Commissioner Long, do you have a county-by-county breakdown of who's the $300? And we know that you're the $7.

ONONDAGA COMMISSIONER LONG: I don't know. I've been part of some of the statewide development of this, but I'm really here today representing Onondaga County, not representing anyone statewide.

CHAIRMAN KRUGER: I understand. Well, we're going to ask for a staff report, and we'll get you a copy of it.

Assemblyman?

CHAIRMAN FARRELL: Assemblyman Rivera.

ASSEMBLYMAN PETER RIVERA: Thank you, Mr. Chair.

Mr. Long, I want to thank you for the letter that you sent me a couple of weeks ago. In fact, you are the only person in the State of New York who has sent me a letter favoring the restructuring, the payment restructuring.

I've heard extensively from the other side, and I've had numerous meetings with the commissioner and with a whole bunch of other individuals. And I appreciate your testimony. But what I have discovered is that it's a tremendously complex thing that we're doing that cannot be explained simply in $7 versus $300. It's a much more complicated process that we're undergoing.

And I know that OMH has been working with the providers on all sides and trying to tweak the requirements that Medicaid is imposing. And it's a process that's going

to take several years to fully implement. And I think that's really the best way of doing it, so that there is no hurt as we're going through the changes, which are drastic changes in the reimbursement rate.

I want to thank you for your letter. And as I said, because you were the only one, have some of your colleagues write also and further explain some of these changes -- not only to myself, but to all of my colleagues.

ONONDAGA COMMISSIONER LONG: Thank you. I think -- if I can respond briefly, I think part of the issue and one of the reasons I decided to come here today is that if people are being hurt by a change, you're much more likely to hear from them than if people are being helped by the change. That's just human nature.

ASSEMBLYMAN PETER RIVERA: I understand that also. But it's also good to hear from all sides as we're going through this process.

I listened to the people who are being

hurt by it, and I've asked the commissioner to respond to those individuals. And he has been kind enough to meet with them at my instance and try to work through this whole process so there's complete transparency and a true understanding of what we're going through.

ONONDAGA COMMISSIONER LONG: Yes, this has been a participatory process. As I said, I have participated in that. It's been one of the most transparent processes I've seen in years on this kind of a change. So I want the compliment the Office of Mental Health on that.

And it is being phased in over three years -- well, four years. The full rate is 25 percent a year over three years and then the full rate in the fourth year. So I think there is an effort to try to address those needs.

And really I just wanted to make sure that you knew that, you know, there are pluses and minuses to this.

ASSEMBLYMAN PETER RIVERA: Thank you.

Thank you for your testimony, by the way.

SENATOR DeFRANCISCO: May I have two more minutes?

CHAIRMAN KRUGER: Please, Senator DeFrancisco.

SENATOR DeFRANCISCO: I just want to mention that I think that's an excellent idea, that the people that -- I think that people -- if it's not changed, there's still people being hurt by it, the people that have been hurt by the rate since it started.

ONONDAGA COMMISSIONER LONG: That's correct.

SENATOR DeFRANCISCO: So it's not that the Assemblyman heard from the people who got hurt -- he's certainly heard from them, but that just means they're just getting lowered. Where if it doesn't get acted on quickly, people who have been hurt for years will continue to be on an absolutely unreasonable rate here. There should not be a differential of that amount for the same services. It doesn't make any sense.

So I would very strongly urge you that other groups that are affected, they'd better -- the squeaky wheel gets the oil in this place, if you haven't figured that out yet. And get some of the other wheels that are squeaking and let people everybody hear about it, or else it's going to be another 10 years before anything changes.

Thank you.

ONONDAGA COMMISSIONER LONG: Thank you.

CHAIRMAN KRUGER: Thank you.

Mental Health Association of New York State.

MR. LIEBMAN: Good afternoon.

CHAIRMAN FARRELL: Good afternoon.

CHAIRMAN KRUGER: Once again, Mr. Liebman, for the purposes of brevity, if you could please summarize your remarks.

MR. LIEBMAN: I will be very brief, I promise you.

First, I just want to thank you all. The Legislature has been in many ways our savior in terms of what you've done for us

in terms of adding funding to budget cuts, creating new funding for us, and certainly around legislation, things like Timothy's Law. We really appreciate all you've done.

My name is Glenn Liebman. I'm the director of the Mental Health Association of New York State. Our organization is comprised of 31 affiliates across New York State in 54 counties. What most of our members do is they're community-based providers of mental health services. But we also do a lot of trainings and educations in the community, and we serve literally over 100,000 individuals in New York State.

And my testimony today, I'm not going to detail my testimony, I'm going to briefly just talk about one thing. But I just want to let you know that we're involved in many issues at the Mental Health Association, including issues such as parents with psychiatric disabilities, healthcare enhancements, veterans' issues, medication accessibility -- Assemblyman Rivera, we couldn't agree with you more in your earlier

statements about that -- adult home reform, juvenile justice -- and, Senator Montgomery, we completely agree with you and look forward to talking to you further about some of our ideas around juvenile justice -- housing, geriatric mental health, and a series of other issues.

But today I'm here to talk about one thing, and that's about community-based mental health services. We're very appreciative of Governor Paterson, the Division of Budget, and the Office of Mental Health in that the proposed budget, to quote Commissioner Hogan, "sustains essential supports for the community-based services infrastructure." That means a great deal to us and to every one of us in the community.

But that said, our safety net -- and we talk about this all the time. We have a safety net in mental health. I don't know if many of you were with us last week when we had our big rally with 1500 people here and we talked about the safety net. Well, now, right now, the safety net that we've

had in the community is eroding.

And we are asking this year -- I know it's an incredibly difficult year, but we do have a specific ask around mental health funding. We're asking for a 2 percent increase for community-based services, which comes to about $20 million. But we have this ask with, I think, five strong reasons behind that ask.

First of all, our number-one reason is the economic crisis is a mental health crisis. When you talk about bankruptcies, foreclosures, unemployment, they all lead to increased mental health services. We see this all the time. And it's all reflected by the higher percentage of people engaged with community-based mental health services, engaging with clinical services in general, suicide hotline calls. Unfortunately, suicide completions. We've seen this all over in terms of how the economic crisis has hit mental health.

As a matter of fact, to quote the Wall Street Journal: "Research shows that

suicides and psychiatric hospitalizations tend to peak at the lowest point of a recession, when unemployment is at its height."

So clearly we have a new influx of people entering the community-based mental health system that we have to work with. So our numbers, our capacities are increasing dramatically.

The second piece I just want to talk about, community services are a great investment. They save money for the state. When you think about it, as we said, we are essentially a protection here for the community. If people do not get community-based mental health services, they're likely to end up in much more costly care such as emergency rooms, prisons, jails, hospitals. They're going to end up in a much more costly setting.

So it makes sense up front to invest in community services, because we are a good investment and we're going to save the state millions of dollars on that front. And

frankly, it's a much more humane response for people to be out in the community than to be in those other settings.

Another piece I just want to briefly talk about is if you look through the history of mental health funding in New York State over the years, there's been a greater percentage of share of cuts in mental health than in many other areas. Thankfully, over the last few years, the Legislature and the administration has been much more responsive to our needs around cost-of-living adjustments.

But unfortunately, we were promised a three year cost-of-living adjustment, but what happened, last year was the third year of the COLA, and what happened was that the COLA unfortunately was deferred. And that would have been a 5.7 percent increase for all of human services, not just mental health. So we essentially lost out on a 5.7 percent increase, which would have been our largest increase since reinvestment back in the early '90s. So clearly in those areas.

Our fourth reason is that there are other communities in this budget, and well deserved, who are getting funding in areas -- and we've seen this, is if you look at the Department of Health budget, you see COLAs around talking about asthma prevention, lead poison prevention, rabies, tuberculosis control, nutritional assistance, tobacco control -- all are worthy causes, and all are getting proposed COLAs in this year's budget.

So the only problem is, why is not mental health part of that? So we urge you to include mental health as part of that piece.

And our final piece is that our costs keep rising, like everybody else. We're running community-based services, our costs keep rising. Oil, heat, electric, the cost of healthcare -- I mean, you all know. I mean, we just paid an 18 percent increase in terms of our healthcare this year. So those are the kinds of infrastructure costs that our members face around the state.

So for that reason -- we know it's a difficult year, we know you guys, you've all been very supportive in the past, but we really hope that you can help us this year in terms of getting what we think is a rational cost-of-living adjustment for community mental health.

Thank you.

CHAIRMAN KRUGER: Thank you, Mr. Liebman.

Any questions? Thank you very much.

MR. LIEBMAN: Thank you.

CHAIRMAN KRUGER: National Alliance on Mental Illness.

MS. GRENZ: Good afternoon. I'm Sherry Grenz, vice president of NAMI New York State. And we've taken our testimony and we've cut, cut, cut -- not unlike you. So just bear with us. You do have the written testimony. We're just going to highlight a few things.

We do want to say that it's now widely acknowledged that mental illnesses are neurobiological no-fault illnesses. The

heart could get sick, the liver could get sick -- well, why not the brain. The brain could get sick too.

We want to say that we're grateful to the Executive and to the members of the New York State Legislature for their support over these years. And we especially want to recognize Assemblyman Peter Rivera -- thank you for so much -- Senator Thomas Morahan -- who's not here, of course -- and OMH Commissioner Michael Hogan, for their dedication and commitment to our cause. They are truly compassionate and effective leaders, and we appreciate all that they have done and continue to try to do to make the world the better place for our relatives, those who suffer from serious mental illnesses.

Nancy?

MS. BREEN LAMB: Good afternoon. I'm Nancy Breen Lamb. I'm the executive director of NAMI New York State.

I just want to talk for a moment about housing. Ever since NAMI New York State was

incorporated in 1982, safe, affordable housing has been an ongoing priority of ours. A stable environment is vital and fundamental to people living with serious mental illness.

The number of mentally ill persons housed through the Office of Mental Health, including 7,000 units that are still in development, is 40,000. This just doesn't provide enough affordable housing.

Furthermore, individuals on SSI cannot afford to pay for housing, often leading them to rely on aging family members to avoid living in shelters and on the streets.

The fate of those living at home with their aging parents becomes more precarious each year. Expected housing disruptions for seriously mentally ill adults increase each year, yet the solutions are not keeping pace with the growing housing needs of this population.

NAMI families across New York State are deeply concerned that their deaths will leave their sons and daughters homeless,

institutionalized, or inadequately housed without necessary community supports.

Please help us to provide housing for all of those in need, not just those in crisis. Please maintain funding to provide housing and services for the seriously mentally ill who do not have the financial resources to afford the most basic human need, that of a safe, accessible, stable and affordable place to call home.

The second issue that we're asking you to support is to preserve the community mental health safety net that's already been spoken about here this morning.

We also would like to speak for a moment about SHU. NAMI New York State respectfully objects to the Executive Budget proposal to defer the implementation date of the SHU bill for an additional three years. We object to the proposed Article 7 amendment that would omit approximately 50 percent of the SHU beds and cut down on the number of hours for training correctional officers who work directly with the SHU

population.

Locking up persons suffering with no-fault neurobiological disorders constitutes cruel and unusual punishment and is a violation of human rights.

MS. GRENZ: And I, of course, will talk about research. That's our last major item.

Research is no longer just our hope for the future, it's actually -- we're reaping the benefits right now. And if you read the details in this report, you will see why it is cost-effective -- not only the right thing to do, but cost-effective to support Psychiatric Institute and Nathan Kline Institute.

In conclusion, our goal is to protect and preserve what we have. Our hope is to progress and provide for the present and for the future. You have come through for us in the past; we are counting on you to come through for us again. And thank you for listening, and thank you for caring.

MS. BREEN LAMB: Thank you.

CHAIRMAN KRUGER: Thank you again.

We're going to go slightly out of order because of transportation difficulties: Self-Advocacy Association of New York State.

MS. ANDREWS: Thank you, Chairman Kruger, Chairman Farrell, and members of the Senate and Finance and Mental Health and Developmental Disabilities Committees, and the Assembly Ways and Means and Mental Health Committees. Thank you for this opportunity to provide testimony concerning the Executive Budget for New York State.

I am just going to read briefly three points of my testimony that I think are important.

The first aspect is the budget's focus on direct support professionals. As many of us know, direct support professionals are the most important people in our lives. We depend on their support every day in so many ways for us, for our personal care needs. We need consistent, caring, well-trained, well-paid direct support professionals in our workforce. This is critical to the

quality of support people receive and a key factor to ensure our safety where we live and where we work.

The second aspect I want to include is the increase for individual supports to be expanded. We are extremely pleased with the continued emphasis on individual supports found this in budget, both in language and funds allocated. The Governor's budget for OMRDD continues OMRDD's goal for providing more choice through a more balanced portfolio of supports that will increase choice.

This is even more critical with this tight budget, when there are limited funds for more traditional living services and nowhere near enough to meet the needs for those on waiting lives. Self-Advocacy supports all the efforts to promote individual life supports and services.

The next point is support for voluntary provider financial stability. As an organization, we are very aware of the important of provider organizations to the

lives of people with developmental disabilities. We work in partnership with provider associations on a number of projects and activities. We are committed to continuing this effort. We advocate for the increased choice for people and the evolution of our system to one that offers a variety of individualized supports and that helps people live richer lives in their communities that they choose.

So we favor our system moving away over time from large group homes and day facilities to smaller, person-controlled and person-centered opportunities.

In summary, and lastly, under these dire circumstances of the state and the nation's fiscal crisis, we think that this is a good budget, with shared sacrifice and a commitment to continue to evolve OMRDD's services.

Finally, although this is not related to budget issues, we want it to be known that the Self-Advocacy Association will do whatever it takes to ensure that OMRDD's

name is changed this year. And we ask for your support to find a name that will change OMRDD's name to eliminate the "R" word.

Thank you.

CHAIRMAN KRUGER: Thank you very much.

CHAIRMAN FARRELL: Thank you.

CHAIRMAN KRUGER: Thank you, Ms. Andrews.

Any questions? Thank you again.

We'll go back now to the Federation of Mental Health Services.

DR. ROSSLAND: Good afternoon. My name is Dr. John Rossland. I'm a New York State licensed psychologist, and I'm president of the Federation of Mental Health Services. That's a consortium of licensed not-for-profit Article 31 mental health clinics, essentially mental health clinics, that provide psychotherapy and psychiatry services, sometimes case management services, in outpatient settings.

I'm pleased to be here today to also recognize the leadership of Mike Hogan and

the Office of Mental Health, and I'll tell you why in a moment.

Today I want to bring to your attention a way that you can either stabilize costs in the mental health clinic field or actually cut costs and save considerable money. The way to do this is to continue with rate reform; clinic restructuring, as it's also known. OMH has already initiated this effort and has spent the last two years, really, working with stakeholders very closely in order to initiate this.

Because of radical disparities in reimbursement, in 2006 this Legislature provided money to fund an independent study of the mental health clinic reimbursement system. The purpose of the study, as stated in the 2006 budget, was "to make recommendations for changes designed to ensure that the financing and reimbursement system provides for equitable reimbursement of providers of mental health services and is conducive to the provision of effective and high-quality services."

This study was completed by the Public Consulting Group in June of 2007, and you should have attached to the literature that you have, the document that you have, the executive summary of that study.

The system that PCG reviewed was what is commonly known as the COPS/non-COPS system, which dates back to the year 1991 when the state attempted, and successfully did for a while, to Medicaidize the state's share, state aid deficit funding section of mental health clinic funding. This system involved a base Medicaid rate, which was equal for all clinics, and it involved supplemental add-ons which could vary by as much as $300 if you fast-forward to today's rates. When PCG did the study, the typical variation was $200 per unit of service. So that's a variation of $200 per session.

My colleague from Onondaga County has already spoken to you and discussed this issue of the wide variation in clinic fees. Mike Hogan also spoke to you about clinic restructuring and how it's been a center

point for what OMH has been involved in this year.

PCG found that there were widely variable provider payments and that this payment variation is often seemingly arbitrary, as it isn't based on case mix or services rendered. The study states that "at times the same service is reimbursed at different rates in the same region based solely on the facility's license" or funding history, being that some were deficit-funded and others were not.

In fact, the study concluded that "the current system of financing outpatient mental health services should be replaced with a more equitable and more rational payment system. The current system is outdated, inequitably funded and is based on a rate structure that has outlived its usefulness."

This PCG study was the beginning of a laborious process spearheaded by OMH to provide much-needed rate reform. OMH has in fact drafted regulations which are now under

review and should be commended for providing significant opportunity for input from the provider community.

Unfortunately, some providers have become aware that rate reform will impact the dollars they receive, and they now seek to forestall the process. Rate reform should not be stalled for the following reasons.

Rate reform is needed to save the state money and prevent loss of federal funds. Medicaid rules and policies under the Deficit Reduction Act of 2005 have specifically targeted payments like COPS payments for elimination. Accordingly, CNS will be mandating this restructuring. Either we do it or they're going to do it for us.

Failure to implement the restructuring could result in the loss of $170 million. This is as per a June 2009 study done by DMA Health Strategies the OMH.

Additionally, the current payment system costs the state significant dollars.

And in these times of fiscal crisis, the state can ill afford to continue COPS payments without quality of care and sufficient access to COPS clinics by patients. If rate reform stalls, it could have catastrophic effects on the costs of clinic care in New York, because we're at a midway point now. We're in a transition already with rate reform. And COPS clinics have been deregulated so they no longer have a ceiling to how productive they can be. For the client, that's good.

However, their COPS rates have not been changed yet. If rate reform stalls -- it is scheduled to begin now on April 1st. A more practical, I suppose, date is July 1st, since things are usually a little bit late. If this stalls, there will be no control on costs, and so there will be a continuance of billing $200, $300 a unit in service, and then the other group, non-COPS clinics, which the Federation generally represents, will be paid at a rate of a hundred dollars a session.

The proposed rate, a unified, standardized rate under the new APG system, will be $125 a unit of service. And then there will be add-ons for different types of service or variations of services. It's a very, very rationalized system, and a lot of work has gone into it, a lot of thought has gone into it.

Rate reform is needed not only for cost savings but, equally and more importantly, to increase the productivity of clinics. Meaning that clinics will serve more recipients with rate reform. So you can at the very least stabilize costs, if not reduce costs, and get more services to more patients with rate reform.

In short, rate reform is needed to enhance consumer access and support quality treatment. The old bifurcated system, COPS versus non-COPS, resulted in complicated financial disincentives for COPS clinics to not see more recipients, thereby resulting in long waiting lists for patients and limited access to care. And this is well

documented.

So you had two sectors of the clinic system. You had the non-COPS clinics, where access was quick and easy and accessible, because they relied on billables alone -- no state aid and no Medicaidized state aid, as deficit funding became -- and then you had the COPS system, where there were disincentives to be productive.

Conversely, non-COPS clinics provide more services to more recipients in proportionately greater numbers for less money than COPS clinics. And that's typical, that typically, and the studies noted this -- more than noted it, summarized it and emphasized it -- non-COPS clinics see two to three times as many patients as COPS clinics do for the same rate of money. Additionally, non-COPS clinics serve large numbers of underserved Hispanic patients.

The bottom line is that rate reform will make payments comparable for similar services delivered by similar providers across service systems. Payments will have

adjustments for factors which influence the cost of providing services, thereby eliminating the financial disincentives for reduced access to care by COPS clinics.

Rate reform is needed to provide incentives also for quality treatment. With OMH's release of their standards of care and Part 599 regulations as a first step, the requirement to meet standards of care through rate reform will provide financial incentives to provide quality treatment. Included in this first step is a newer method to address the funding of indigent care. We do applaud OMH for tackling this serious problem.

Additionally, quality will improve with rate reform because the current add-on system can lead to the unintended use of funds, and rate reform will mean that the money follows the patient and not, arbitrarily, the specific agency.

With significant dollars invested in the COPS supplements, and without concurrent quality of care incentives, there is no

ability to improve clinic treatment quality. So please keep it in mind as a priority to move rate reform ahead as intended by the Office of Mental Health.

One other area that I want to emphasize that the Executive Budget addresses is the licensure of professional staff. The existing law waives the licensure requirement for social workers and other clinical staff who are employed by a program or service operated, regulated, funded or approved by the New York State Office of Mental Health or the Office of Children and Family Services or a local governmental unit as that term is defined in Article 41 of the Mental Hygiene Law, or a social services district as defined in Section 61 of the Social Services Law.

The Executive Budget currently extends this waiver into the year 2014. This extension is critical to enable clinics who are currently licensed by OMH and who provide supervision to these professionals who work in their facilities to both retain

staff, contain costs, and to seek funding to locate and train professionals with applicable licenses. Not only is this critical, it is vital for the service of underserved Spanish-speaking patients.

There are large numbers of Hispanic recipients of mental health services in Article 31 clinics, and there are not sufficient numbers of licensed professionals to provide service. There are, however, clinics that hire and train professionals to treat this population -- frequently they're foreign-trained and experienced -- and who, with the appropriate supervision and the structure of the mental health clinic, are able to both relate well to these clients with multicultural sensitivity and to get them services. It's crucial in my field, because verbal subtleties abound, that you have linguistic competence.

The waiver is vital to maintain the level of patient services for Hispanic populations and to expand the level of services to Hispanic populations.

So on behalf of the many providers of mental health services, the Federation of Mental Health Centers, non-COPS clinics and low-COPS clinics, I thank you in advance for your due consideration to allow the rate reform process to proceed as rapidly as possible and for your understanding of the importance of allowing the extension of the waiver for licensure that was proposed by the Governor.

I am available now for your questions.

CHAIRMAN KRUGER: Thank you, Doctor.

Senator Krueger?

SENATOR KRUEGER: Just quickly, what is stopping us from moving forward more rapidly with the rate restructuring as has been proposed in 2007 by the agency?

DR. ROSSLAND: What do I think is stepping this from moving forward? So far we've been moving ahead at a pretty good pace.

It's a rather large project. It includes the APG methodology for billing. And I think an awful lot has been done in an

awful short period of time. A lot of resources have been devoted to this, I would guess millions and millions of dollars on the part of OMH, and a tremendous amount of staff time and stakeholder time. I know I've made many trips to Albany; I'm a little tired.

So I think so far it's been moving ahead well. But I think some people are now beginning to stir the soup a bit -- those people who have crunched the numbers and those outliers, primarily, who are likely to lose some money on this deal. And so I think that's probably primarily the source of any future slowdown in the process.

SENATOR KRUEGER: Thank you.

CHAIRMAN KRUGER: Thank you, Senator Krueger.

Questions? Oh, Velmanette.

SENATOR MONTGOMERY: Thank you. I just want to add my thanks to you for providing us -- and especially me, my colleagues may probably be much more knowledgeable of this -- but it's a very

helpful analysis of this whole COPS/non-COPS and the funding methodology.

I would like to see if you have any recommendation about this. How do we exactly create a method of funding services to children and youth, especially in the institutional settings where most of them are, i.e., their schools as well as in the juvenile system, juvenile justice system. And as it relates to community mental health programs, there are so few to begin with, and they are definitely, definitively not accessible to families who need them the most in the communities where they're most needed.

And so I'm looking for some way of redefining where mental health services are provided. And if they're going to be provided in communities, how can we fund them so that we to a larger extent pay for the cost of those services? And so I'm just asking if you have any thoughts about that, any suggestions, I would really like to be able to talk to you about it.

DR. ROSSLAND: I can't speak knowledgeably about institutional care, I'm not involved in that sector. But in terms of the community mental health, mental health clinics have been widely recognized now in the last few years as the major portal for all recipients trying to access mental health care.

SENATOR MONTGOMERY: But unfortunately, they really don't exist widely enough so that young people and families in stress have access to them. So that's the problem.

And I'm talking now -- when I say "institutions," I mean schools. I don't mean necessarily institutional care, like beds. But I mean where children are, where youth are, where families reside, that's where we need the service and that's where we don't have it. Access is really a huge problem for mental health services in particular.

DR. ROSSLAND: I have two thoughts on that. One is that Clinic Plus, which is the

OMH-funded program for mental health clinics in schools, has started.

And I would endorse expanding that program, okay, because I agree, both the health clinics and the mental health clinics in schools are the way to go. That's where you go to the problems instead of waiting for the problems to come to you. So it's a community unto itself, a school. And so I'm in total agreement with that.

Mental health clinics, free-standing outside of schools, again, there's this issue of a bifurcated COPS/non-COPS accessibility issue. The non-COPS sector, which five to 10 years ago was on its way to being extinct because of the low level of funding -- our fee had been frozen at $60 a session for nearly 15 years, and we just couldn't sustain. All of our funding was based on billing. And of course if that's the case we made access as easy as possible and we treated as many patients as possible. And that continues until this day.

My clinic, our rule of thumb -- which

is actually a board mandate -- is that a patient who calls on the telephone, which includes a parent calling for a child, is offered an intake appointment within 48 hours of the phone call. Once they come in for the intake, they're offered a first psychotherapy session within two to three weeks. Okay? That's my board mandate, okay, and we keep to it. And we do that.

Then you had the non-COPS system, and we still have the non-COPS system, where there are these complicated financial disincentives because they're capped. They're capped. That's because two decades ago it was based on deficit funding amounts. So they said okay, you can have your COPS supplement of, say, $150 attached to the base Medicaid rate, like non-COPS clinics, and we'll pay you that up till whatever ceiling they determined, which was based on the deficit funded amount, okay, plus 10 percent. They could go 10 percent over. Everything else, you have to give back.

And there's both a rationale to that

and not a rationale. And it ended up, well, if they're at the ceiling, why admit any more patients. So it became a very, very closed system as far as patient access was concerned. And long, long waiting lists. And they're not supposed to have waiting lists, but they have long, long waiting lists.

And COPS clinics were also supposed to provide no-fee services okay? And that study I think shows that in the PCG system that there's not much difference between COPS and non-COPS either in that area. And that's why OMH is now putting together the indigent care methodology so that all of us will be able to do this.

So I hope that answers your question somewhat.

SENATOR MONTGOMERY: I appreciate that. And I will hold onto your testimony because it includes the explanation that I really need, so I thank you for that.

CHAIRMAN KRUGER: Thank you, Senator.

Thank you again, Doctor.

Next is the New York Association of Psychiatric Rehab Services.

MR. ROSENTHAL: Good afternoon.

CHAIRMAN FARRELL: Good afternoon.

MR. ROSENTHAL: I have a lot to cover and very little time, so I'm going to do one or two sentences on each issue and take any questions at the end if you'd like.

By way of introduction, I'm Harvey Rosenthal. I'm a person who has a psychiatric disability. And I represent people with psychiatric disabilities, thousands of them, who work alongside of mental health professionals in over 120 community-based agencies across the state.

Our testimony incorporates the direct input of people with psychiatric disabilities in forums that we held around the state. Many of them were in town, as Glenn mentioned, last week. We have historically brought hundreds of people to town. Thanks to our partnership with ACL and MHANYS, we doubled that amount and brought 1500.

So at last we're speaking for ourselves, people with psychiatric disabilities. And our testimony is really seen -- we'd like you to see it through that lens, because it's personal to us.

We find the budget to be a mixed bag. We are pleased and grateful for the efforts put forward by the Governor, the Division of the Budget, and the Office of Mental Health by finding a way to make economies. They've absorbed almost a quarter billion dollars between last year's budget, the DRP, and this budget proposal, and done so in a way to make efficiencies on the state side, on the hospital side, but they've protected the safety net.

And that's why 1500 people were here last week. And one of the reasons we were here was because in the DRP, maybe we weren't active enough, and our cut went up. I mean, the cut to OMH went up from 10 to 12 percent.

So we urge you, as you look for restorations and negotiate, please accept

the safety net. Please don't go back into Mental Health.

And we totally agree with Glenn and his point on the 2 percent and the $20 million. We know and understand it's a difficult time, but I think he's well laid out the case for that, and we completely support it.

We also want to speak on behalf of adult home residents with psychiatric disabilities who were dumped in those homes in the '70s, '80s and '90s, inappropriately. You hopefully know -- because of the lawsuit, the Justice Department entering into it, the scandal in the papers for some years back -- that we have a scandal on our hands. We have dumped thousands of people to inappropriate homes that weren't meant for them and do not understand them and do not well serve them.

And now we really have to -- the court is going to require -- advocates have been totally unsuccessful in getting our friends at OMH to really provide adequate alternative housing, so it's taken a lawsuit

to really push that. And we really think that OMH's response is well-intentioned but far too little too late.

And frankly, we urge you to look for where the money can come from, which is closing unused adult home beds. If we move a person from an adult home bed to the community, there's plenty of research to show the amount of money that can move. But it means taking on the industry and closing a bed. We'll need your help for that.

In terms of the OMH community service initiatives, we fully endorse PROS, the Personalized Recovery-Oriented Services. We think it's a very promising new model. Although we are concerned about the drop in start-up monies as PROS begins to start up around the state and localities, many of them in your districts, they're going to get slightly less in the way of start-up. That's a burden. We'd ask you to look into that.

We strongly endorse the initiatives to advance the employment of people with

disabilities and the consumer recovery centers. And we are a third group today to support the outpatient clinic restructuring. We think it's good for patients and raises the standards and implements a recovery focus and uses peers and family members to go out and leave the clinic.

A big problem in engagement of the clinic is that they have a low show rate, they don't have enough folks that are coming in. And the new standards and the funding would allow people to go out and see the people that are not coming in and bring them in.

And it also funds the indigent care. It's been a transparent process. We are concerned about how you -- and we know that the feds are onto this thing of COPS and are going to take that money down. A report came out recently about that. The question is, you know, how do you make a transition in a way that doesn't hurt patients? And I think OMH's plan to work with DOH on raising the Medicaid Managed Care rates, which COPS

has been sort of taking care of and papering over, is hopeful.

For parents with psychiatric disabilities, 50 percent of adults with psychiatric disabilities are parents. But they've frequently been told for years, Don't have children, you can't be a parent, we're not supporting people to be parents, we're not helping them with their rights.

You funded $850,000 a couple of years ago. That money has been well spent. But it's up, and we are asking you to renew it.

Moving on to the issue of sex offenders, we support OMH's efforts to avoid a further erosion of inpatient mental health services by making efficiencies and doing that program more efficiently.

I would like to say that the mental health system is not the appropriate place for sex offenders. The reason we think of it is because it has confinement law that allows people we don't want on the street to be on the street when their sentences are done.

But like the commissioner said, and others have said here -- and I spoke to the center about this as well -- the criminal justice system and the addiction system, in my mind, might be a better way to go. These are sexual compulsive behaviors. They're not mental illnesses. We can't be the sheriffs to protect society. As a matter of fact, our people are often the victims of that.

So the mental health system and the hospital system not only isn't the right place for that but the more offenders we take in, the more it drains the money from the state hospitals. And as you can tell, that's being cut anyway.

So I want to move on. We also oppose the administration efforts to appropriate SSI funds. Right now people are able to accrue SSI funds and they use them when they leave. The state wants to appoint itself to be their, you know, rep to pay and use the money in a bad budget. We understand the bad budget; we think it's unconscionable to

take their money. They need it to move into the community and to stay out of hospital.

Mental health crosses many other budgets, and so in the Department of Health we are very concerned about proposals that collapse adult home funding streams. I won't get into detail except to say we should keep them separate. They were dedicated for a reason. If you allow them to be collapsed and don't allow the resident subcouncils to have some say, the operators will take the money elsewhere.

Those monies were hard fought to make sure air-conditioning would go on in the summer to protect patients with high medications, or to provide recovery services. We ask you to keep them the way they are now.

We agree with Mr. Rivera; we're very concerned about the removal of the exemption for not only the mental health drugs but the AIDS/HIV drugs and the rejection drugs, organ rejection -- transplant rejection drugs?

And we're concerned because the state apparently feels it has the ability to do this, it's moving the drugs into the preferred drug program to get the rebates without putting it into prior authorization. We're very worried about that.

And we have fought vigorously -- with your leadership, Assemblyman, and others, we have kept them out of prior authorization. But this all of a sudden takes down that wall and takes all four drugs for the most vulnerable populations and puts it one step away from prior auth.

And we just met yesterday with some groups that are saying that prior authorization is not as easy -- that the system that the state has in place is not as simple as you can call up and get your patient the drug, the prescriber prevails. It's not working as well as we're being told. So I don't know what you can do about it, but we ask for your attention there.

There's a group that supports and does advocacy for people with -- adult home

residents called CIAD. They have a $75,000 allocation in CQC's, APD's budget. It's critical. It's a teeny bit of money that they use extremely well. We ask that you help us restore it.

We are glad that in OTDA there was no cut to SSI. We fought back two cuts in the last year. Many of our people are in SROs, and we agree with the Supportive Housing Network that we should restore $4.6 million to fully fund the SROs. And as you'll see in the material, otherwise we'll lose over 9,000 units in New York City, 38 new residences, we'll put folks at risk, lose jobs. It's a bad idea.

In terms of legislation, we understand that Senator Huntley is proposing a multiyear extender of reinvestment, which basically captures the money from downsizing in the hospitals and puts it in the community. We urge you to support that. That was a bill that many of us came out years ago for.

Under Kendra's Law, we personally

reject the use of involuntary outpatient commitment on people and believe that there is well-documented alternatives. You required a research project to look into that. The research does not do what we asked it to do, which is to compare using court orders and voluntary services with engagement.

Onondaga County does a tremendous job with that -- hardly any court orders. New York City can't use enough of them, apparently. And we're ruled by that here in New York.

But in New York, OMH is rolling out several new initiatives that we ought to really look at before we walk away and say Kendra's Law is the best thing that ever happened. We ask that you not make it permanent and continue to look at alternatives and keep faith with what's happening.

In New York they're finding that if they work more with providers, they identify consumers that haven't shown up, aren't

taking their medicine, didn't show up for their appointments, showed up in the emergency room, had trouble with the law -- the very profile we're concerned about -- and voluntarily they call up the providers and find out a lot of it is focusing the provider to be more active and more engaging, more responsive. And they're getting good results. So we should think about that before we continue to go with a single policy that uses the courts and takes away the rights of people.

We support legislation that would add consumer representatives to the MISCC, like Diana Ritter spoke about earlier. We support the thing that John Rossland just talked about, and Bob Long, about extending the exemption for social worker and mental health practitioner licensing. We wish you would help us end the discrimination against parents with psych disabilities by eliminating Section 384-B of the Social Services Law. And we agree with Assemblyman Magnarelli's 668 that would boost adult home

resident reporting requirements.

Thank you.

SENATOR KRUEGER: Any questions?

CHAIRMAN FARRELL: Questions? None.

SENATOR KRUEGER: Senator John DeFrancisco.

SENATOR DeFRANCISCO: Just another example of the leadership of Onondaga County. Just amazing.

MR. ROSENTHAL: What?

SENATOR DeFRANCISCO: You gave another example of the leadership of Onondaga County. Thank you.

MR. ROSENTHAL: You're welcome.

ASSEMBLYMAN HAYES: Mr. Chairman, we've been joined at the dais on this side by Assemblyman Fitzpatrick and Assemblyman Crouch.

CHAIRMAN FARRELL: Welcome.

SENATOR KRUEGER: Thank you.

And next we have a panel of the New York State Rehab Association, Jeff Wise, president, and the Cerebral Palsy Association of New York State, Susan

Constantino, if you'd both come up. Thank you. I understand it's also the Alliance for Long Island Agencies. And again, welcome.

Of course, we are running very late, so I will tell you, please summarize, do not read your testimonies. Okay? Thank you.

MS. RAUSTIALA: My name is Margaret Raustiala, and I'm representing the Alliance of Long Island Agencies, 25 agencies that provide services to people with developmental disabilities.

I'm also here as a mom. I have a son who's 39 years old, he's autistic, he lives in an IRA, which is one of the programs that's scheduled to be cut, and he's served in a day hab, another program scheduled to be cut.

I want to start by thanking you for this opportunity and thanking the Governor for including a trend factor in his budget. All of our providers, families and consumers are just delighted that there will be an infusion of money to pay for the direct care

staff.

I will summarize as you asked me to, Senator.

Most of you, I think, saw the direct care staff in action during the vigil that was held during the DRP, so you see the hard work that they do. To say that they're the backbone of the service system sounds like a cliche, but as a mother I can tell you that without those direct care workers -- and you saw them in action -- our consumers would not be in the community the way they are.

The Governor's proposed budget also includes a healthcare enhancement, which we're also very grateful for. It helps us to keep our workers healthy and reliable.

There are three proposed cuts. The first cut that I'm going to mention is a cut to the Medicaid Service Coordination Program. It's a cut of 18 percent, or $30 million. That's a lot of money, folks. But we are willing to work with the department to implement that cut. The only concern that we have is that the cut not be

imposed before the restructuring that generates the savings is in place. I think that's an easy one to acknowledge that's a reasonable request.

Despite our member agencies' willingness to tighten their fiscal belts and cooperate with the Governor for the sake of our state, there are two proposals which we believe cut too deeply into essential programs. They're programs that I know well. As I said earlier, my son is served by both. The first is a cut to the res hab portion of supervised IRAs.

Supervised IRAs are the group homes that take care of the most disabled people. You need staff. Most of our revenue goes to support, as you know, staff salaries. My concern as a mother is that we're going to end up having to lay off workers. Our agencies are responsible. I know the agency that serves Riko would not put him at risk and send him out into the community with fewer workers than is needed to have a safe environment. Instead, they'll be under

virtual house arrest. I ask you to try to restore a portion of that cut.

Additionally, there's a 4 percent cut to the Day Habilitation Program. Day hab is a core service for adults with disabilities. Through this service, individuals receive socialization, education, and life skills experience. The program is predicated on community integration, getting out into the community.

Again, the majority of the costs for the service is for personnel. Adequate staffing levels must be maintained and are essential to facilitate small-group community integration.

Once again, as a mom, let me put a face on this important service. Riko is a severely disabled, 39-year-old man with autism, limited verbal skills, and throughout his life has had bouts with severely challenging behaviors. What does he do in day hab? He volunteers at a greenhouse, he works at a greenhouse part-time; he delivers Meals on Wheels to

elderly shut-ins; he puts up posters for the Guide Dog Foundation -- which I know, Mike, you know about; he volunteers one afternoon a week at a soup kitchen; and for a few hours a week he works loading shelves at CVS. He's a very busy guy with a severe disability, and he is giving back to his community.

This essential service must be preserved, and a 4 percent cut, quite simply, is just too deep.

In closing, I want to thank you for your past support for our workers and for our programs.

SENATOR KRUEGER: Thank you.

CHAIRMAN FARRELL: Thank you.

MS. RAUSTIALA: Was that short enough?

SENATOR KRUEGER: Thank you very much.

MS. CROSIER: Good afternoon. I'm actually Barbara Crosier. I'm the vice president of government relations for Cerebral Palsy Associations. Unfortunately,

my boss, Susan Constantino, has a back issue, so she was not able to be here today.

But again, I also am going to echo a lot of what Margaret said and shorten my testimony, which you have it in full form. But we want to thank the Legislature for their ongoing support of people with developmental disabilities.

I'm here to speak to you about the 2010-2011 state budget and the Governor's proposal, but first I wanted to give you a little background on some of the services we provide and, in particular, what our agencies look like.

I represent the Cerebral Palsy Affiliates throughout New York State. There are 24 affiliates today that offer a variety of programs and services to over 90,000 people and their families across the state. We were originally founded by families with children with cerebral palsy and other physical disabilities, but today we provide services throughout the state from birth through death, for every kind of disability.

In addition to OMRDD programs, our affiliates operate early intervention, preschool and school-age programs for children with special needs, Article 16, 31 and 28 clinics, and federally qualified health centers. Our programs are approved by OMRDD, SED, DOH and OMH.

Of the affiliates' 2008 total expenditures of $866 million, OMRDD accounts for 70 percent. Our programs rely heavily on personnel, with 73.7 percent of total expenditures spent on salary and fringe benefit costs.

Finally, CP of New York State affiliates run socially responsible, efficient organizations, which is demonstrated, by among other indicators, the very lean 8.7 percent average agency administration costs as reported on our CFRs.

I provide this information as a backdrop to the impact of the Governor's proposed budget on our affiliates and the people we serve. There's no doubt that New

York State and the nation are in the midst of a very serious financial challenge. We have been a partner with OMRDD in finding solutions to these challenges in the past, and we fully expect to share in the sacrifices that must be made so that together we can move forward to continue New York's proud tradition of meeting the needs of people with disabilities.

I'd first like to thank the Governor's staff, DOB, and the commissioner of OMRDD for hearing our great concerns and recommending a trend in this year's budget. We are truly appreciative of this.

When you look at how close to the margin our organizations run, it's easy to understand the impact such things as rising food costs, heating and fuel costs, union salary obligations, the MTA tax, and other uncontrollable increases will have on the bottom line.

Because of that, we ask you to support the Governor's recognition of these increased costs in the proposed trend factor

for providers. The trend will be used by providers to prevent further erosion, and it will allow us to provide needed increases to our direct support professionals, who are vital to our OMRDD programs. We are also thankful for the proposed healthcare adjustment.

While the trend is absolutely necessary for us to maintain operations and provide deserved salary increases, we also need to emphasize that some of the Governor's proposed $115 million in cuts will have serious impacts on the people we serve.

The Governor's proposed 4 percent day habilitation cut will negatively impact on essential core services for adults with developmental disabilities. Day hab programs provide people with life skills experiences, community integration, and socialization. For those with the most significant disabilities, it provides stimulation, personal care, and an opportunity to participate in meaningful activities.

Day hab is an activity-based, community-based service, and as such the vast majority of the costs are for personnel. Adequate staffing levels must be maintained to facilitate small-group community integration and to ensure safety, particularly for individuals with more significant disabilities.

Individuals receive transportation services to day habilitation and community integration activities. We've heard that some believe the transportation costs for day habilitation are inordinately high and there are efficiencies that can be achieved.

If our goal is to provide meaningful community inclusion activities, a reduction in transportation costs will impact on the most vulnerable people in wheelchairs who are going to be the most expensive to transport. We propose that we take time to look at the regulatory mandates of this program that prevent efficiencies, rather than implementing a cut to a program that would disadvantage providers of servicers

for people with the most severe disabilities.

Another cut, as Margaret has spoken to, is the supervised IRAs. Supervised IRAs provide services that by definition are needed by individuals with the highest needs. The Governor's 3 percent cut in supervised IRA funding would impact the homes currently operated to meet the needs of people in need of 24-hour care.

Again, we ask that these proposed cuts be delayed so that OMRDD can work with providers to achieve savings through regulatory relief and changes in the mandate which add costs to supervised IRA programs.

Another cut of concern is the Governor's proposed 18 percent cut to Medicaid service coordination. This cut was done with the understanding that there will be significant restructuring in the duties of service coordinators and the regulatory obligations of the MSC system.

However, with a cut of this magnitude, which affects all people in the Home and

Community-Based Services Waiver, we have concerns that the target for redesign can be achieved in this fiscal year. We applaud the goal of looking to redesign the MSC system, and we ask that the redesign be in place before the reductions are taken.

SENATOR KRUEGER: Again, I'm going to ask you to summarize and not read.

MS. CROSIER: Okay, yes. Actually, this is it.

Other than the fundraising revenue, which has become more difficult to maintain in these challenging times, our affiliates receiving funding almost entirely from government programs. We ask you to support the trend, which will help us maintain services and programs, and that you delay implementation of the proposed cuts until the restructuring has been implemented.

Thank you.

SENATOR KRUEGER: Thank you.

MR. WISE: I'll be very brief. I think everything's been said, pretty much, so I'll just add a couple of quick things,

if I may. It's just as well, because I can't really talk today anyway.

I certainly want to echo the concerns that were just expressed by Margaret and Barbara with regard to the cuts in the supervised IRAs and the Day Habilitation programs. We do think, you know, there may be efficiencies there. We want to work with the OMRDD and the commissioner and all the stakeholders to see how efficient those programs can actually be.

We're a little concerned that maybe the cuts may be a little bit too much too soon. And anything that the Legislature may be able to do to delay or minimize those cuts I think would actually be, in the long run, perhaps a good idea. I think it might be a good investment as we take a look at those programs.

The same is true, I think, for the Medicaid Service Coordination cut. And you heard the other two of my colleagues here talk about our willingness to work with the other stakeholders and the commissioner on

redesigning and restructuring MSC, as we call it. Eighteen percent is a big cut, as Margaret said. It may be too much to sort of, you know, take the cut first and then try to redesign to fit the cut. We're willing to give that a try, but I think that we're all very concerned about where that may end up, although we'll give it our best shot.

My organization, the New York State Rehabilitation Association, represents both providers to people with developmental disabilities and providers to people with mental health issues. I'm not going to confuse you by going into my MH testimony now; you have my written testimony. You're hearing from several other MH folks today, so I won't compound things there.

I will just add very quickly, NYSRA is a statewide organization with about a hundred agencies in our membership. We work with our colleagues in the DD area and in the MH area on several things.

I want to add just one quick thing, and

that is our support for the -- it's been mentioned a couple of times now -- the exemption on the social work licensing for social workers in state agencies or providers working for state agencies. That's a hugely important situation.

I'm a member of an alliance that's working on trying to come up with ideas and resolution of the problems and the issues that are presented there. But that exemption extension that the Governor has proposed for four years I think is critically important. To not do that would be very, very serious as far as shortage of workers, shortage of care for people who need care. And from a budget standpoint, I'm told by OMRDD that that might cost OMRDD something in the neighborhood of a hundred million dollars if that exemption is not granted.

So I'll leave it at that. You have my written testimony. We'll be around to see you guys anyway. And thanks very much for listening.

SENATOR KRUEGER: Thank you.

CHAIRMAN FARRELL: Thank you.

SENATOR KRUEGER: And the social worker issue has come up at a number of hearings, and I think the Legislature agrees with you on it.

MR. WISE: Thank you.

MS. RAUSTIALA: Thank you.

SENATOR KRUEGER: Thank you very much, all.

Our next is John Coppola, Alcoholism and Substance Abuse Providers. And then he'll be followed, just for preparation, by a panel of Supportive Housing Network of New York, Association for Community Living, and Corporation for Supportive Housing, if you want to start to move forward.

MR. COPPOLA: Good afternoon.

SENATOR KRUEGER: Good afternoon.

Again, I urge you to summarize. Thank you.

MR. COPPOLA: Yes, you'll definitely get the summary.

Thank you for this opportunity, first

of all.

When Commissioner Hogan testified, he made a point that it was the cost of untreated mental health that really is what creates a considerable stress on New York State's budget. And the same is true for chemical dependence and problem gambling. When it's not treated, folks wind up in jails, they wind up in a variety of other systems.

There's a document that I would call to your attention -- I'll make sure that all of you receive it. It's called "Blueprint for the States." It was done by a panel headed by Governor Dukakis a number of years ago, and in it he details very clearly the fiscal impact on our budget of untreated chemical dependence.

And I'm just going to run through it very quickly for you. In child welfare, 70 percent of the issues and expenditures in the child welfare system are directly related to chemical dependence. In criminal justice, 77 percent. Juvenile justice, 66

percent. Health, 25 percent. And in mental health, 51 percent. There's are huge numbers. And if we don't treat addiction, you know, those numbers will continue.

Now, I would say congratulations to you for passing drug law reform, and congratulations to the Governor for signing it. It is with a deep sense of responsibility that we advocated for drug law reform, and we are willing to work with you or with OASAS and with the criminal justice agencies, district attorneys, et cetera, to ensure that it's successful. So we will be closely paying attention to that.

I think it's vitally important that the resources that the Governor committed for drug law reform, for the treatment as an alternative to incarceration, that those dollars stay in the budget. It would be a horrible thing if we wind up diverting people from our criminal justice system into communities where we don't have the treatment that's necessary to make sure that folks are turning their lives around

properly.

So I want to say that the budget that we have here, it was referenced a little bit earlier, the importance of preserving the resources that are in the budget, you know, throughout the budget process.

The COLA was mentioned. It was interesting, when the three commissioners did their presentations, the OMRDD commissioner talked and thanked you for the trend factor. The other two commissioners did not thank you for a trend factor and talked about the workforce problems they're having in their own agencies.

Community-based providers are in dire need of support, not only for a COLA to deal with salaries, but the whole ridiculous increases in the cost of health benefits are really crippling a lot of community-based agencies.

Senator Krueger, you mentioned a little bit earlier that everybody has mentioned this social worker licensing issue. I want to just put a little bit of concrete

information on that. We need every bit of the four-year extension that the Governor is proposing. Because the social work legislation itself, if left as is, and if the sunset went away, a substantial part of the workforce on our chemical dependence programs would essentially be practicing social work without a license, as the new scope of practice is described in that bill.

So it is a serious concern in our field. There is in excess of 20,000 staff people who conceivably lose their jobs, and programs would be shut as a result. And it's just quite simply because we are now licensing a profession and we've described their scope of practice in a way that creates problems. So that's a huge, huge issue across the board, and I'm glad to hear that it's come to your attention.

One topic I haven't heard a lot about yet is the Office of the Medicaid Inspector General hearings have taken place. While it's true that Commissioner Carpenter-Palumbo said that there are no

program cuts in this budget, what's happening in our programs, however, is that the Office of Medicaid Inspector General has been aggressively auditing our programs. Not a bad thing. We support the identification of fraud, abuse and waste. We did not come here and complain when programs were shut down a couple of years ago because there was fraud taking place.

But you need to be and you may already be aware that many of our programs are being fined in excess of a million dollars.

When somebody comes in, they receive good quality treatment, there's documentation that the service was provided, there's documentation that the service was good, but in recording case notes, maybe the person didn't put a date on the record, didn't put a signature on the record, might have done the treatment plan a day late because a client didn't show up to sign it -- a whole variety of things that happen in the course of doing business. And every single one of these items is flagged, the

reimbursement is disallowed, and then they do an extrapolation formula over a period of five or six years, apply that general sample to you, and you wind up with a million-dollar fine.

No fraud, no waste, no abuse. Million-dollar fines across the state. It's going to cripple our system if we don't do something to really examine whether we're accomplishing what we've set out to accomplish.

Two final major points. The federal government eliminated the Safe and Drug-Free Schools Program. That meant a $23 million cut to New York State. Some of that money goes to OASAS, a lot of that money goes to the State Ed Department. School-based prevention will be cut at a time when a number of our members on the panel today were questioning the commissioners about the growing heroin crisis. You know, throughout Long Island and upstate New York -- it's all over the state, and probably all over the country.

And again, just think about it for a second, those of us who have a little bit of gray hair on our temples. Back in the '60s, the quality of the heroin on the streets was about 6 or 7 percent. And it was not inexpensive. It's 60 percent pure now, and it's cheaper. As the commissioner pointed out, you can buy a bag of heroin cheaper than a six-pack of beer. So kids are smoking it, they're snorting it and becoming addicted.

This is no time for the federal government to walk away from Safe and Drug-Free Schools. If that program wasn't working in other states, it was working here. We need the federal government to recommit resources to school-based prevention. If it's not in the Safe and Drug-Free Schools Program, some other way. I think Assemblyman Ortiz had a brilliant idea to maybe pass a resolution where we would encourage our Congressional delegation to work to get some prevention funds back into the federal budget. Maybe by some

other means.

But I implore you to really keep an eye on this heroin epidemic and to make sure that Commissioner Karen Carpenter-Palumbo has the resources that she needs to address it.

Just one final point. The chemical dependence treatment system and prevention and recovery folks are very concerned. I think Senator Montgomery referenced the recent task force report on juvenile justice. There's a substantial savings there if we close some of the facilities and more appropriately provide for the mental health and for the chemical dependence needs of these young people, primarily children of color and primarily kids who were guilty of a misdemeanor, violated their probation, and had no parent in the courtroom when they were assigned and sent away to a facility.

So we want to work with you. When you get the "Blueprint for the States" that I had mentioned that I would send to you, you know, the cross-cutting nature of chemical

dependence is creating such amazing expenses in all these other systems of care, including healthcare, in the state.

I would strongly suggest that in your work with other committees across the Legislature -- just take child and welfare as one example. If you said, you know, "We can't continue to do things the way that we do them," if you simply set aside a million dollars or $2 million in a very large budget and said, "Let's do an experiment, let's pay attention to the chemical dependence that's affecting this population, let's measure our results and let's see if we've created some savings for ourselves," I would submit to you that the answer to that question will be yes, and it will be yes probably across the board.

So I would ask you, in your deliberations about all of these other state agencies budgets, to think a little bit about that question. And we're very happy to work with you, to sit down with you and to work on designing some model programs.

Again, I want to just thank you for your good work, for our friends on Senate Finance, the Ways and Means Committee, and DOB. It's really a pleasure working with you, and we thank you.

SENATOR KRUEGER: I would just ask you two questions not to answer now, but to follow up, for the sake of time.

One, again in follow-up to myself or my staff, the commissioner this morning talked about the gold-standard program they're starting. And, I guess, one, I'd like your input about how you think that will work into whether ultimately, if somebody has got a low enough score, why we should continue to use state funds for the, quote, unquote, programs that flunk the test, so to speak.

And, two, the Governor's budget also is proposing yet again to shift out of hospital-based detox into more community-based. I would love your input. Again, not today, for the sake of time, about that proposal and where we are there.

MR. COPPOLA: I'm happy to stop by

your office and deal with all those things.

SENATOR KRUEGER: Thank you.

Assembly?

CHAIRMAN FARRELL: Thank you.

SENATOR KRUEGER: Thank you very much.

MR. COPPOLA: Thank you.

SENATOR KRUEGER: Again, it's a panel of three. Supportive Housing Network of New York, Ted Houghton; Association for Community Living, Toni Lasicki; Corporation for Supportive Housing, Ryan Moser and/or Diane Louard-Michel.

Again, welcome. And again, I apologize for the people who are here. We have two hearings back-to-back today, and we're multiple hours behind. That's why I appear to be rude -- I don't intend to -- by asking you to summarize. Thank you very much.

MR. HOUGHTON: Okay, real quickly. I'm Ted Houghton. I represent the Supportive Housing Network of New York. We represent 180 nonprofits across the state that provide supportive housing, affordable

housing with services for people with special needs, who are formerly homeless, anybody that needs a little bit of help to stay housed.

I agree with the preceding speaker, Mr. Coppola, that if you took a look at substance abuse investment to see whether or not it would save money, you would probably find that it does. We have actually proven that investment in supportive housing saves money.

In study after study after study, we've been able to show that placement into supportive housing reduces the use of shelters, emergency rooms, psychiatric hospitals, jails, prisons, whatever. All those expensive emergency services are greatly reduced when you place somebody in supportive housing. And for that reason, New York has been a leader in supportive housing.

I agree and support the testimony of Harvey Rosenthal and the New York Association for Psychiatric Rehabilitation

Services. We support those various items in the budget. I think it was a very compelling case that he and Glenn Liebman made for a COLA of 2 percent for community-based mental health providers. We are operating at the bone right now.

On the other hand, I'm wondering whether or not anybody should get a raise this year. And I feel -- I'm a little bit tentative in even saying that, because the fact is is that this is a tough budget year. But I see lots and lots of other sectors getting small increases, deserved increases. Or large increases. But we're really in a crisis right now.

We're grateful to the commissioners that appeared earlier today that they were able to balance their budgets with a minimal impact on programs. They were able to spare housing, supportive housing in particular. But the fact is is that there are hundreds of millions of dollars in social services cuts in this Executive Budget, and these social services are very important to the

mental health population.

One in particular, the SRO Support Services funding, which is in OTDA, but it's very important to the mental health community because it's what allows us to hire case aides, case managers, and front desk coverage in supportive housing. And many of people that fill those jobs are people with psychiatric disabilities. Hundreds of jobs will be lost if the cuts that are now proposed will go through. And so I hope you guys will help us weigh in and try to prevent those cuts.

Part of the way that the Office of Mental Health was able to balance its budget this year was by delaying production of supportive housing. The Office of Mental Health has been very steadfast in its support for the New York, New York agreement, and it is moving forward in its development of that housing. But housing in the rest of the state, development of supportive housing in the rest of the state has been frozen -- 1600 units that they

could be building right now that would be available to us in two or three years for use.

We needed those units yesterday. We have less than half of the number of units that we need in New York State for the population. We're going to definitely need it in two or three years. And the fact is is that if you bond this money and go out and build that housing, it's going to cost you about -- it will cost you a small amount of the overall bonding. And the amount of taxes and fees that that construction generates is actually double the amount of debt service that you pay in the first year. As you go out, you'll keep paying that debt service, and you won't have quite as much economic development outcomes.

But the fact is is that it is a wise investment for our future in the mental health community, and also to help us get through this economic downturn.

I'm going to stop right there and hand it on over to the Corporation for Supportive

Housing, Diane Louard-Michel.

MS. LOUARD-MICHEL: Thank you very much. My name is Diane Louard-Michel, and I direct the CSH office at the Corporation for Supportive Housing. Just very briefly, we're a national intermediary dedicated to ending and preventing homelessness.

And we do so through a variety of strategies. One is the direct financing, especially early financing of housing units to spur creation of supportive housing. We actually do a lot of work with training and technical assistance both in the predevelopment stage as well as in the operational stages.

We look, especially here in the New York City, New York office, New York State office, to really develop and push new models and innovations, though, that will also sort of drive and extend supportive housing's reach.

And last but not least, we're really dedicated to sort of working with partners in state and local government, federal

government as well, to align the systems and to create the resources that will really advance supportive housing as an intervention.

I'm going to say a couple of things. I'm not going to read from my testimony. But I really do want to push and support a few points that are both in the Executive Budget and also, I think, request legislative support.

Clearly, we are just the whole -- we know that supportive housing is a cost-effective intervention. We know it's also programmatically effective. We have outcomes, as Ted said, that I think stand up against the best of the programs. And we really do believe that this particular budget, even despite the budget crisis, we have to stand firm and we have to hold harmless in particular the New York, New York funding, because it is comprehensive. It is the kind of funding that attracts both public and private-sector investment. It's the kind of money that makes sure that the

providers who are out there on the ground doing the work have the adequate resources to do that.

And last but not least, it actually provides and extends affordability to very low income -- not just low income, but very low income, homeless and disabled individuals and families.

So with that said, if you read my testimony you'll see a variety of different points in the budget which I definitely support the Executive Budget request and ask that Commissioner Hogan and Commissioner Carpenter-Palumbo really get their budget requests, especially on housing, expanded supportive, et cetera.

But one last thing I did want to sort of point out is that despite -- you know, beyond the New York, New York agreements, one of the things that CSH does has been really taking -- trying to work in collaboration with our partners in public government as well as the providers on the ground to really seed some new avenues for

supportive housing.

One of them of particular note is our work around reentry and housing people with criminal justice backgrounds and involvement who also have serious behavioral health challenges, usually mental health and addiction. And a couple of years back we start what was called the Frequent Uses of Service Enhancements, which is essentially a program looking at trying to place a hundred people who were cycling rapidly between jail and shelter into supportive housing, who also had an overlay of mental health and addiction issues.

The first-year results after placement that were conducted by John Jay College showed a 92 percent reduction in shelter usage. It showed a 53 percent reduction in the amount of jail days used. And it showed a 91 percent housing retention.

So with that said, you know, we really can look at a few things. It also showed that we reduce the cost of care, the cost to both Department of Corrections and the

Department of Human Services, by about 3 percent. This is not factoring in regular health costs, this is just factoring the cost of our costs of assistance.

This particular program model has been replicated across the country, in Ohio, in about six or seven different jurisdictions. It's been evaluated, it's been sort of documented. And we stand now at a point, especially with some of the drug law reform that's here, and some other sort of little fledgling efforts made by OMH and OASAS to commit initial funding -- we expanded an opportunity to really expand supportive housing for this population who does not always access traditional resources because of their lack of involvement and their chronic homelessness.

I really think that, you know, we are asking specifically that at least about $5 million of funding that's associated with Rockefeller/Paterson drug law reform be really dedicated to giving the state the capacity to greatly expand their response,

their reentry supportive housing response. That $5 million could create 250 units of reentry supportive housing that would be open to people who are eligible for early release as well as diversion. And it could also really make an impact on providing more effective housing and service interventions for people who are leaving state prisons.

So with that said, I'd just like to thank you all for your time. And the testimony, please read through. It's about housing, it's about services, and it's about really investing in proven, cost-effective and programmatically effective models.

Thank you.

SENATOR KRUEGER: Thank you.

MS. LASICKI: Hi. I'm Toni Lasicki, from the Association for Community Living. I represent 120 not-for-profit providers that provide residential and other services to people with serious mental illnesses, substance abuse issues, and serious medical conditions.

I'm going to keep it very brief. I

agree generally with everything that Harvey Rosenthal has said, Glenn Liebman, Ted Houghton, my colleagues at CSH.

In particular, I just want to say that a 2 percent increase for the mental health providers is a modest investment. We lost 5.6 percent last year. And I'd like to just put a point on the health insurance issue that John Coppola brought up and others have said.

Our providers' staff people are paying $800 to $900 per month out-of-pocket for family health insurance. The vast majority of our providers cannot provide them with family health insurance. They may pay for the single rate. The difference then becomes $800 to $900 out-of-pocket per month in addition to office-visit copays, medication copays, medication caps, and high hospital deductibles.

MR. HOUGHTON: I want to talk to your broker, because we pay $1200 a month.

MS. LASICKI: Well, it's $1200 for family --

MR. HOUGHTON: It is really -- wait, wait. It went up 20 percent this year.

MS. LASICKI: It's 1200 per month for the entire package, but most of our providers pay $350 to $400 for the single part, so it brings it down to about $800 or $900. So Ted is correct. But it's a huge issue.

MR. HOUGHTON: It's a huge issue.

MS. LASICKI: So if you're making $30,000 or $40,000 or $50,000 a year and you're paying a combined, with all your copays and your prescriptions and the rest, you could be paying as much as you pay for your rent or your mortgage. That's what it is today for our providers.

And it's because there's been a steady erosion in our base over 20 years. Our providers are anywhere from 12 to 38 percent behind inflation over the last 20 years. Some specific programs have gotten enhancements over the years, so they're in a little better shape. But it's 12 to 38 percent -- basically, that's a 12 to

38 percent cut over the last 20 years. At a time when we're being asked to do more, work with much more difficult clients and clients who have an array of problems that they didn't have 20 years ago when we first started in this business.

So I'll end with that. Thanks.

SENATOR KRUEGER: Thank you. And again --

MS. LASICKI: Oh, can I just say one more thing?

OASAS refers to their workforce as talent, and OMRDD refers to their workforce as angels. We don't really have a name for our workforce, so I'd like to put out "everyday heroes." Or just "heroes." Thanks.

SENATOR KRUEGER: Thank you.

Again, because of time, well, I guess editorially, wouldn't it be nice if the federal government heard your point? I think that's why many of us probably on this panel support trying to have national healthcare for exactly that reason. Not

just for your workers, but for so many workers throughout the state.

In follow-up, you referenced a whole series of research.

MS. LOUARD-MICHEL: Yes.

SENATOR KRUEGER: I would love to see those reports; I suspect we all would.

MS. LOUARD-MICHEL: I can get those to you.

SENATOR KRUEGER: And three, also just in follow-up, when I think about all these issues confronting us today, the only good news about the economy being in the dumps is that it may in fact be cheaper to do supportive housing at this point in history.

So I'm particularly interested in, even though the state has no money, are we missing any opportunities we might never see again to take advantage of a plummeting real estate market to create the infrastructure we need for the 21st-century system of residential services for both the OMH and the OMRDD and the OASAS universe out there

in New York State?

MR. HOUGHTON: It's a wonderful opportunity right now to develop. And in the next session we'll be addressing that as well.

But Housing First has suggested a $500 million increase in housing capital development. It will cost $33 million a year in debt service. That's not that much, because it generates $74 million in taxes and fees just to the state, and another $8 million to localities in first year. In the next years, it will create 1500 jobs -- no, I think it's 3,000 jobs in construction. And then it leaves another 500 jobs on a permanent basis.

It's a great economic investment. Land prices are low, interest rates are relatively low. We can do a lot right now if we only had the resources to do it.

CHAIRMAN FARRELL: Thank you.

SENATOR KRUEGER: Thank you. We're moving you out faster.

CHAIRMAN FARRELL: We are now at a

point where the housing hearing is two hours late, working its way. So we'd like to really get through the remainder as quickly as possible.

SENATOR KRUEGER: So again, summarize. And we'll be cutting you off.

Families Together in New York State. And if you want to get ready, Citizens Committee for Children after that.

MS. PIERCE: Hi. Thanks. I promise to be very brief. I've X'ed out 90 percent of my testimony.

My name is Paige Pierce. I'm the executive director of Families Together in New York State. We're a statewide family-run organization representing thousands of families across the state whose children have been involved in multiple systems, including mental health, substance abuse, special education, and child welfare. Our board and staff are made up primarily of family members and the youth who have been involved in these systems.

I'm also a parent. My 18-year-old son

was diagnosed with Asperger syndrome at the age of 3, and we've been navigating the complex systems for the past 15 years.

There are over half a million children and youth in New York State who have a mental health or addictive disorder associated with significant functional impairment. Without access to appropriate services, these children end up dropping out of school, in the juvenile justice system, with addiction problems, in expensive hospitalizations, and in the child welfare system.

The state needs to support families to raise our children at home and in our communities. Prompt access to appropriate community-based services saves money and improves the quality of life for children and youth in their families.

In my written testimony there's a whole section on the Children's Plan which Assemblyman Rivera spoke about earlier and Commissioner Hogan spoke about, so I'll let you read that at your leisure. But we

support the Children's Plan wholeheartedly.

During this difficult financial time, the Children's Plan will lead us in the right direction in helping families and youth. We must continue to implement the action plans and continue to build understanding from all the child-serving agencies, both statewide and local, that joint efforts to implement the Children's Plan will benefit all.

This new model of cross-systems joint activity and planning will ultimately save the state money, as expensive hospitalization and residential services are traded in for accessible, community-based family-centered services.

What families want. Families throughout the state have maintained that the services that are most important to them are those which work across systems and provide flexibility to meet the needs of the whole family. Family support services, respite, and Home and Community-Based Waiver services are the services that have most

helped families and have been most successful in helping them keep their child out of residential programs.

The families that make up our board of directors and our 10 regional chapters believe that the following services are essential for the new system of care for children with social, emotional and behavioral needs. And you see in my written testimony I've got nine priorities, some of which are support the proposed OMH budget to begin the implementation of the addition of family support to Clinic Plus; restore the proposed TANF cuts to preventive services, alternatives to detention, Advantage Aftercare, and home visiting; reform the juvenile justice system -- and I know this is not the hearing for that, but I'll say it again, reform the juvenile justice system; fund mental health clinic services for those who don't have Medicaid.

In summary, Families Together supports the Governor's budget proposal, which recognizes the need to maintain the

investment in community-based services for children. The commissioners have clearly designed their budgets to make good use of the available funds. But we must stress that community-based preventive alternatives are needed in order to reach the goals of serving children and families in a cost-effective way in their communities.

We look forward to working with the Legislature, the Office of Mental Health, and all child-serving agencies in future planning for children's services across systems to ensure that families are served appropriately in their communities and in their homes.

If there's one message I could leave with you today, it is that families have an expertise and a greater vested interest in ensuring the success of our children than any other stakeholder in our state. We are a strong, informed voice that can be helpful to you as you make your decisions that will affect our children's lives. Please view us as a resource and strong allies and

partners.

Families Together's Legislative Day is next Tuesday, February 9th. You're all invited to our luncheon at the Egg where you can meet your constituents, who can share their experiences in accessing services in the communities you serve.

Thanks.

SENATOR KRUEGER: Thank you.

Any questions, Assembly?

We can't eat the lunch when you have us there. We can watch you eat the lunch.

(Laughter.)

SENATOR KRUEGER: Thank you very much.

I think Citizens Committee for Children actually had to cancel, so our next will be the Jewish Board of Families and Children's Services, Carmen Collado.

MS. COLLADO: Good afternoon. My name is Carmen Collado. I am the director of public policy and government relations for the Jewish Board of Families and Children's Services.

I would like to thank the chairs of this meeting, Senators Liz Krueger, Carl Kruger, Thomas Morahan, and Assemblymen Herman Farrell, Felix Ortiz, and Peter Rivera. I would like to thank all the legislative leaders who work to serve New York and New Yorkers in need of mental health services.

The areas of specific concerns that I would like to address today are the restructured system of reimbursing outpatient mental health clinics and expenses related to the Governor's Article 7 bill on social work licensing.

New York's community-based public/private system of providing mental health care has many strengths we can be proud of. Licensed clinics serve over 80 percent of all the people who use mental health services in New York State. Now, however, the threat of stricter federal enforcement of the use of Medicaid funds has led the state to focus Medicaid funding in a way that will no longer support outpatient

care for the majority of users of clinic services.

Up until now, creative work by New York's policymakers, including more reliance on federal Medicaid funding, enabled the state to replace evaporating estate and local tax money that had deficit-funded mental health care for everyone who could not fully afford it -- not just those on Medicaid. The partnership worked so well that providers agreed and the state was able to expect that no one could be turned away from a clinic because of inability to pay.

As long as New York State was doing everything it could do to mastermind public funding, the not-for-profit partners were willing to also deficit-fund their own shortfalls by raising philanthropic dollars and managing ever-changing regulations, licensing recertifications, and extensive audits.

With the state's plan to restrict Medicaid add-on payments for Medicaid managed-care clients, the partnership is

threatened and so is access to care. Not-for-profits cannot raise more money in this economy, and this loss of Medicaid dollars will force clinics to close or limit access to clients of certain managed-care companies.

We urge the Legislature to preserve services for families by working to assure comparable rates of reimbursement for the mental health care of all Medicaid recipients and those covered by related publicly funded plans.

We also urge you to create a state-funded indigent care pool for Article 31 clinics to ensure continued access for children and families with inadequate or no mental health insurance coverage.

Another change in policy and practice on the horizon is the social work licensing requirements set for this June. Our concern is that the lack of clarity on how licensing will impact the delivery of services is likely to create confusion and potential disruption of services as well as a negative

budget impact.

The executive and legislative branches of government are on track in working with social service providers to achieve consensus and to prepare the system for changes, but we need more time. Thus we urge you to support the Governor's request to extend the practice exemption until 2014.

Thank you once again for this opportunity to testify.

SENATOR KRUEGER: Thank you. Assembly? Thank you very much for your testimony.

Our next is Parents with Psychiatric Disabilities Legal Advocacy Project, followed by, for those who are keeping track, Direct Support Professional Alliance, and then Friends of Recovery NY will be the last.

So we have three more for this hearing. Thank you.

MS. WATERS: Good afternoon, and thank you. I've shortened it as much as possible. You do have my written testimony.

My name is Christine Waters. I'm an attorney at Legal Services of Central New York and one of three attorneys that comprise the Parents with Psychiatric Disabilities Legal Advocacy Project. We call it the Parents' Project.

The Parents' Project serves the entire State of New York through the Urban Justice Center Mental Health Project downstate and Legal Services of Central New York upstate. Together, we advocate for parents facing challenges to their parental rights due to psychiatric disability. Harvey mentioned it, Glenn mentioned it. And we have really appreciated the support especially of Assemblymember Peter Rivera.

I'm testifying today because we seek your support for continued funding for this very important project. The Parents' Project is important to New York because it prevents unnecessary foster-care placement. We benefit New Yorkers because we provide a win/win/win solution to a very challenging problem. New York State wins, children win,

and parents win.

New York State wins because the project is cost-effective. Foster care costs New Yorkers between $25,000 and $78,000 per year per child. Preventive services for the same period are less than $10,000 per family. The Parents' Project trains the Family Court bar, peer advocates, and service providers. Well-trained legal advocates ensure that the legal system works more effectively, resulting in fewer instances of inappropriate removals, increased family preservation, and efficient use of limited state resources.

Children win because they are remain with or are promptly return to their birth families. It spares trauma of removal and uncertainty as to their status within their families.

Parents win because they are assured of proficient, zealous advocacy. Their access to services tailored to fit their needs is increased, thereby enhancing their chances of safely parenting their children despite

their disability.

This project is unique to New York State. In 2007, after 15 years of grassroots efforts, the Legislature appropriated $850,000 to address the challenges families affected by psychiatric disabilities face because of deeply entrenched stereotypes and stigma.

$300,000 of this appropriation was designated to increase legal advocacy and improve the quality of representation. The balance of this appropriation funds the Parents with Psychiatric Disabilities Support Project. MHANYS is overseeing this project currently, providing integral community and peer-support services for the parents we serve.

The Parents' Project has built a strong foundation, but considerable work lies ahead to fulfill the purpose for which this project was created. I've provided a summary in the back of the packet for the services that we've provided.

But briefly, we train attorneys and

judges because advocacy translates into positive outcomes for families. We network both within the state and outside the state to pull together resources and provide a unique resource for both attorneys and for community advocates and for parents. And we represent parents in select cases.

I've provided a case illustration that I really hope you have a chance to read. But in the interest of shortening this, I just want to say that for the thousands of New York parents like the parent that I provide in this illustration, for parents involved in Family Court system and affected by mental illness, our project is an important legal lifeline. Without our continued existence, these New York parents would face the very real danger of inappropriate removals, foster care placements for their children, and the termination of parental rights based not on their behavior as parents but on their supposed disability and the perceived inability to parent.

Through our continued work in New York, the Parents' Project can continue to save New York taxpayers from paying for unnecessary foster care while providing New York parents with the opportunity to maintain intact families with appropriate support services.

What we're asking is that you continue the appropriation of $300,000 to keep this vital project alive. It is not in the Executive Budget. We wish it were. And we thank you so much for your continued support and for the opportunity to appear before you today.

Do you have any questions?

CHAIRMAN KRUGER: Thank you. Thank you very much.

Direct Support Professional Alliance.

MR. MACBETH: Good afternoon. My name is Joe Macbeth, and I'm the founder of the Direct Support Professional Alliance of New York State. We represent 65,000 direct support professionals who support people with developmental disabilities across the

state.

I am not a direct support professional. I was a developmental support professional. I left a job 20 years ago that I loved, that I was good at, because I couldn't afford to provide for my family. It's been a passion of mine since I've left the job. We started this organization about a year ago from a grant that we received from OMRDD to develop a professional organization to advance the profession of direct support.

I originally wanted you to hear from Theresa Laws, who worked as a direct support professional, but she gave me this note. And she said: "Joe, unfortunately I need to leave at 2 o'clock because I have go pick up the people that I support."

It's not a job that you can just call and say, "Hey, I'm running late, I'll be there when I can." It's a job that people rely on you to be there. It's a profession. I heard a lot of talk today about angels and talent and heroes, and it's all of that. But it's also a profession.

We're thankful and we appreciate the trend factor for direct support professionals in New York State. We do recognize that people who provide similar services under the auspices of OMH and OASAS are not able to get those trend factors. There's a lot of overlap in the job of direct support. You could be supporting somebody with a mental illness, somebody with substance abuse issues, somebody with developmental disabilities. There's a lot of shared skills.

We believe that all direct support professionals should be treated as a profession. Did you know that nail technicians require certification before they can touch your nails, and barbers need to be certified before they can cut your hair, but to support somebody with a disability with incredible intensive needs, all you need is a high school diploma and a clean background check? That's wrong. That's really wrong.

We believe that New York State should

lead the country in providing a credential in direct support, a credential that has competencies and competency-based trainings and proven outcomes in the development of a portfolio. It already exists, from the National Alliance of Direct Support Professionals.

It's not going to be cheap. If people are going to be going through these series of steps in meeting the requirements of a credential, they should be rewarded for that. They shouldn't have to leave a profession that they love because they can't provide for their family.

That's all I have to say. I went totally off record here. The written testimony goes into far more detail. Thanks for the time.

CHAIRMAN KRUGER: We appreciate it. Thank you very much. Thank you.

Friends of Recovery New York.

MS. ELLIOTT-ENGEL: Good afternoon, chairs and committee members.

Commissioner Carpenter-Palumbo

mentioned in her testimony this morning that she had attended an event yesterday where 250-plus New Yorkers who are in recovery from chemical dependency came to Albany, and we visited many of the legislative offices. Assemblyman Ortiz also came and gave us an incredible pep talk.

I am a person in sustained recovery since 1975, which means I have not used anything since 1975. And one of the really significant issues that's happened with people who are diagnosed with chemical dependency is that we've hung out in silence and in shame and been afraid to come to talk to people like you in a room like this for an awful long time. And yesterday it changed.

We are an incorporated 501(c)(3) representing thousands and thousands of New Yorkers who are asking for one thing from you today. That is that you make a commitment to fund more recovery centers in our communities across the state in the amount of $1.5 million.

The commissioner also mentioned that the momentum about the recovery community centers has had to be deferred. And what we know is that if you invest now, you'll save money later. It's sort of like the housing thing.

Why is that? Because people like me give to each other in informal community settings that has very little overhead, doesn't require necessarily all of the professional status.

And I'd like to say one thing about the professional status. I have a master's degree in theology, a degree in social work, I'm a licensed mental health counselor, and I'm the executive director of a treatment agency that also has housing components. So I know the continuum.

But I also know, out of personal experience, that what meant the most to me and to many, many other people that I know is when you leave the treatment experience, that you have available to you those hands that care, that can show you the way.

My good colleague Matt Mathai would like to speak.

MR. MATHAI: Good afternoon. Thanks for giving us all the time that you have already today. So I'll be very brief, as I appreciate the time.

And as Laura has already said, Friends of Recovery New York is an established, however, first-time organization of people in recovery from addiction by people in recovery in addiction, to make it clear that we are no longer going to be silent about the issues and policies that you have been dealing with without us.

And so we're here for you and to represent and support you and what you've been doing in order to ensure that every person who might suffer with an addiction issue has an opportunity to reclaim life in the community, and a real life in the community.

So I'm here really -- actually, I'm pinch-hitting, in a way, for Joe Turner and Keith, who weren't able to make it. I

also -- some of you already know me as a person who represents people with psychiatric disabilities as well. So I'm a person who both has a serious psychiatric disability and am in recovery in mental health as well as a long addiction history and having had to contend with what it takes to actually deal with both and come together.

And I want to share my personal experience very clearly about a recovery center. My recovery would not have happened in Rochester, New York, in the mid-'80s, without a small group of families and people who volunteered together, refurbished a barn, volunteered with a church to donate the space, and threw a little money together to actually provide a space for those of us -- we called it Students In Brighton Encourage Recovery, and it was one of the first of its kind. And way ahead of its time.

But what it did was it kept us off the streets, gave us a place to go where we

could actually find recovery and support each other in recovery, and helped us get back to school, go back to work.

And now there's the same thing happening in Rochester and in Syracuse, thanks to federal dollars we've been able to pursue. And one was supposed to start here in Albany, but because of the deferment that Laura already talked about, it couldn't open.

And I've lived here in Albany for the past 10 years. I know several people, many of us -- just in this last year, four people died who could have used that recovery center here in Albany. Four people died that I know. And it's tragic to me that we have this opportunity, these glimpses of opportunity and light.

These programs, I just want to say two things about them. One is they restore civic participation. People who haven't been able to -- so, for example, we talk about reentry out of jail, coming back out of prison, people don't know that they might

have had an arrest record that should have been sealed or a conviction, you know, for example. And we help them deal with that so they can get back to work.

And so sometimes people were coming out of prison and not knowing that they actually had a way back to work, and so they would go back to an old way of life. What's happening in the recovery center is they find out from us.

And it's actually one person who's been through it talking to another person who's been through it, saying, "No, no, you know what, that youthful offender status that you have, it should have been adjudicated. We can actually help you deal with that." Or, "You know what, you don't have to fill out a conviction history in that way because you actually have a misdemeanor, not a felony." You know, it's these kinds of information we're actually helping people with.

And so hundreds of people every day in Rochester and Syracuse are benefiting. We need the rest of the state to benefit in

this very small way to keep the momentum going. By now Karen Carpenter-Palumbo wanted to have 21 recovery centers up and running. She understood that there needed to be some pull-back. So did we. We absolutely understood that and recognized that.

But our worry is that the cost of having people cycle in and out of the acute, expensive care and services that is going on, including the cost to our families and the devastation of our communities, is only getting worse as people like me, who started using at age 7 and got pretty hard stuff pretty fast and tried to kill myself by the time I was 15 -- the only people my family knew to turn to were these recovery centers. And then we engaged them.

So that's the case we're making here. And we appreciate it. We believe, like Karen in her testimony, we believe that there is something you and she can do together to figure that out. And we would urge you to do that.

So Laura, I don't know if there's anything more you wanted to say, but I guess that's it for me.

MS. ELLIOTT-ENGEL: I just really want to acknowledge, with you, having sat here all day with you, that your task is incredibly daunting. And I just encourage you, truly from the bottom of my heart, to think about different ways of investing our limited resources in ways that have a huge and better outcome from what we know today.

So with that, thank you.

MR. MATHAI: Thank you very much.

CHAIRMAN FARRELL: Thank you.

CHAIRMAN KRUGER: Thank you.

We're just going to backtrack for a moment. Jason Lippman, the Coalition of Behavioral Health Agencies, has rejoined us.

We already have your written remarks, Mr. Lippman, so if you could just quickly summarize, we'd appreciate it.

MR. LIPPMAN: Yeah, I'm planning on making it brief. I actually never left, through. I was here all day too.

Good afternoon. My name is Jason Lippman, and I am the senior associate for policy and advocacy at the Coalition for Behavioral Health Agencies.

While the coalition is pleased that the Governor's budget includes some proposals to offset cuts with new ways of raising revenue, we do not feel that it goes far enough. We support the dollar-per-pack increase in the cigarette tax, and we also support the new excise tax on sugared beverages. But we would have also supported an increase in the excise tax on alcoholic beverages, and we urge the Legislature to take up this cause and pass the bill that's been proposed by Assemblymember Ortiz.

The Executive Budget also proposes a significant amount of cuts to the Medicaid program. The coalition recommends that the state offset Medicaid cuts with the extension of the FMAP money that was proposed by President Obama.

The coalition strongly endorses the Governor's proposal to extend the exemption

of public-sector social workers and other mental health practitioners from professional licensing requirements for an additional four years through June 1, 2014. I won't go into any details because you've heard about it all day.

The coalition is deeply concerned about increasing the Medicaid fraud and abuse target for the OMIG by an additional $300 million in the Executive Budget. This target was just increased by $150 million in the DRP, and that was in December. And the total OMIG target is now $1.17 billion.

We support the sanction of OMIG to recover claims when they do rise to the level of fraud and abuse. However, we are worried about the tactics used in the field by OMIG auditors where the auditors are forcing providers who have delivered legitimate services to consumers to pay the state back millions of dollars due to a simple omission or clerical error.

We are pleased that the budget includes resources to continue the development of

supportive housing under the New York/New York III agreement. At the same time, the Executive Budget decreases funding for the SRO Support Services by 13 percent in comparison to last year. The coalition is concerned that this will also persuade New York City to also cut its 50 percent matching share, and this would prevent OTDA from opening thousands of supportive housing units and eliminate staff in the units as well. So we urge the Legislature to reconsider that cut as well.

The coalition supports the Executive Budget proposal to allocate $13 million to meet the projected need for chemical dependency treatment services associated with the drug law reform diversions.

Also, on clinic reform, OMH plans to move forward with the ambulatory clinical form and implementation of the APG rate methodology to determine new clinic rates. As OMH phases out COPS revenue, the coalition seeks support from the Legislature to ensure that community-based providers are

reimbursed for the full cost of services provided to consumers in the new system.

We are very concerned about access to care issues where consumers under Medicaid Managed Care plans or indigent care would only be reimbursed -- well, the provider would only be reimbursed for their services at a much lower rate, sometimes at one-third to one-half of what Medicaid Fee for Service pays. Right now, OMH and DOH are working together to fix this problem, and we ask the Legislature to support them as well.

Last, the coalition would also like the Legislature to support the maintenance of the behavioral health system by authorizing a supplemental infrastructure investment pool of dollars that would cover increasing costs for mandated computer technology requirements and a property pass-through for residential providers.

Our sector is being asked to upgrade its information technology with clinic reform and other issues with electronic health records. And we thought that rather

than ask for a COLA, which we felt it might not be good to ask for a raise given that there's cuts and given the economy, we thought that this would be a better ask, since providers are mandated to update their systems and it would make the system more efficient as well.

Thank you for your time. And I'm available for any questions.

CHAIRMAN KRUGER: Thank you very much.

CHAIRMAN FARRELL: Thank you.

CHAIRMAN KRUGER: That completes our morning session.

(The hearing concluded at 2:45 p.m.)