



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



Testimony Submitted to the Joint Legislative Budget Hearing on Health

February 8, 2022

Overview of the Children's Mental Health Crisis

The sector has been unable to sufficiently respond to rising demand for children's mental health, substance use, and prevention and preventive services. In October 2021, National Physician and Hospital Association declared a NATIONAL STATE OF EMERGENCY in children's mental health, citing Centers on Disease Controls' youth suicide data and unmet need for services. Children are ending up in emergency rooms for days on end in crisis because they don't have access to the services that they need.

- Nationally, according to a survey released by the National Council for Mental Wellbeing in October 2021, demand for mental health and substance use treatment has increased nearly 80% over the past three months, continuing a steady rise that began more than a year ago.
- In the same month, 76% of the Coalition's member agencies reported that they have paused intake for services because of workforce shortages.
- And nationally, over 140,000 children have lost a parent or caregiver to the COVID-19 virus, about 7,000 of them New York's children. The adverse childhood experience of losing a parent or primary caregiver sets every one of these children up for higher risk of unhealthy, unproductive lives based on well-established research. The only remedy is immediate access to care and treatment that responds to their experience.

Itemization of Specific Recommendations for the Executive Budget Proposal

Fund Children and Family Treatment Support Rate Reform

When child and adolescent behavioral health care is not reliably available in communities, pediatric Emergency Departments become the default option for providing on-demand attention.

The lack of community care means the demand on pediatric Emergency Department care to provide children's behavioral health care is on the rise. It is costly. It is not effective. A recent study to assess the true cost of caring for nonacute behavioral health patients showed that the cost of caring for one child in a pediatric ED is approximately \$219 an hour, with most activities offering little to no value to the child or family.

I urge you to end dependence on low-value ED care and instead fund good quality care with permanent rate changes. The Governor's budget begins that process I ask you to support this entire list:

- \$7.5 million for better rates and more Home and Community Based Intervention (HCBI) opportunities as proposed by the Governor.
- \$7.5 million for better rates to save the remaining 274 child & adolescent beds in the Residential Treatment Facilities (RTFs) as proposed by the Governor.
- Enough funding to give Art 31 outpatient clinics a 10.4% rate increase as proposed by the Governor.
- \$3 million to prevent a funding cliff for child and family treatment and support services and home and community-based waiver services for children, so the scheduled end of a 25% rate enhancement on October 1, 2022 can be avoided.
- \$12 million to create a short-term hospital diversion service for complex care/cross systems youth that offers families immediate access to safe, out-of-home services while a child and the family prepare for transition to intensive in-home services or until a longer-term opportunity is available.

Medicaid Managed Care (MMC)

The Coalition's first concern is that demand for behavioral health services continues to rise and supply is severely insufficient due to MMC's inability to adapt to extraneous factors. A recent CDC report cites that 13% of Americans have self-reported starting or increasing their substance use as a method to cope with the lingering impact of the pandemic on work, life and Community. The CDC reported earlier this year, for young adults aged 18-24 years, that 1 in 4 reporting having seriously considered suicide. Suicide ideation was also significantly higher among Hispanic respondents (18.6%) and Black respondents (15.1%). The pandemic has seriously impacted the behavioral health of young people and MMC does not currently have the capability to seriously address these changes.

In the case of Home and Community Based Services (HCBS), the behavioral health workforce shortage has not been seriously addressed. During the Coalition's October 2021 policy forum, 76% of our members claimed that they had to pause intake for services because of workforce shortages, with 47% pausing intake for 4 or more services and sites. Children are stuck on waiting lists for months for services that they need because of the workforce shortages in our sector.

Since the carve-in on January 1st, 2019, Managed Care has also created and failed to assist this sector with administrative burdens. The state has failed to identify any systemic solutions to the myriad of cross-referrals, evaluations, paperwork exchanges, and broken referral links. These administrative processes further burden our shrinking workforce, along with redundant eligibility checks on children and families attempting to utilize services.

We cannot afford for changes to the Medicaid Managed Care system to negatively affect children and families in New York State. The emphasis needs to be on **prevention, early intervention, and immediate access**. Any changes made to MMC need to alter the system's ability to react to and treat people with special behavioral health needs. In addition, flaws in the system need to be identified to protect against risks associated with moving additional services into Managed Care. The minimum requirements for contract provisions needs to set a higher bar. Additionally, oversight needs to be expansive. Recoupment of unspent funds paid to plans is a welcomed indication of the state's commitment to oversight and enforcement of the managed care industry, along with ensuring access to care, and accountability when plans fail to meet the set requirements.

Expand Behavioral Health Benefits in Community Health Programs

APG rates need to be expanded in order to adequately fund clinics, Part 584 crisis stabilization centers, and ambulatory behavioral health services for children covered by Child Health Plus is proposed in Part LL of the Health and Mental Hygiene Art VII legislation. We support the proposed sunset date of March 31, 2027 to support the clinic services through the COVID recovery period, as demand for clinic services is at an all time high and our workforce challenges are many. Rates for behavioral health services covered by the Child Health Insurance Program are currently mandated to be paid at the government (APG-approved patient group) rate. These rates are necessary if these clinics are going to support the behavioral health needs of their communities.

We strongly support the proposed expansion of children's ambulatory behavioral health services to be covered by Child Health Plus insurance plans as per Part U of the Health and Mental Hygiene Art VII legislation. It is necessary that qualified children are able to access these necessary supports. However, we suggest that the application of the APG requirement for the CHP ambulatory behavioral health services for children be cross-referenced in Part U so plans have no confusion that the mandate to pay the APG rate as it applies to existing and expanded behavioral health services for children. We have had difficulty getting the plans to pay the APG rate in the past despite that it is explicit in the statute. The plans claim DOH never appropriately notified them of the law.

Additional Capital Funds for Mental Health

The proposed budget includes \$50 million for the Nonprofit Infrastructure Capital Investment Program (NICIP) and \$1.6 billion for a new phase of the Statewide Health Facility Transformation fund, of which Art 31 and 32 providers are eligible, including RTFs. We support the addition of a Statewide Behavioral Health Care Facility Transformation Program I, instead of perpetuating a small carve out for mental health facilities in the Statewide Health Care Facility Transformation Program. It is essential that the fund responds to the exploding demand of behavioral health services and is sufficiently funded.

At a minimum, we urge you to acknowledge the National Emergency in children's mental health and restore the \$50 million Children's Mental Health Capital Fund from Fiscal Year 2019. That funding was necessary then, and it is more than necessary now that the behavioral health sector is in such crisis between underfunding, rising demand, and a labor shortage.

Cross-Systems Complex Needs Youth

The Coalition urged the legislature to authorize and fund a \$12 million pilot project that uses an Alternative Payment Methodology to create a short-term hospital diversion service for complex care/cross systems youth. This system would offer families immediate access to safe, out-of-home services while the child and family prepare for transition to intensive in-home services like YouthACT, HCBI or HCBS. The Alternative Payment Methodology would allow designated providers to braid together county, Medicaid, and grant funding to adequately pay staff wages and benefits for difficult and intensive work. We need to better assist cross-system complex children despite the hard silos that exist among services.