



ACTION ALERT

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A non-profit tax-exempt organization representing New York City's community-based mental health sector.

February 17, 1999

COLA Implementation is moving

In conversations with the Department of Budget and the Office of Mental Health the provider community has successfully brought attention to the tremendous problems involved in implementing the COLA passed during the 1998 legislative session.

DOB is meeting today with OMH to discuss specific implementation problems:

- **Recoupment**
Providers who gave a COLA after the COLA legislation was signed into law have been told that they will be unable to use the COLA allocation to cover that cost. There seems to be movement that would allow these agencies to use the allocation to cover at least some of the cost.
- **Appropriation and Equity Issues**
Many agencies have expressed concern about where the allocation will “run out.” There is a fear that the costs incurred by bringing the higher paid staff in line with the raises received through the COLA will be prohibitive. It may be possible to provide some relief for providers by allowing them to provide a COLA that does not reach all the way back to April 1, 1998. We are continuing to investigate this possibility.
- **Legal Issues for Unionized Agencies**
If a contracted union raise was implemented after April 1, 1998, there may be a contractual impediment prohibiting an agency from giving an increase retroactive to April 1st. Additionally, if an agency has signed a contract with a union to give raises they are prohibited from using the legislative appropriation to pay for a COLA for which they are already contractually obligated. Furthermore, if the allocation “runs out” the agency will be forced to spend additional funds to make the COLA “whole” for workers who aren’t covered by the legislative money.

Action needed:

Call OMH and tell them about your implementation concerns. We realize that the above list is only a partial representation of the concerns you have about the COLA and we encourage you to voice **ALL** of your concerns to OMH. We are working to resolve these issues in an acceptable way but we need your help. We will keep you informed about any additional information that we are able to learn.

Call: Pamela Tindall-O'Brien in the OMH Counsel's Office at (518) 474-1331.