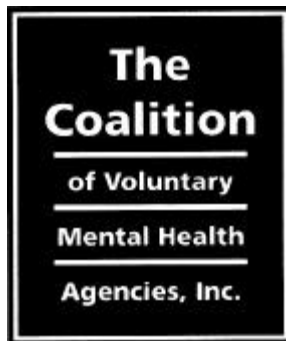


Testimony of

Phillip A. Saperia

on behalf of



before the

**New York State Assembly Standing Committee on Mental
Health, Mental Retardation and Developmental Disabilities**

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Improving Employment Opportunities for Persons with

Mental Disabilities

Assemblyman Brennan, distinguished Committee members, good morning. My name is Phillip A. Saperia and I am the Executive Director of The Coalition of Voluntary Mental Health Agencies, Inc. For those of you who are not familiar with our work, The Coalition is New York City's advocacy organization representing a network of over 100 nonprofit community-based mental health agencies. Taken together, The Coalition's member agencies serve more than a quarter of a million clients and deliver the entire continuum of mental health care in practically every community and neighborhood of a very diverse New York City.

I would like to thank you for holding this hearing on what we consider to be an extremely important issue. We believe very strongly that a major role of the mental health care system as we move into the twenty-first century is to help consumers of mental health services return to the mainstream by returning to meaningful work in the private sector. According to a 1998 Harris survey, 72 percent of Americans with disabilities want to work. Only 25 percent do. Among people with psychiatric disabilities, the figures are worse, only 10-20 percent work. According to SOMH Commissioner Stone, New York lags behind even these national averages. In a talk last week to the State Rehabilitation Council he reported that OMH has collected data showing that only 30% of SOMH service recipients have ever had a job. He also claimed that with an employment rate ranging from five to 15% of all recipients, OMH has the lowest employment rate among the State agencies serving disabled individuals.

This picture is very complex and not as straightforward as it sounds. Nevertheless, we are, right now, at a moment in time when numerous forces are converging to make sustainable competitive employment for people with psychiatric disabilities a more readily attainable goal than ever before. Our economy is booming. Unemployment is at record lows. Good jobs are available and employers are willing to take chances in order to fill jobs that are going begging. The successes of the Americans with Disabilities Act have opened many eyes in this country to the minimal price of workplace accommodations and the tremendous value to corporations and communities of

employing people with disabilities.

At the same time, the mental health care provider community has reached a growing consensus in recent years about the importance of work in rehabilitation and recovery. The therapeutic effects of working are better understood than ever before. We can also thank the consumer-rights movement for bringing to the forefront the overwhelming desire of most people with psychiatric disabilities to work and their ability to do so.

Add to this a growing realization in government that people with disabilities of all kinds can and should be working. The Federal government has made a number of moves recently showing its wish to remove some of the barriers that prevent people with disabilities from working. The progress of the Work Incentives Improvement Act is encouraging and we are working with our allies in Washington, DC to see that it passes. We were also encouraged by the Social Security Administration's move to increase the amount of money Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) beneficiaries can earn before losing their benefits from \$500 per month to \$700 per month. The Federal government also enabled, with the Balanced Budget Act of 1997, states to allow Medicaid recipients with disabilities to continue to purchase Medicaid coverage even if they exceed the income restrictions currently in place, but I will return to this later.

On a City and State level, much is being done and much more could be. The Coalition has recently received a grant from SOMH and the City Department of Mental Health to help the mental health care system in New York move in the direction of an integrated approach to employment and treatment. We hope to transform New York City's mental health service delivery system to one which effectively integrates employment services and supports into the initial stage of a consumer's personal recovery program.

WorkNet (our current working title for the project) will offer intensive technical assistance and training to providers and will conduct an assessment in order to identify

local needs and assess existing models of supported employment in New York and around the country. Pilot employment projects will be set up. These will be measured and monitored in an effort to discover what works best in leading to regular employment and high retention rates for the greatest number of consumers.

The project will also serve as an employment information clearinghouse. Plans are in the works for a WorkNet.org web site and other informational vehicles to bring the latest information about vocational efforts in all disability sectors to providers both on a national and local level. Researchers will identify current literature in the field and disseminate the information through seminars, faxes, publications and other vehicles of information dissemination.

A job development group will be responsible for building bridges to other government bodies charged with employment and vocational matters. It will also conduct extensive networking with private sector corporations, small businesses and non-profit organizations in every borough of the City. Job service employment specialists will assist providers in helping consumers identify their strengths and experiences and to secure and sustain meaningful competitive employment.

One of WorkNet's first orders of business will be to engage a nationally renowned consultant to assess the state of employment programs in New York. We know that there is considerable good work being done by community-based agencies, but we don't know the extent to which it is being done, to what degree it is successful, or how well coordinated the services are. Accurate data is simply unavailable right now and we hope to change that.

There is much more to be done. There are three areas that we see that need legislative attention if we are to successfully enable New Yorkers with mental illness to return to work. The legislature can help to coordinate the efforts of both the government and voluntary sectors to enable people with mental illness to become and remain employed,

break down the barriers that prevent people with psychiatric disabilities from obtaining jobs and last, but certainly not least, facilitate the transition of the community-based sector into a system which integrates employment services and effectively supports and treats working people. I will address each in turn:

System Coordination

VESID, SOMH, Department of Labor, SAMHSA, DMHMRAS, OASAS and OMRDD are all involved in helping people with disabilities return to work. Each sector has much to teach the other. We would greatly appreciate the help of the legislature in convening a cross-departmental body that would help bring order and cohesion to the disparate efforts of all of these agencies. We envision an organization similar to the Inter-Office Coordinating Committee that helps SOMH, OASAS and OMRDD work in concert together, but such a body must provide the voluntary sector with a seat at the table. If government agencies and the voluntary sector work together we can produce positive and transformative results.

Removing System Barriers

As I mentioned earlier, a change to Federal Medicaid regulations in the Balanced Budget Act of 1997 permits states to allow Medicaid recipients with disabilities to continue to purchase Medicaid coverage even if they exceed the income restrictions currently in place. New York State has the option to allow people who meet all SSI eligibility criteria except for the earning limit to **purchase** Medicaid coverage as long as they earn less than 250% of the Federal poverty guidelines. These disabled employed people would purchase Medicaid on a sliding scale based on their income. New York State has not taken advantage of this option. Not doing so contradicts the philosophy of the Administration, provides a major disincentive to work and guarantees the failure of programs helping the psychiatrically disabled go back to work. Many of the entry-level jobs that are available to people who are just re-entering, or perhaps entering for the first time, the workforce come with minimal if any benefits. People with psychiatric disabilities want to work because they recognize the enormous benefits that come from

working, but if it costs them the health insurance upon which they so heavily depend, it is simply not worth it.

Even if they are fortunate enough to get a job that comes with a complete benefits package, for people with psychiatric disabilities it is not always sufficient, because New York State lacks a mental health insurance parity law. Even if someone has health insurance, there is no guarantee that they will have access to affordable mental health care. Insurance companies are permitted to impose different annual and lifetime caps, different copayments and different usage limits for mental health than for physical health. A total of 29 States, as well as Guam and Puerto Rico, have some form of mental health parity, it's time for New York to join them.

Helping Transition

The community-based provider sector in New York is trapped. We want to re-tool our programs to effectively support our clients in their entry into the workforce, but we are handcuffed by the limitations under which we work. If we are going to be successful in changing the paradigm under which we work, we are going to need help from our government. Some changes are relatively simple, others are a good deal more complex.

For example, a program that wants to treat people who are working is going to need to extend its operating hours to enable people to see their therapist or group after work. Unfortunately, because of the Medicaid cost-neutrality cap on mental health services, no money is forthcoming for extra hours or needed new programs. The cap is enforced disproportionately on the mental health sector. Alone among the health disciplines, mental health is held to a cap on medicaid neutrality. This is patently discriminatory and a systemic barrier to employment.

The continuing scarcity of resources is another systemic barrier to implementing successful employment programs. Program staff must become expert in entitlements

assistance, job coaches will be required, job developers will need to be hired, staff will need extensive training. Education and retooling is an un-reimbursable expense.

Add to this the fact that in this new environment, the demands on staff members will be greater, the educational requirements higher, the hours longer and the skill set rarer and we run once again into the problem of insufficient staff salaries. The lamentably inadequate salaries that community-based providers are already forced to offer are even more inadequate in this new environment. Until we are able to pay mental health workers a living wage we will continue to see agency staff turnover rates exceed 30%, we will continue to lack the appropriately trained staff to support people at work and we will continue to have the mental health care system of the past, even as we move into the future.

In conclusion, We are grateful for the interest of this committee and the legislature in competitive employment for people with mental illness. We are gratified to be a part of the movement that is changing the future shape of New York's mental health care delivery system, but we need your help. We want you to ensure that the efforts of both government and the voluntary sector are coordinated; remove the disincentives that prevent people with psychiatric disabilities from obtaining jobs and give the community-based providers the support they need to make this dramatic shift in the mental health delivery paradigm.

The Coalition looks forward to working with this Committee and the rest of your colleagues to craft a mental health care delivery system that is responsive to the needs of consumers who wish to work. Thank you.