



Testimony of
The Coalition of Voluntary
Mental Health Agencies, Inc.
Before the New York City Council

Delivered by
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Chairwoman Clarke, thank you and good morning. My name is David Bergman. I am here on behalf of The Coalition of Voluntary Mental Health Agencies, Inc. The Coalition is the umbrella advocacy organization of New York City's mental health community, representing more than 100 not-for-profit, community-based providers of mental health services. Collectively, our members serve more than 500,000 clients in all five boroughs and virtually every neighborhood in our very diverse New York City. The Coalition's leadership salutes you for your championing of mental health issues over your Council tenure.

In the days and weeks following the attacks on the World Trade Center, the mental health service sector spontaneously responded to a variety of needs through the initiation of services in the disaster area, respective communities, and around the city. In every neighborhood of every borough, agencies set up drop-in centers and hotlines, offered grief and critical incident counseling, and performed any number of services for people immediately affected by the disaster.

Sadly, while mental health workers were busy taking care of New York, New York was not taking care of mental health workers. For the last number of years, community mental health providers have been financially hard pressed because years of inflation have out-paced rate and contract increases. At a time when mental health agencies are being asked to do more for their traditional consumers as well as for average New Yorkers impacted by the crisis, they have less to do it with. They are experiencing excessive staff turnover. In a Fall 2000 survey conducted by The Coalition, we discovered turnover rates of 37%-54%. This was particularly high among workers who had been with agencies longer than a year, the very people relied upon most by people with mental disabilities.

The WTC-related services that New Yorkers will rely upon over the next months

are built upon this increasingly unstable foundation.

I am sure you have read recently about how FEMA and other Federal sources are funding mental health services for New Yorkers. While it is true that these funds will provide *crisis* mental health services, they should in no way be mistaken for an influx of funding into the community-based mental health sector. Rather, they represent specific funding with a targeted, narrow application. They are time-limited and do nothing to solve the on-going, structural issues of massive turnover and inflationary costs.

Nonetheless, the dire financial straits facing providers make infrastructure concerns a necessary component of emergency response. More than anything, the community-based sector needs a boost to its funding base if services are to be most efficiently and effectively deployed.

The federal emergency response funds that are coming into New York City are from many different sources. By far, the biggest single federal source of crisis funds is FEMA which will provide funding in two grants. The State applies for these funds and will distribute them under the aegis of Project Liberty, New York State's official crisis services umbrella. The first grant of \$22.7 million has already been received. Of this, \$14 million will go to services in New York City, where they will be overseen by DMH. Project Liberty intends to cover some of the costs associated with the initial wave of services, so long as those costs are documented. It is expected that this will account for the bulk of NYC's initial \$14 million allocation.

Somewhat problematic is the way that services are designed to be deployed. The modified FEMA design for Project Liberty services in New York City

encourages the establishment, primarily through licensed clinics, of Project Liberty teams. These teams will consist largely of newly hired staff who will work outside of the existing staff complement of the sponsoring agencies.

Consequently, less experienced staff will predominate, who may have only superficial knowledge of a programmatic culture and the community served.

Because the reimbursement structure is based on a fee-for-service model, little supervision or training may be available since neither training nor supervision are reimbursable costs.

It appears that these problems are the result of FEMA requirements. FEMA does not fund traditional counseling services, they fund “disaster response” only. New York City is largely unique in the nation in that services are deployed through the use of a highly diverse and sophisticated array of non-profit service providers. When FEMA funded crisis services in Oklahoma City, for example, the state itself provided the services through a parallel, state-operated, community-based service sector. Here, the one-size-fits-all, FEMA-based design may actually impede agencies from deploying services that meet the multiple and complex needs of a very diverse New York City.

To be sure, there are other federal sources of funds that are coming to New York City for disaster related mental health services. The State OMH recently received \$3 million from HHS in order to run a program in schools for kids impacted by the tragedy. The exact shape of this program is as yet undetermined. OMH has also received \$250K for a needs assessment. One more allocation from HHS is scheduled to be released in the near future, though the amount, target, and exact date are still undetermined.

As of this report, substance abuse services are not explicitly covered by the

FEMA grant, although Project Liberty teams are encouraged to employ substance abuse counselors. To date OASAS has received approximately \$6 million in funding from HHS for a variety of treatment and prevention services. Future HHS funding will most likely be directed to these services.

HRSA, the Health Resources and Services Administration, has \$35 million available to cover initial outlays as well as other capital costs including foregone revenue for providers in the nine effected states. This is most pertinent to hospitals that prepared for wounded who didn't come. We do not yet know to what extent this will apply to mental health agencies in New York City.

While total amount of funding coming into New York City and its environs is as yet undetermined, The Coalition estimates that mental health services will cost in excess of \$250 million, and may go well over \$300 million. While these sums sound outlandish, they are based on conservative variables and are carefully reasoned.

In sum, despite the challenges of high staff turnover and an environment of fiscal crisis, our agencies and their staffs have jumped at the chance to do their parts to serve those in need. As federal funds are allocated for emergency services only, the service delivery agencies are teetering badly on the fiscal precipice. Providers with already weakened infrastructures are being challenged to stretch their capacities even further. At some point the elasticity disappears.

The Governor and the legislature proposed much needed relief prior to September 11. Medicaid increases and COLAs were a response to a pre-existing crisis in our field. We can't let this agenda fall off the radar screen. Essential community services depend on adequate funding and a predictable professional

staff complement. More than ever, mental health workers deserve decent wages. We urge you to keep pressure on the Governor and State legislature. The mental health service sector needs and deserves your help.

Thank you for holding this hearing.