



The Testimony of
Phillip A. Saperia
before
a joint meeting of the
Assembly Committee on Mental Health, Mental
Retardation and Developmental Disabilities
and the
Assembly Committee on Alcoholism and Drug Abuse

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Thank you Chairpersons Luster and Hoyt for convening this hearing on planning. We think that annual planning is crucial for the health of the mental health sector. We believe that planning should be multi-dimensional, that it requires bottom-up participation to be meaningful and should be based on needs as best can be determined by quantitative and qualitative research as well as by the testimony of stakeholders.

My name is Phillip Saperia. I am the Executive Director of the Coalition of Voluntary Mental Health Agencies. The Coalition is New York City's umbrella group of community based mental health agencies which together serve more than 500,000 New Yorkers in need of behavioral health services along the entire continuum of care. The Coalition members are big, small, and every size in between. They offer residential, outpatient treatment, rehabilitative, outreach, care coordination and crisis management. They serve every religious, racial, ethnic and linguistic group in every neighborhood of our very diverse city.

I am here today with my colleagues from mental health agencies across New York City. We are here to deliver a single message: that providers are suffering from the shortcomings of the current planning process and concomitant unavailability of utilization data. This has resulted in policies that are rooted in cost-controls, and not strategic, comprehensive system planning based on identified need as historically has been the case. Even with a bow to competing ideologies with respect to needs assessment, top down planning has resulted in shortchanging all of the stakeholders and mental health continues to fare poorly in the competition for scarce resources.

For the community mental health providers, the resulting financial squeeze has produced high staff turnover, high client-consumer ratios, a work environment deteriorating in quality and dwindling opportunities for professional education, training development. Overall, our agencies are struggling to both stay afloat and provide quality care to those in need. We need your help. I will try to show you how this precarious situation is critically linked to participatory and needs-based planning.

For almost a decade, workforce issues and the fraying of infrastructure has been at the center of our budget agenda with the State. And for an equal number of years, our needs and our pleas have gone unheeded. A holistic planning process would begin to develop directed solutions to this dire need. The lack of an appreciable COLA and Medicaid fee increase over the last ten years has resulted in rampant turnover that averages as high as 54% per year. Over this same time, agencies have received cumulative reimbursement increases of less than 4% while the Consumer Price Index has risen by nearly 40%. The agencies I represent here today are stretched to their financial limits. Add to this burden, shifting signals in policy directions, multiple audits with overlapping and confusing compliance protocols, uncoordinated regulations from multiple regulating bodies and a host of different reporting authorities with differing requirements and you have a crisis in community mental health that is reaching a limit of unmanageability. It could have dire consequences for services and clients.

It is clear from the most recent 5.07 plan that the State Office of Mental Health (SOMH) is attempting to move in a direction that is beneficial to the people receiving services. For this we applaud their efforts which are expressed in the ABC philosophy: Accountability, Best Practices, and Care Coordination. Although the document has its shortcomings, it is important to recognize that this 5.07 document itself has been effective at providing a thumbnail sketch of the system as it currently exists, theoretical and philosophical underpinnings that rationalize the deployment of services, and a comment on the way services have evolved to their current state.

However, it comes up short in a number of areas. A full plan should do at least four things: it must describe the existing services within the system, but also demonstrate the existing need for services, forecast the services that will be needed, and establish a plan for filling the gaps/trimming the excesses in order to meet the forecasted need. The current SOMH driven document only describes the services that exist and how they meet the needs of the communities they already serve.

What the report fails to reflect is that provider agencies, too, wish to provide the most comprehensive, efficient and effective services possible--which is why the most glaring omission from the 5.07 plan is the discussion of financing--the practical means to accomplish this goal. Throughout the report, financing is the 800lb gorilla in the corner. The experience of mental health providers is of a State agency and a government more concerned with its bottom line than the proper funding of the services it requires. In fact, it appears that budgetary concerns, more than any other issues, are the true deciding factor in the deployment of services.

The budgetary bottom line focus has led to a number of peculiar situations. On more than one occasion, SOMH has published RFPs with payment rates that are so low few providers were able to submit proposals. This was true of a children's services piece last Spring. This was true last Fall when SOMH promulgated a rate for Supported Housing that failed to cover costs. In that case, the rate for Supported Housing had grown 3% during a ten year stretch in which rents rose by nearly 50%. In short, a lack of attention to the funding of programs is the single major obstacle to the deployment of services.

For any organization, an ability to forecast the future is central to long-term sustainable growth while maintaining quality services. In the mental health field, this is virtually impossible. Agencies regularly submit data as part of a patient characteristic survey--a noble effort by the State to track utilization, but the information only comes back after a minimum of two years--long after much of the data is useful.

As the spontaneous response to the World Trade Center crisis has proved in practice, mental health workers are patriotic. They are hard working. And they are demoralized. At a time when the entire mental health community is pleading in unison for repair and invigoration of the infrastructure, the only new source of funding to come along in the last ten years, Reinvestment, has been pulled from under our feet (Parenthetically, Reinvestment required what amounted to the last vestige of a comprehensive and participatory planning process.). Last year alone, the mental health sector had \$9.2

million lifted from its system, funds that could have been reserved for a Medicaid fee increase or a cost-of-living adjustment. Next year, the expiration of Reinvestment will mean that \$26 million from the elimination of 395 State psychiatric beds will also evaporate into the General Fund.

This is important for two problematically linked reasons: 1) it means elimination of 155 more beds than predicted in the State Plan which was only released last Fall, and 2) the pace at which the number of community mental health beds are coming on line has slowed considerably since last year. This situation will likely impede the availability of services in the community at the same time that demand is expected to increase. If information on service utilization were available, along with annual attempts to determine and forecast need, we would have a much better idea of the relationship between that need and the capacity in the local system.

With insufficient and time worn data, it is impossible to forecast needed services. Without more local community and stakeholder input into the process, it is impossible to gauge the full dimension of need. With a clearer picture of need, services could be developed and funded to fulfill that need. A comprehensive and holistic annual planning process would link financing methodology to the true expense of delivering service. Such a process is one crucial and hoped-for outcome that will rescue community mental health from a serious crisis and restore faith in the commitment of government to serve its citizens in need.