



Testimony

of

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and

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New York City Department of Health and Mental Hygiene

before the

**New York City Council Committee on Mental Health, Mental Retardation, Alcoholism,
Drug Abuse and Disability Services**

on

FY 2014 Preliminary Budget

March 21, 2013
250 Broadway, 14th Floor
New York, NY

Good afternoon Chairman Koppell and members of the Committee. I am Dr. Tom Farley, Commissioner of the New York City Department of Health and Mental Hygiene, and I am joined by Dr. Adam Karpati, Executive Deputy Commissioner for Mental Hygiene. Thank you for the opportunity to testify on the Department's preliminary budget for Fiscal Year 2014.

The Department of Health and Mental Hygiene is responsible for protecting and promoting the physical and mental health of all New Yorkers. The Division of Mental Hygiene oversees programs and policymaking regarding mental health, substance use, and developmental delays and disabilities. We contract with approximately 1,000 community-based programs, advance policies that benefit the people we serve, and work in collaboration with our City and State partners to prevent or reduce the burden of these conditions to promote improved quality of life. We also administer the Early Intervention program, which provides evaluations, care coordination, and services such as speech, physical, and occupational therapy to infants and toddlers with developmental delays.

State Legislative Activities

I would next like to briefly bring to your attention a few budget issues at the State level that will affect us. First, I think it is important to acknowledge an important budgetary shift; the state funding numbers appear to show increases for chemical dependency and mental health services. However, these are not increases but transfers of dollars for existing services from the State to the City. In the case of mental health programs, there was a technical adjustment in how programs are funded to the City. In the case of chemical dependency, dollars were moved to the City along with the consolidation of oversight of methadone maintenance contracts from the state to the City. Overall, while these appear as increases in our budget, they do not reflect new funding. Specific to programs within the Division of Mental Hygiene, as a result of last year's budget, many of the administrative and financial responsibilities for the Early Intervention (EI) program will shift from the City to the State. Effective April 1, 2013, all approved EI providers will have agreements with the State rather than contracts with New York City. Additionally, all EI providers must work through the State for claims and payment. To help avoid service disruption to children and their families, DOHMH has worked extremely closely with the State on all aspects of the transition, and additionally is working directly with providers currently under contract with the City to ensure timely execution of State agreements. The City's role in authorizing EI services, and overseeing the quality of those services, remains unchanged.

We continue to follow closely and be involved in planning to change the system of behavioral health care under the State's implementation of the Affordable Care Act and its Medicaid Redesign process. Changes as a result of the ACA and Medicaid Redesign aim to make our system less fragmented, more accountable, and more focused on improving health and promoting recovery. For example, we are working with the State to improve coordination of services for those with serious behavioral health conditions and high needs. One aspect of this system will be the establishment of "Health and Recovery Plans"; these will be managed care plans that integrate the financing and accountability for both behavioral and physical health. The planning for this transition is complex, and the original date for the plans to become operational has been moved from April of this year to April of 2014.

FY 14 Budget Outlook

As you know, we continue to face significant budgetary shortfalls at the City and State levels. In September 2012, City agencies were directed to decrease their budgets by five percent

for fiscal year 2013, and eight percent for fiscal year 2014 and beyond. In response we have proposed cuts totaling \$32.8 million (\$27.3 million CTL) for fiscal year 2014 and \$28.1 million (\$22.4 million CTL) for fiscal year 2015 and future years.

Before cutting any services, we first tried to maximize any potential budget efficiencies. For example, we are consolidating staff and services, and relinquishing both city-owned and privately leased land. We have also tried to reduce expenses in our central operations. We will cut nearly \$2 million in administrative and other staff through attrition and vacancy reductions in the Office of the Commissioner, the Office of the Chief Operating Officer, and divisions including Administration, Finance, and Communications.

However, a cut of this magnitude required us to cut valuable services. For example, within the Health Department overall, the Nicotine Patch and Gum Patch Program has been reduced by over \$325,000 in fiscal year 2014 and \$656,000 in funding starting in fiscal year 2015. Our STD clinic hours have been shortened. And we have cut our anti-obesity media campaign expenditures by \$250,000.

Dr. Karpati will next discuss the impact of this budget cut on the Division of Mental Hygiene and describe a few of the important initiatives for this Division.

Within the Division of Mental Hygiene, our first approach to budget reductions is to review our internal operations, before making any cuts to direct services. In our Early Intervention program, we will save \$166,000 for fiscal year 2013 through efficiencies we have identified in our administrative services. Across the Division, we have identified \$300,000 in savings by claiming additional Medicaid funding, and will save over \$441,000 by transferring five positions funded with City Tax Levy to grant-funded positions. Regarding our contracted services, overall, we have continued our approach of seeking to identify alternative sources of revenue for CTL-funded programs, leveraging funds when programs close, identifying other services that can address the need, and seeking to affect the smallest number of consumers.

Let me now discuss the reduction in contracts within our Division, which will total \$2.9 million in fiscal year 2014. In the Bureau of Developmental Disabilities, we will save \$1.2 million in fiscal year 2014 and the out-years, as a result of cuts to our work readiness programs. These are short-term job training programs to help prepare people with developmental disabilities for employment. We will preserve current City funding to family support and children's programs. This is an unfortunate cut we have to make; however, we believe many of the individuals served by these programs are eligible for Medicaid-funded employment services supported by the New York State Office for People with Developmental Disabilities. This state office oversees a comprehensive system of care serving more than 126,000 people statewide with developmental disabilities and their families, including over 42,000 people in New York City, with an annual statewide budget of over \$4.7 billion.

In addition, we have made cuts to individual programs in our mental health and substance use portfolios. The savings in these areas will be approximately \$1.7M. The affected programs include both treatment and rehabilitation services. As I mentioned, we sought to identify opportunities to minimize the impact of these cuts, but we value all our programs and these were difficult cuts to make.

Programmatic Highlights

I'd like to now describe some of the other work we are doing to better serve New Yorkers with mental illnesses, substance use disorders, and developmental delays and disabilities.

The Early Intervention Program has launched a pilot project to standardize child assessments as a means to measure a child's developmental progress. These assessments, which will incorporate family and provider observations, will give us a better understanding of children's ongoing development and help us better tailor services to families' needs.

As you know, our agency funds and oversees supportive housing for people with various disabilities, including mental illness and substance abuse. The New York/New York III initiative, with which you are familiar, will add 9,000 new units of housing by 2016; to date, nearly 5,000 units are in operation. In addition, the Department has awarded contracts for 94 percent of the total units it is responsible for, meaning that as building construction becomes complete, move-ins can begin as quickly as possible.

Mayor Bloomberg recently announced plans for a new initiative called Court-Based Intervention and Resource Teams for people with mental illness. Starting in fiscal year 2014, the Department, in collaboration with the Office of the Criminal Justice Coordinator and the Department of Correction, will provide increased support for New Yorkers with mental illnesses who become involved with the our criminal courts. Teams will liaise with courts and coordinate social services and community monitoring. This innovative project will reduce costs, reduce incarceration times, and improve linkages to care.

We have spoken to you about our work to reduce the adverse health consequences of prescription opioids. This is a City and national problem; the numbers of opioid prescriptions, the number of people misusing these drugs, and the number who have died due to an overdose from these drugs have all been increasing over the past several years. In 2010, opioid analgesics were involved in 173 unintentional overdose deaths citywide, a 30 percent increase from 2005. Since people obtain opioids primarily from physician prescriptions for the treatment of pain, the Department is focused on promoting appropriate and safe prescribing practices. With the help of colleagues from HHC and other experts, we developed prescribing guidelines for emergency departments. These guidelines, which were recently released by the Mayor and his Task Force on Prescription Painkiller Abuse, will assist emergency department physicians in judiciously prescribing these powerful medications. They have already been adopted by HHC and by several other hospitals across the City.

I also want to highlight another initiative in the community called Parachute NYC. This innovative new program provides community-based services to individuals experiencing psychiatric crisis, and is funded by a competitive Health Care Innovation Award grant that we received from the federal Centers for Medicare and Medicaid Services. The program incorporates evidence-based practices, integrating both health and mental health interventions, to transition care for people with serious mental illness from acute crisis intervention to long-term, community-integrated treatment, thereby potentially preventing expensive hospitalizations. The program involves mobile crisis teams, crisis respite centers, and peer health navigators working to engage and support individuals and their families. The initiative will also include a special focus on young people in the very early stages of psychotic illness, when prompt intervention may prevent subsequent relapse and deterioration.

We continue to work to improve the mental health of young people in New York City schools through our Office of School Health, and its mental health programming for students. Over 400 schools offer mental health services, either as part of school-based health centers or via dedicated mental health clinics. In addition, we are implementing a number of initiatives to build the capacity of school personnel to recognize, respond to, and refer students with mental health problems. We have been expanding our initiative to train middle school nurses to identify students with depression or at risk for suicide; we have trained nurses in 100 schools to date and our goal is to provide this training to all of the more than 400 middle school nurses across the City. In addition, we have been disseminating an online, interactive training tool for teachers, to help them recognize mental health issues in their students; over 200 schools to date have participated. We have recently begun a pilot of mobile mental health teams, which offer crisis services and consultation to groups of schools, and will soon be expanding this service. And we have also developed a detailed mental health training and resource package for teachers, health educators, and guidance counselors. We have, to date, disseminated this resource to over 4,000 school staff, and have received requests for hundreds more.

Distress, anxiety, and sadness are among the many psychological effects of Hurricane Sandy. Mental health is one of the most important public issues arising in the aftermath of the storm. To help New Yorkers cope, and to help those with more serious mental health needs find treatment, we have been working with federal and State partners to create and roll out Project HOPE. This program offers counseling, education, assessments, and referrals free – and in eight languages – to New Yorkers affected by Hurricane Sandy. Services for individuals, families, and groups are provided in the community in schools and day care centers, faith-based organizations, community centers, places of work, and private homes. To date, Project HOPE staff in 17 community agencies has made over 46,000 contacts.

Thank you for the opportunity to testify. Dr. Farley and I are happy to answer any questions that you may have.