



Testimony
of

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before the

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

regarding

**Oversight: The Department of Health and Mental Hygiene's Current and Future
Role in Providing Direct Mental Health Services**

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Good morning Chairperson Koppell and members of the Committee on Mental Health, Mental Retardation, Alcoholism, Drug Abuse, and Disability Services. I am Adam Karpati, Executive Deputy Commissioner for the Division of Mental Hygiene at the Department of Health and Mental Hygiene.

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 is responsible for improving the health and well-being of New Yorkers with mental illnesses, substance use disorders, and developmental delays and disabilities. Our full portfolio of work – from the services we support and administer, to the program and policy initiatives we promote and the epidemiologic investigations we conduct – aims to prevent or reduce the burden of these conditions and assist affected New Yorkers in living to their fullest potential. We accomplish these goals in collaboration with our colleagues at the Department; those at our sister health and human service agencies; our partners in the City Council, our State partners in the Offices of Mental Health, Alcoholism and Substance Abuse Services, and People with Development Disabilities, and the Department of Health; the providers of services; and members of the communities we serve.

We in the Division administer substantial resources in the mental hygiene system through contracts with voluntary agencies and support of other City agencies. With \$254 million of City and State funding, we support more than 1,000 community-based programs that provide a range of services, including housing, employment, case management, treatment, and family support. Our largest portfolio is for supported housing, which includes \$70 million for 150 programs. This includes the landmark New York/New York program, which offers supportive housing to adults, youth, and families experiencing mental illness, substance use disorders, involvement with the child welfare system, and other vulnerabilities. Housing is a pressing need for many across the various populations we serve, and safe, reliable housing with flexible supports is an important part of recovery for many people struggling with mental illness and substance use problems. Other priority program areas for the Division include case management and rehabilitation services for persons with mental illnesses, outpatient substance use treatment, and work readiness and transitional employment for persons with developmental disabilities.

Increasingly, evidence has emerged that childhood experiences contribute significantly to health and mental health throughout a person's life. Thus, providing and improving services for children and young adults is of high importance to the Division, and our funded services include children's case management, family support, crisis services, vocational services for youth, and early childhood mental health programs. The Council has generously funded early childhood and autism services in the community for several years, and we thank you for your continued support of this important population.

Our Early Intervention (EI) program serves developmentally-delayed children ages three and under, with about 35,000 receiving services last fiscal year. We continue to emphasize strong family involvement in the services provided to children and identifying the most effective and appropriate services for children with particular delays. Early

Intervention is the single largest line item in the Department's budget. The \$462 million program, which includes approximately \$224 million in Medicaid funds, delivers services through a network of 110 community-based providers who conduct evaluations, coordinate services, and provide such services as speech therapy, special instruction, and physical and occupational therapy. The Department's staff are responsible for overall program administration and for leading the development of the individualized family service plan, which guides the services each child receives. Children with developmental disabilities who have aged out of the EI program, as well as youth and adults with severe developmental disabilities, are served largely through the state Office for People with Developmental Disabilities.

In addition to administering the contracts and monitoring the performance of contracted providers, the Division has many other oversight roles and responsibilities in the mental hygiene system. For example, through the state Prior Approval Review (PAR) process, as the local government authority, the Department has a key responsibility for assessing provider applications for changes in services that are licensed by the state and reimbursed through the fee-for-service system. Through this process, we are able to monitor the quality of the changes that providers make to their services, whether through new programs or expansions of programs. Our staff think about how the proposal fits within the system at large. We hold providers to a high standard and work closely with them to strengthen their proposals in ways that will best serve the population.

Additionally, as you know, the Department is currently in the process of assuming direct responsibility for operating the state-mandated Assisted Outpatient Treatment (AOT) program. This transfer of function from HHC to the Department will result in a single AOT program for all of New York City. While operations will remain largely unchanged, the principal advantage of the new organizational structure will be the Department's enhanced capacity to ensure that consumers and providers across New York City interface with a single AOT program that is capable of applying resources more flexibly and efficiently across the boroughs.

While we remain committed to improving the service system through our contracts and various oversight roles, we do face very serious budget shortfalls at the City and State level. This past September, the Department was instructed to reduce its budget by 5.4% for FY 2011 and 8% for FY 2012 and beyond. As you know, this is on top of five successive rounds of reductions to City agencies over the prior two years.

The cuts made in the Department and in our Division are painful. In past years, budget reductions in the mental hygiene portfolio could be achieved in part due to "opportunistic" savings – meaning programs that had closed or conversions of City funding to Medicaid that resulted in no loss in services – or cuts to poorly performing programs. However, such sources of savings are, for the most part, no longer available. Instead, we are forced to make cuts to programs that are generally performing well. We do not make these decisions lightly. The prioritization process that we use to determine which otherwise well-performing programs are cut involves assessments of whether programs serve substantial numbers of consumers, the availability of similar services

elsewhere in the City, and availability of alternative funding streams, among other considerations. Department staff are committed to working with programs experiencing cuts to assure that, if necessary, transitions of services and clients occur as smoothly as possible.

Despite these sobering budget cuts, we remain committed to advancing our mission, and I would like to highlight for you some of the strategies for improving the mental hygiene system in which we are engaged.

Recent reforms in the mental hygiene service sector in New York State and recent policy and legislative developments at the State and federal level will impact substantially the populations we serve. On the mental health side, we have been and continue to be involved in the planning, implementation, and evaluation of new clinic regulations and a new system for rehabilitative services called “PROS” (Personalized Recovery-Oriented Services). Of particular importance to us are preserving and expanding access to services across all communities in the City and ensuring the highest quality of care to especially vulnerable populations, such as the elderly. As an example, we are currently working with OMH to secure dedicated funding for agencies serving elderly populations to assist in transitioning to the new clinic regulations.

Similarly, we are currently engaged with our State partners in strategic planning to promote a recovery-oriented system of care for substance use services. This approach differs from traditional substance abuse treatment by emphasizing chronic care, coordination of care across systems and providers, and peer-led and participant-driven interventions. As we are exploring with OASAS potential realignments of administrative responsibility for NYC-based treatment programs, such conceptualizing and planning is of particular relevance in the context of the implementation of Medicaid Ambulatory Patient Groups at these programs. While the scope, extent, and timing of program administrative realignment is yet to be finalized, our current portfolio will provide a basis for modeling revenue and cost impacts, and promoting appropriate and effective performance standards.

Finally, federal health care reform and State Medicaid reform have the potential to bring great changes to the mental hygiene service system, and we and our colleagues in City government are working hard to ensure that new programs and changes to the system promote public health as well as economic efficiency.

I am also pleased to inform you about two recent grant awards that will greatly enhance our work in two critical areas: health information technology for behavioral health and early childhood mental health. As health IT has developed, behavioral health has not received adequate attention. Given the disproportionate burden of morbidity and mortality from physical health conditions facing those with serious mental illness, integration of physical and behavioral health care is a high priority for us. We are pleased to report that the Division, in partnership with the Department’s groundbreaking Primary Care Information Project, has received funding under the state Health Care Efficiency and Affordability Law for New Yorkers Capital Grant Program (the HEAL

NY Program) specifically to assist providers to adopt electronic health records and establish interactive health information networks to enhance care coordination for patients with schizophrenia and depression.

The Division also was recently awarded a five-year grant from the Substance Abuse and Mental Health Services Administration (SAMSHA), titled “Linking Actions for Unmet Needs in Children’s Health” (Project LAUNCH). NYC Project LAUNCH aims to promote the wellness of young children in Hunt’s Point and East Harlem through the integration of behavioral and physical health services and coordination across child-serving systems. This grant will enable us to screen for developmental and behavioral issues in children; facilitate the co-location of mental health consultants in health and education settings; incorporate evidence-based practices by training teachers and other staff in early childhood settings to promote social and emotional competence of children; and offer culturally sensitive parent skills training and family support services in those communities.

State Mental Hygiene law gives the local government both authority and responsibility to engage in a citywide planning process that uses community input and data collection to identify needs and allocate resources as appropriate. Data is a powerful resource in this process, however, the availability of high-quality data on health outcomes and gaps in services has been historically sparse for mental hygiene issues. We have been strengthening our data collection and analysis capacity, supporting providers to expand their internal data systems, and exploring opportunities for accessing administrative datasets outside of the Department. One example of the value of acquiring, analyzing, and disseminating health information is the area of substance use. In recent years, we have been able to describe trends and characteristics of unintentional overdose deaths that documented impressive improvements in New York City while highlighting the emerging problem of prescription drug misuse. Similarly, a recent report we issued described the significant adverse health consequences of excessive alcohol use. Such epidemiologic analyses and reports are critical in informing the public, guiding policy and program planning, and evaluating the impact of interventions.

Another example: you are likely familiar with the Community Health Survey, our annual telephone survey that provides robust data on the health of adult New Yorkers. In 2009, we expanded the survey to interview over 3,000 households with children ages 12 and under. The survey gathered information on children’s access to health care and the prevalence of specific diseases and conditions. The Division is currently analyzing these survey results and will be able to provide information on mental health and developmental disorders in children. The data will enable us to assess the impact and burden on children and their families, as well as gaps in needed care. We are discussing similar opportunities to improve our knowledge about the needs of adults with serious mental illness in New York City. Of particular interest are the gaps in non-medical service types, including employment, housing, and case management for this vulnerable population. The insight this level of detail can lend to the planning process is not only extremely valuable, but also unprecedented for the City.

In closing, even in the face of shrinking budgets, we at the Department of Health and Mental Hygiene remain committed to supporting the service system upon which many New Yorkers with mental illnesses, substance use disorders, and developmental disabilities depend. We will continue using all the tools at our disposal to improve that system and identify new, effective ways of promoting health and preventing illness in our City.

Thank you for the opportunity to testify. I would be happy to answer your questions at this time.