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**Testimony of United Neighborhood Houses
Before the New York City Council**

**FY 2020 Preliminary Budget Hearing: Committee on Mental Health, Disabilities, & Addiction
Council Member Diana Ayala, Chair**

**Presented by Tara Klein, Policy Analyst
March 26, 2019**

Thank you for convening today's hearing. My name is Tara Klein, and I am a Policy Analyst at United Neighborhood Houses (UNH). UNH is a policy and social change organization representing 40 neighborhood settlement houses in New York City with two in upstate New York. We mobilize our members and their communities to advocate for good public policies, and we promote strong organizations and practices that keep neighborhoods resilient and thriving for all.

The work we do strengthens the capacity of more than 30,000 employees and volunteers working across 680 locations to continue providing necessary services for people of multiple generations with programs that provide skills, education, social services, health, arts, and connection to community and civic engagement opportunities for over 765,000 New Yorkers who visit settlement houses each year. Collectively, settlement houses provide mental health services to approximately 19,000 individuals annually, and substance abuse services to approximately 33,000 individuals annually.

In FY 2020, UNH calls on the City Council to restore and enhance funding to all nine of its Mental Health initiatives, with particular attention to the following:

- Geriatric Mental Health Initiative: \$2.5 million
- Autism Awareness: \$4 million
- Children Under Five: \$2 million
- Medicaid Redesign Transition: \$1 million

Additionally, the City must commit to **fair contracts across the human services sector** through a strong financial commitment and contract reforms.

Council Initiatives

First, UNH applauds the City Council for its long-standing support for programs that bring mental health services to vulnerable populations in their own communities, and for adding funding to many of these programs in FY 2019. Year after year, these initiatives provide crucial funding to nonprofit providers to offer mental health services in non-clinical community settings, including community centers, senior centers, and early childhood programs. We are especially thankful to the Council for continuing its support of these initiatives as new programs procured with baselined funds have proposed changing scopes of services and were structured in a way that prevented existing providers from applying.

UNH recommends that the City Council restore and enhance these mental health initiatives, to ensure the continuity of services for the children, youth, and older adults served by these programs:

Geriatric Mental Health Initiative

UNH is a long-time supporter of the Geriatric Mental Health Initiative (GMHI). GMHI funds mental health services in community spaces where older adults gather, such as senior centers, Naturally Occurring Retirement Communities (NORCs), and food pantries, and also supports in-home services for homebound seniors. GMHI increases the capacity of community-based organizations serving older adults to identify mental health needs, provide immediate mental health interventions, and refer clients for further psychiatric treatment when necessary. By placing mental health services in non-clinical settings, GMHI providers are able improve access to mental health services in the community, and providers can adapt their programs to meet the needs of the community they serve without stigma. GMHI currently supports 22 organizations, 7 of which are UNH members.

Staff within these programs are often the best resource for detecting mental health issues in seniors, as they work with seniors on a regular, even daily, basis. Symptoms of depression and anxiety in older adults frequently coincide with other illnesses and life events such as mourning the loss of loved ones, or coping with the onset of disabilities, which can cause these mental health issues to go undetected.¹ Increasing awareness and access to services within the places that seniors frequently attend ensures that people are receiving depression and substance abuse screenings, and are being connected to appropriate interventions as needed.

In FY 2020, we ask the Council to restore GMHI at \$1.9 million and enhance it by \$600,000 for a total of \$2.5 million. The initiative was funded at this higher level about a decade ago. Programs are eager to use additional funds to support their staff who face low salaries and high turnover; and several UNH members are eager for funding to hire multi-lingual program staff. Programs have also expressed a growing demand for these services, and would like to offer more assessments. Finally, programs have expressed that they would like more flexibility in the types of screening tools they are permitted to use to best support the needs of their communities. For example, one program indicated they must screen all clients for alcoholism despite only receiving positive results from less than one percent of those screened. Instead, they would like to screen for anxiety disorders and dementia, but they do not because these screenings are not reimbursable.

We are also encouraged to hear that the Administration has invested \$1.7 million in baselined funds for DFTA Geriatric Mental Health under Thrive (DGMH). The DFTA funding is meant to expand DGMH to up to 25 new sites, doubling its existing 25 sites (4 which are UNH members). DGMH partners with mental health providers to place clinicians in senior centers. The Council's GMHI funds, alternatively, support mental health programs that are staffed and run by senior centers and NORCs.

Autism Awareness

The Autism Awareness Initiative supports wraparound services for children with Autism Spectrum Disorder (ASD) at 37 organizations across New York City (including 3 UNH member organizations). Services offered include after-school programs, summer camps, social skill development, and weekend programming, as well as supportive services for families and caregivers of children with ASD. These programs often fill crucial gaps in services, such as extended support beyond State

¹ National Alliance on Mental Illness. *Depression in Older Persons Fact Sheet*. 2009.

services under the Office of People with Developmental Disabilities Services (OPWDD), weekend and summer programming, and supports for young adults who have aged out of the OPWDD system but still need support around vocational and life-skills coaching. Autism Awareness providers also offer family support and coaching, so that parents of children with ASD have resources to care for their children, and supports for themselves to prevent against caregiver burnout.

In FY 2020, we ask the Council to restore Autism Awareness at \$3.24 million and enhance it for a total of \$4 million. Additional funding will help cover program costs, which are often not fully met by Council funding. One program noted that existing Council funding is appreciated but not enough to cover the needed staff, and that “money is always a struggle.” This program indicated that their front desk receptionist will often fill in to help children with intake and other tasks outside of her regular job responsibilities, and also noted that there are outstanding multi-lingual staff needs. Additional funding would also bolster programs and services offered, such as increasing social skills groups and offering sibling supports, as well as serving additional children.

Children Under Five

The Children Under Five (CU5) initiative provides early childhood mental health services to infants, toddlers and pre-school aged children and their families in community-based settings. The program allows organizations to work with children to develop psychosocial and educational skills, as well as to cope with trauma resulting from witnessing or experiencing domestic violence, sexual abuse, or physical or mental abuse. Using a trauma-informed lens, providers are able to provide screening and clinical evaluation, individual, small group, and child-parent psychotherapy, and consultation to pediatricians, teachers, and child welfare workers. CU5 currently supports four organizations, one which is a UNH member.

For years, CU5 providers have been testing new interventions and models of providing care, greatly contributing to the City’s understanding of the most appropriate ways to treat this population. Their expertise is essential in both working on complex cases and in putting forth new treatment options. A UNH member recently said of CU5: “We’re the incubator. We do what Thrive isn’t able to do because we are smaller and more agile. Thrive has taken a lot of guidance from these programs.”

In FY 2020, we ask the Council to restore CU5 at \$1.002 million and enhance it for a total of \$2 million. This increased funding would support additional program staff, raises for staff that are in need of a cost of living adjustment, and allow programs to enhance their innovative approaches to early childhood mental health interventions.

Medicaid Redesign Transition

New York State is undergoing extensive changes to how Medicaid pays providers for mental health and substance abuse treatment. As of October 2015, behavioral health services are now covered under a managed care model instead of a fee-for-service model. This has resulted in high administrative and financial burdens for service providers. New billing and compliance requirements, as well as an emphasis on tracking program outcomes, have placed demands on staff time, and there is little financial support for these providers to plan and prepare for the managed care transition.

Additionally, the State is moving toward a value based payment (VBP) model, where services will be reimbursed only if certain outcomes are met. This will lead to providers taking on increased risk, and will require them to track outcomes and partner with managed care organizations and other service networks in new ways. The shift to VBP requires that participating healthcare providers and

Managed Care Organizations (MCO) partner with a Community Based Organization (CBO) to address at least one social determinant of health, such as neighborhood environment, economic stability, or education. However, CBOs have found themselves unprepared to partner with a healthcare organization due to lack of technical expertise, staff, data systems, etc. As such, CBOs need additional resources to ensure their successful integration into Medicaid Redesign.

A report from the Independent Budget Office on ThriveNYC highlights that the City's overall behavioral health network is facing substantial change, and that social service organizations will likely have to adapt substantial resources to adapt.² The City should provide funding for community-based mental health providers as they plan to transition their programs to operate in a managed care environment that prioritizes VBPs.

In the FY 2016 budget, the City Council began its Medicaid Redesign Initiative to support providers in this transition. Planning grants for community-based organizations are scarce, making this initiative a key source of funding. UNH members have used this funding to research and implement new business intelligence software, support staff to maintain the data systems, and work to better understand their impact and make more strategic decisions to improve outcomes. The Initiative currently supports 13 organizations, 3 of which are UNH members.

In FY 2020, we ask the Council to restore the Medicaid Redesign Transition initiative at \$500,000 and double it for a total investment of \$1 million. These funds would continue and expand support to organizations that are grappling with MRT changes.

Fair Contracts

In addition to these requests for Council Initiative funding, it is essential that the City recognize and address the larger-scale underfunding of city contracts across the nonprofit human services sector as a whole, which is calling into question the solvency of nonprofits and their ability to provide services in their communities.

The City must invest \$250 million to fill the gap between providers' indirect costs and contract reimbursement rates. The new Health and Human Services Cost Policies and Procedures Manual, which was developed alongside Deputy Mayor Palacio, lays out standardized indirect costs for the sector. However, without increased funding to address the contract gaps, this fiscal crisis will remain unaddressed. Based on numbers provided by the Office of Management and Budget, \$250 million should cover the costs to fully implement this manual's recommendations.

Finally, we urge the Council to consider a number of contracting reforms. The City must support timely contract registration and establish a transparent process for tracking contract actions. This includes considering the timeliness of Council Initiative funding, which many providers have indicated are delayed to the detriment of programs. The City must also address increased costs associated with the increase in the New York State overtime exemption level, and provide sample budgets in procurements so providers can accurately assess the feasibility and level of risk in bidding for contracts.

Thank you for your time. For questions, I can be contacted at 917-484-9326 or tklein@unhny.org.

² New York City Independent Budget Office. *Fiscal Brief: Detailing the Expansion of Behavioral Health Services: City-Funded Spending Drives New & Growing Programs Under the Mayor's ThriveNYC Initiative*. February 2017.