TESTIMONY:
FUTURE OF OUTPATIENT SERVICES –
FISCAL AND REGULATORY CONCERNS

The Jewish Board of Family and Children's Services (JBFCS) has responded to the emotional and mental health needs of New Yorkers for over a century. JBFCS is committed to providing the highest quality mental health and social service programs to children, adults and families and, in so doing, enhances the overall strength of the community. Each year, JBFCS helps more than 50,000 people of all faiths through a network of 160 mental health and social service programs in the five boroughs of New York City and in Westchester. Our services include residential, day treatment, developmentally disabled programs, as well as outpatient care.

JBFCS operate the largest number of non-profit voluntary mental health counseling centers in the five boroughs. Our sliding-fee scale enables thousands of New Yorkers with all degrees of emotional stress and mental illness to receive quality services. Our 12 state-licensed Counseling Centers treat both serious mental health disorders and problems associated with more ordinary life challenges.

At any given time, these centers touch the lives of more than 9,000 New Yorkers and their families of all ages, and all religions and ethnic and economic background. People who come to our counseling programs face a variety of emotional, psychiatric, social and family problems. The full continuum of services may differ within each program but all Centers provide individual, couple, family and group therapy as well as psychiatric services and medication management. Specialized services offered at individual centers include work with preschoolers, adolescents and young adults, as well as adolescents dually-diagnosed with mental illness and substance abuse.

Our staff is comprised of licensed psychiatrists, psychologists, and social workers, many of whom are bicultural and bilingual.

The need for services to treat mental health problems is becoming more critical every day. Depression, anxiety and other mental health disorders affect one out of every five Americans. The level of severity of presenting illnesses is greater than a decade ago, with symptoms of major depression, bipolar disorder, schizoaffective disorder, or schizophrenia becoming commonplace diagnoses rather than the exception.

At the same time, the presenting issues of our clients are more multi-layered than ever, reflecting the lack of sufficient societal supports available to many of them. These severely symptomatic clients are also describing family situations fraught, for example, with conflicts involving domestic violence and sexual or physical abuse which must be stabilized for treatment to be effective. For many of our clients, salaries are being garnisheed, landlords are threatening eviction, rent and heating bills are rising. Clients and clinicians are being asked to attend to mental health problems within a context of depleted family resources.

The burden of dealing with unwieldy client caseloads falls on a clinical staff already overextended and underpaid. Those of us continuing to keep our doors open struggle to maintain the level of quality of care expected of Article 31 clinics and to our high standards of care. We are asked to expand the numbers of clients being treated while functioning at the same levels of staffing and administrative costs. As we know, the salaries and benefits of not for profit agencies are very inadequate. Despite the fact that an increasing amount of time and money is being invested in efforts to recruit and retain qualified staff, clinicians are leaving programs at a very rapid rate to seek higher salaries. The remaining staff are asked to pitch in with additional assignments until new colleagues are hired and sufficiently trained, a period which takes time and depletes the energy of those who stay on. This demoralizing situation can lead to employee burnout and more staff departures.

One other factor which must be considered is the trend to managed care in outpatient clinics. Medicaid clients continue to be asked to enroll in managed care companies, to the point where treating so-called “straight” Medicaid client is a rarity. Managed care companies reimburse programs at a dramatically lower rate than Medicaid, and in some cases have further lowered their rates over the years. Both commercial and Medicaid managed care companies negotiate contracts agency by agency. They have succeeded for the most part, in negotiating contracts which pay rates that do not nearly support the costs of giving treatment.

Another critical area is the uninsured, growing population we are hearing about in the media. To meet regulatory standards, Article 31 clinics cannot turn clients away due to lack of resources. With few exceptions, agencies feel a commitment to this group and

do whatever they can to invest philanthropic money into sustaining their care. However, the cost to these agencies is tremendous. If for example one computes the cost of each session, including staffing and administrative costs, as $130 per session – (the figure our agency has calculated), contrast that with the $35 charged to most sliding-fee scale clients. The difference is astounding. As the cost of care increases every year along with the cost of living, the expense of funding the care of the uninsured becomes untenable us.

CONCERNS:

Rate Restructuring

It is encouraging that the issues noted above have been recognized as serious concerns by the State Office of Mental Health. The enormous effort currently under way to bring the stakeholders to the table in an effort to stabilize the future of outpatient services has been a challenging task. It is anticipated that a new rate structure will emerge which will begin to address the full uncovered costs of outpatient care for the communities we are serving. This will hopefully incorporate acknowledgement of cost of not only direct care provision of service, but the need to train and supervise staff, provide a thorough framework for working with all levels of patient collaterals, and maintain the capacity to retain full time professional (with adequate insurance packages). We need to ensure a fiscal future that will enable them to continue their commitment to the field.

While these issues are being thoroughly examined with regard to establishing a new Medicaid rate system, it is important to note several areas of great concern.

1. There must be a legislative resolution that mandates that Medicaid Managed Care companies adhere to the new rate system. With increasing numbers of clients being shifted into Medicaid Managed Care, these companies must be brought on board to pay the new rate which will better reflect the true costs of bringing mental health care to their clientele. The OMH clinics can no longer support the gap in fiscal coverage.
2. With the imminent elimination of the COPS system, there will be less of an opportunity to continue to supplement other than Medicaid clients. Historically,

low fee clientele and those of commercial insurance – managed care or otherwise – are not providing revenue that meets our session costs by even 50%. With the COPS money eliminated, the clinics will no longer be able to meet the needs of this often working population who have always been coming to the door. An uncompensated care pool of revenue to finance continued service to the underinsured and uninsured is needed to maintain a structure for continuing outpatient care for a broad based population of New Yorkers.

3. There needs to be the institutionalization of a COLA which serves to augment the salaries of professionals providing outpatient care. A solid plan to address cost of living issues for our staff working in this part of the mental health system. Constant turnover of professionals is a detriment to the delivery of treatment to the thousands of clients who are requesting care each year. Most of these clients are fragile or on medication and need the consistency of a stable staff to ensure their needs are met. Professionals can only continue in the State mental health system if they can afford their own costs of living. This must be understood in the current considerations for a COLA for outpatient services.

Regulatory Relief

Some relief to the fiscal crisis for outpatient mental health clinics could be realized through non-fiscal means, i.e. regulatory relief. Increasingly regulatory bodies are imposing unfunded mandates on the outpatient clinics to perform exhaustive (and labor-intensive) quality improvement initiatives, outreach and information and referral follow-up to clients who refuse services and more. Additionally, at a time of extreme shortages of psychiatrists, especially child-trained psychiatrists, the regulations do not permit nurse practitioners to sign treatment plans of the clients. So, instead of using the expertise of our child psychiatrists during a case conference or in face-to-face evaluations, the psychiatrists are reviewing and signing paperwork and are away from client service and consultation. While this might not be an explicit role of the Division of the Budget, we would hope that you could support some of these non-fiscal remedies to our current crisis.

We would like to thank you for your attention to these critical issues affecting the mental health care of New Yorkers. At a JBFCS counseling center and the more than 160 programs we offer throughout the city, anyone walking through our doors will find people who care and who believe in every human being's capacity to face their problems and lead a healthier, more productive and satisfying life.

We appreciate the commitment of the DOB to address these issues and work with us to ensure that we are meeting the needs of our communities.

Submitted by: _____

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Dated: _____