

# **OFFICE OF MENTAL HEALTH**

## **MISSION**

The Office of Mental Health's (OMH) mission is to promote hope and recovery for people with psychiatric disabilities. It is responsible for planning and operating an integrated system of mental health care that serves adults with serious and persistent mental illness and children with serious emotional disturbances.

## **ORGANIZATION AND STAFFING**

The Office of Mental Health is headed by a Commissioner who is appointed by the Governor. New York's public mental health system consists of programs that are operated by the Office of Mental Health, as well as community programs certified and funded by the State, but operated by local governments, and not-for-profit and profit-making providers. OMH regulates and licenses approximately 2,500 programs across the State. The combined system serves both adults who have serious and persistent mental illness and children with serious emotional disturbances who have experienced substantial problems in functioning.

OMH currently operates 28 facilities across the State, including 17 Adult Psychiatric Centers and six Children's Psychiatric Centers. In addition, OMH operates three Forensic Psychiatric Centers — which serve individuals with histories in the criminal justice system — and two Research Institutes.

## **FISCAL BACKGROUND AND BUDGET HIGHLIGHTS**

The 2001-02 Executive Budget provides \$2.16 billion in total authorized spending for the Office of Mental Health from General Fund, Federal and third-party resources, an increase of \$112.3 million, compared to 2000-01. General Fund support to the agency increases by \$140.2 million from the prior year.

Budget recommendations for the Office of Mental Health will strengthen community mental health care and accountability and provide the highest quality inpatient care for people requiring such services.

Over the past six years, the Office of Mental Health has acted to strengthen community services while achieving greater efficiencies in the operation of its inpatient programs. Using the resources provided in recent Budgets — such as State Aid to Localities, Medicaid reimbursement, major capital financing initiatives for community housing, Assisted Outpatient Treatment, the Enhanced Community Services Program and the Community Mental Health Reinvestment Act — the Office of Mental Health has reshaped the balance of funding provided to psychiatric centers and community operations. The agency has closed unneeded State-operated inpatient beds as well as four psychiatric centers; it has consolidated adult inpatient care from three campuses onto one campus on Long Island; and it has fundamentally restructured State-operated outpatient services. Simultaneously, it has significantly expanded community housing opportunities and, through Kendra's Law and other actions, has initiated major expansions of case management and other community services and oversight of individuals with mental illness. Approximately 70 percent of State funding and Medicaid dollars are now spent on community mental health care.

The recommended Budget for 2001-02 provides full funding for all multi-year initiatives underway, including expansions under the Enhanced Community Services Program; Kendra's Law, including its psychiatric medication grant program; the New York/New York II agreement and other housing development; and the Community Mental Health Reinvestment Act.

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### **COMMUNITY REINVESTMENT**

The financing provisions of the current Community Mental Health Reinvestment Act expire at the end of September, 2001. Accordingly, with \$3.3 million in part-year funding, the 2001-02 Executive Budget completes the implementation of this program by providing an increase of \$6.6 million in annualized Reinvestment authorization to expand community-based recovery and rehabilitation services. This brings the total amount provided for program expansion since the inception of Community Reinvestment to \$212 million on a full annual basis.

Community Reinvestment was designed in the early 1990s as a way to better balance the resources allocated to State-operated facilities and to community-based services. With dramatic changes in the psychiatric center and community-based systems, and with the state facilities nearing their long-term census projections, the expiration of the financing formula provides a new opportunity to meet current needs by refocusing our commitments. Among the highest of priorities is to strengthen the State's extensive system of community services and housing by supporting its basic infrastructure and workforce.

Toward this end, the 2001-02 Executive Budget recommends enactment of a new Community Mental Health Support and Workforce Reinvestment Act, which will fund multi-year Cost of Living Adjustment (COLA) increases for local programs and a 10 percent Medicaid fee increase for outpatient programs licensed under Article 31 of the Mental Hygiene Law. The new Act will utilize savings from the consolidation and closure or re-location of facilities, and the closure of inpatient beds no longer needed to meet community needs.

Staffing and other management efficiencies, along with significant capital construction savings, are anticipated through the consolidation, closure and re-location of facilities. The Community Mental Health Support and Workforce Reinvestment Act includes the authorization for the following psychiatric centers to be consolidated, closed, or re-located:

- Western New York Children's Psychiatric Center will re-locate to the Buffalo Psychiatric Center campus on April 1, 2002;
- Hutchings Psychiatric Center will be consolidated with Mohawk Valley Psychiatric Center and will close on January 1, 2003;
- Sagamore Children's Psychiatric Center will re-locate to the Pilgrim Psychiatric Center campus on January 1, 2003;
- Rockland Children's Psychiatric Center will re-locate with Rockland Psychiatric Center on January 1, 2003;
- Kirby Forensic Psychiatric Center will re-locate to the Manhattan Psychiatric Center on July 1, 2003;
- Queens Children's Psychiatric Center will re-locate to Creedmoor Psychiatric Center on October 1, 2003; and
- Middletown Psychiatric Center will be consolidated with Rockland Psychiatric Center and will close on January 1, 2004.

Once complete, the annualized savings generated by these actions will provide more than \$64 million in funding to strengthen the community-based system. The Community Mental Health Support and Workforce Reinvestment Act also provides that, until full implementation of the facility consolidations and re-locations are complete, the General Fund will match a percentage of the savings generated. In total, the actions authorized in the legislation will support a 10 percent Medicaid fee increase for mental health clinics, day treatment services and other licensed Article 31 outpatient programs, and an annual 2.5 percent COLA to community-based services and housing programs in each of the next three years.

The proposed legislation also authorizes the development of as many as 104 State-operated adult transitional housing beds and 40 State-operated children's crisis residence beds on the grounds of State psychiatric centers which will assist adults and children to recover from mental illness.

**ADULT PSYCHIATRIC CENTER BED CLOSURES**

During 2000-01, the State placed a moratorium on further adult psychiatric center bed closures to ensure that any client who appropriately requires inpatient care provided by these facilities would not have to wait for a placement. Experience in the current year has shown that although admissions, treatment and discharge policies have not changed, the need for inpatient beds continues to decrease. Although State-operated adult facilities were fully funded and staffed at prior year levels, individual patients were discharged to community programs whenever clinically appropriate.

As the community system expands through the Enhanced Community Services Program, New York/New York II, Kendra's Law and other State Aid programs, the Office of Mental Health continues to project the need for fewer inpatient beds. The 2001-02 Executive Budget reflects savings from the closure of 240 beds across the State, and has reinvested the savings in Aid to Localities under the provisions of both the current Community Mental Health Reinvestment Act and the newly proposed Community Mental Health Support and Workforce Reinvestment Act. The Office of Mental Health's long-range projection of statewide inpatient bed need over the next two years shows a similar surplus, and accordingly, the agency expects to close an additional 485 beds. The closure of excess bed capacity generates savings which supports the new Community Mental Health Support and Workforce Reinvestment Act. Overall, the agency will close most of its anticipated excess capacity, but will keep open an average of approximately 150 additional beds beyond its projection of bed needs from 2001-02 through 2003-04.

**ASSISTED OUTPATIENT TREATMENT**

A General Fund appropriation of \$32 million is included for the Assisted Outpatient Treatment program ("Kendra's Law") enacted in 1999-2000. The program provides court ordered assisted outpatient treatment for certain people with mental illness who, based on their treatment history and present circumstances, are unlikely to survive safely in the community without supervision. The appropriations support case management and other services aimed at keeping the clients in a treatment program, including psychiatric medication as required. The appropriations also provide psychiatric medication to individuals being discharged from State psychiatric centers, community hospitals, prisons and jails while their Medicaid eligibility is being determined.

**ENHANCED COMMUNITY SERVICES**

Increased appropriations of \$29.9 million are provided to the Enhanced Community Services Program proposed by Governor Pataki last year. The program is supported by Health Care Reform Act (HCRA) revenues and provides \$125 million in additional spending for a wide variety of services designed to strengthen the community mental health service system for children and adults. The program significantly expands case management, housing, family support, family-based treatment, home and community-based waiver, and mobile crisis team services. Moreover, the Enhanced Community Services Program will result in more effective systems for managing resources to best serve the clients by establishing new Single Points of Entry at the local level. This will improve the assignment of case management and housing opportunities to the most needy clients.

**COMMUNITY HOUSING AND OTHER SERVICES**

The 2001-02 Budget supports a community housing system of over 26,400 beds by the end of the fiscal year. It provides operational and capital funding for local programs

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to maintain the existing residential system and continue the development of community beds previously authorized through New York/New York II and other housing initiatives. Including the new residential beds in the Governor's Enhanced Community Services Program, and those now in various stages of development, this Budget provides operational funding for about 2,700 new community beds which are expected to open by the end of 2001-02. Another 2,100 are in other stages of development.

The Governor's Budget also includes \$5.2 million to increase the stipends paid to community providers for the operation of Supported Housing beds. This action will strengthen the program for about 5,100 beds currently operating, by increasing the stipend to the levels authorized under the Enhanced Community Services Program. In addition, an increase of about \$2 million is recommended to strengthen both the Family Based Treatment program and the Children's Community Residences program.

### **OTHER ACTIONS**

The Governor's Budget saves \$6.7 million by eliminating 150 funded vacancies that were previously temporarily assigned to various psychiatric centers to support programs during periods of significant census decreases. This stand-by authorization is no longer required as only modest census decline is anticipated in the coming years. Also, the State psychiatric center system will maintain additional staffing beyond projected needs to ensure timely access to State inpatient beds. The Budget also reflects savings of \$3.6 million from efficiencies realized from the automation of manual medical records and revenue billing processes.

OMH's Capital Budget includes new appropriations of \$174.7 million for preservation and maintenance of inpatient and community facilities. Capital spending from new appropriations and re-appropriations will support facility projects that will increase health and safety, preserve and maintain the physical plant consistent with the Office of Mental Health's facility maintenance program and comply with accreditation standards. This year's new appropriations include approximately \$57 million in funding to implement the psychiatric center consolidations and re-locations authorized under the new Community Mental Health Support and Workforce Reinvestment Act. These actions, however, will avoid an estimated \$168 million in capital costs required for these facilities at their current locations. In addition, the capital appropriations include funds to develop the new adult transitional housing beds and children's crisis beds also authorized in the proposed Community Mental Health Support and Workforce Reinvestment Act. Capital spending is also provided for local programs to maintain the existing residential system and to continue development of community beds previously authorized.

### **PROGRAM HIGHLIGHTS**

New York State will continue to rank number one in the nation in total spending and per capita spending on State and local programs for the mentally ill.

- State-operated facilities provide inpatient, outpatient, and community support programs throughout the State that serve adults, children, and forensic populations. State-operated psychiatric centers provide inpatient services to approximately 9,700 adults and children who are admitted annually, while over 37,000 individuals are served through various outpatient and support programs.
- While inpatients vary greatly in age, level of disability and length of hospitalization, a range of treatment and rehabilitative services is offered as patients progress from admission to discharge. In addition, OMH provides specialized services for physically disabled, aggressive and assaultive, and multi-diagnosed patients, as well as patients who have criminal histories.

- The Office operates an array of community-based programs located throughout the State. These programs, staffed with State employees, provide supportive services to enable individuals with mental illness to avoid long-term inpatient stays. State-operated community-based services currently include community residential facilities and residential care centers for adults and children, outpatient programs, intensive case management positions, and a variety of supportive employment, work-for-pay, crisis and other community support programs.
- OMH operates two research units supported by State tax dollars and Federal and other grants, which include the OMH New York Psychiatric Institute in Manhattan and the OMH Nathan S. Kline Institute, located on the grounds of Rockland Psychiatric Center. These facilities conduct research in children and adult clinical treatment, basic biomedical and neurological sciences, and health services for the mentally ill.
- OMH also funds a wide range of community services provided by local governments and private organizations. These include emergency services such as Comprehensive Psychiatric Emergency Programs; outpatient services such as mental health clinics and day treatment programs and community support programs such as Intensive and Supportive Case Management, residential programs and consumer-run self-help and self-operated programs. Overall, State Aid and Medicaid (budgeted largely in the Department of Health) will provide about \$2 billion for not-for-profit and county-operated community mental health programs through a network of approximately 2,500 programs serving over 500,000 persons a year.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<u>Category</u>	<u>Available 2000-01</u>	<u>Appropriations Recommended 2001-02</u>	<u>Change</u>	<u>Reappropriations Recommended 2001-02</u>
State Operations	1,139,380,000	1,148,262,000	8,882,000	929,000
Aid To Localities	776,514,650	839,317,000	62,802,350	31,157,000
Capital Projects	134,120,000	174,735,000	40,615,000	548,061,000
Total	<u>2,050,014,650</u>	<u>2,162,314,000</u>	<u>112,299,350</u>	<u>580,147,000</u>

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## ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2000-01 Estimated FTEs 03/31/01	2001-02 Estimated FTEs 03/31/02	FTE Change
Administration and Finance			
General Fund	589	579	(10)
Special Revenue Funds - Federal	11	11	0
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	13,159	12,813	(346)
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	1,955	1,953	(2)
Forensic Services			
General Fund	1,878	1,881	3
Maintenance Undistributed			
Special Revenue Funds - Other	338	397	59
Research			
General Fund	497	497	0
Special Revenue Funds - Other	27	27	0
Total	<u>18,539</u>	<u>18,243</u>	<u>(296)</u>

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2000-01	Recommended 2001-02	Change
General Fund	611,749,000	731,413,000	119,664,000
Special Revenue Funds - Federal	929,000	1,258,000	329,000
Special Revenue Funds - Other	516,239,000	404,772,000	(111,467,000)
Enterprise Funds	7,842,000	8,015,000	173,000
Internal Service Funds	2,051,000	2,234,000	183,000
Fiduciary Funds	570,000	570,000	0
Total	<u>1,139,380,000</u>	<u>1,148,262,000</u>	<u>8,882,000</u>
Adjustments:			
Transfer(s) From			
Mental Health, Office of			
General Fund (Aid To Localities)	(1,197,000)		
Special Pay Bill			
General Fund	(74,015,000)		
Enterprise Funds	(29,000)		
Internal Service Funds	(84,000)		
Appropriated 2000-01	<u>1,064,055,000</u>		

**STATE OPERATIONS  
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM  
APPROPRIATIONS  
(dollars)**

<u>Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Administration and Finance			
General Fund	57,460,000	57,213,000	(247,000)
Special Revenue Funds - Federal	929,000	1,258,000	329,000
Special Revenue Funds - Other	0	1,300,000	1,300,000
Enterprise Funds	7,842,000	8,015,000	173,000
Internal Service Funds	2,051,000	2,234,000	183,000
Fiduciary Funds	570,000	570,000	0
Adult Services			
General Fund	788,013,000	785,998,000	(2,015,000)
Children and Youth Services			
General Fund	115,353,000	115,645,000	292,000
Enhanced Community Services			
General Fund	15,948,000	19,600,000	3,652,000
Forensic Services			
General Fund	105,163,000	109,846,000	4,683,000
Maintenance Undistributed			
General Fund	(510,488,000)	(397,700,000)	112,788,000
Special Revenue Funds - Other	510,488,000	397,700,000	(112,788,000)
Research			
General Fund	40,300,000	40,811,000	511,000
Special Revenue Funds - Other	5,751,000	5,772,000	21,000
Total	<u>1,139,380,000</u>	<u>1,148,262,000</u>	<u>8,882,000</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2001-02 RECOMMENDED  
(dollars)**

<u>Program</u>	<u>Total Personal Service</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration and Finance	38,135,000	2,455,000	37,179,000	2,776,000
Adult Services	649,197,000	(8,843,000)	601,473,000	(6,479,000)
Children and Youth Services	102,108,000	291,000	95,402,000	290,000
Forensic Services	99,470,000	4,345,000	92,637,000	3,312,000
Research	35,735,000	333,000	35,167,000	338,000
Total	<u>924,645,000</u>	<u>(1,419,000)</u>	<u>861,858,000</u>	<u>237,000</u>

  

<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>		<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration and Finance	718,000	(260,000)	238,000	(61,000)
Adult Services	14,116,000	(1,529,000)	33,608,000	(835,000)
Children and Youth Services	3,165,000	1,000	3,541,000	0
Forensic Services	3,035,000	377,000	3,798,000	656,000
Research	81,000	1,000	487,000	(6,000)
Total	<u>21,115,000</u>	<u>(1,410,000)</u>	<u>41,672,000</u>	<u>(246,000)</u>

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2001-02 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total Nonpersonal Service</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Finance	19,078,000	(2,702,000)	809,000	(15,000)
Adult Services	136,801,000	6,828,000	68,280,000	4,853,000
Children and Youth Services	13,537,000	1,000	5,681,000	1,000
Enhanced Community Services	19,600,000	3,652,000	0	0
Forensic Services	10,376,000	338,000	6,106,000	168,000
Research	5,076,000	178,000	2,128,000	74,000
Total	<u>204,468,000</u>	<u>8,295,000</u>	<u>83,004,000</u>	<u>5,081,000</u>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Finance	1,271,000	(22,000)	15,225,000	(2,634,000)
Adult Services	2,913,000	86,000	59,892,000	1,811,000
Children and Youth Services	495,000	(1,000)	6,835,000	1,000
Forensic Services	605,000	7,000	3,471,000	156,000
Research	74,000	3,000	2,765,000	97,000
Total	<u>5,358,000</u>	<u>73,000</u>	<u>88,188,000</u>	<u>(569,000)</u>

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Finance	1,773,000	(31,000)	0	0
Adult Services	2,551,000	78,000	3,165,000	0
Children and Youth Services	526,000	0	0	0
Enhanced Community Services	0	0	19,600,000	3,652,000
Forensic Services	194,000	7,000	0	0
Research	109,000	4,000	0	0
Total	<u>5,153,000</u>	<u>58,000</u>	<u>22,765,000</u>	<u>3,652,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2001-02 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Finance	13,377,000	1,985,000	4,165,000	505,000
Research	5,772,000	21,000	1,836,000	(549,000)
Total	<u>19,149,000</u>	<u>2,006,000</u>	<u>6,001,000</u>	<u>(44,000)</u>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Finance	7,912,000	180,000	1,300,000	1,300,000
Research	3,936,000	570,000	0	0
Total	<u>11,848,000</u>	<u>750,000</u>	<u>1,300,000</u>	<u>1,300,000</u>

**AID TO LOCALITIES  
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE  
APPROPRIATIONS  
(dollars)**

<u>Fund Type</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
General Fund	706,313,650	733,109,000	26,795,350
Special Revenue Funds - Federal	27,126,000	31,673,000	4,547,000
Special Revenue Funds - Other	43,075,000	74,535,000	31,460,000
Total	<u>776,514,650</u>	<u>839,317,000</u>	<u>62,802,350</u>
Adjustments:			
Transfer(s) To			
Mental Health, Office of			
General Fund (State Operations)	1,197,000		
Appropriated 2000-01	<u>777,711,650</u>		

**AID TO LOCALITIES  
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM  
APPROPRIATIONS  
(dollars)**

<u>Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Adult Services			
General Fund	444,014,000	447,029,000	3,015,000
Special Revenue Funds - Federal	21,617,000	24,695,000	3,078,000
Special Revenue Funds - Other	2,475,000	7,735,000	5,260,000
Children and Youth Services			
General Fund	92,400,000	96,090,000	3,690,000
Special Revenue Funds - Federal	5,509,000	6,978,000	1,469,000
Enhanced Community Services			
General Fund	40,600,000	66,800,000	26,200,000
Maintenance Undistributed			
General Fund	(40,600,000)	(66,800,000)	(26,200,000)
Special Revenue Funds - Other	40,600,000	66,800,000	26,200,000
Reinvestment			
General Fund	167,422,000	189,990,000	22,568,000
Community Projects			
General Fund	2,477,650	0	(2,477,650)
Total	<u>776,514,650</u>	<u>839,317,000</u>	<u>62,802,350</u>

**CAPITAL PROJECTS  
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM  
APPROPRIATIONS  
(dollars)**

<u>Comprehensive Construction Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>	<u>Reappropriations 2001-02</u>
Design and Construction Supervision				
Capital Projects Fund	1,750,000	1,750,000	0	1,700,000
Mental Hygiene Capital Improvement Fund	9,000,000	7,500,000	(1,500,000)	16,280,000
Executive Direction				
Capital Projects Fund	0	0	0	3,325,000
Mental Hygiene Capital Improvement Fund	3,300,000	3,300,000	0	3,300,000
Community Mental Health Facilities				
Capital Projects Fund	5,000,000	5,000,000	0	26,489,000
Mental Hygiene Capital Improvement Fund	5,412,000	5,424,000	12,000	153,841,000
Non-Bondable Projects				
Capital Projects Fund	11,000,000	3,000,000	(8,000,000)	8,000,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	26,238,000	27,969,000	1,731,000	29,937,000
Mental Hygiene Capital Improvement Fund	72,420,000	120,792,000	48,372,000	305,189,000
Total	<u>134,120,000</u>	<u>174,735,000</u>	<u>40,615,000</u>	<u>548,061,000</u>

