

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, not-for-profit and proprietary 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 that serve individuals with histories in the criminal justice system and two Research Institutes. OMH will have a workforce of 16,735 for 2005-06, most of whom work directly with patients. The remainder comprises supervisors of direct care and clinical workers, administrative support and management personnel.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The 2005-06 Executive Budget provides funds totaling \$2.36 billion for the Office of Mental Health from General Fund, Federal and third-party resources, an increase of \$195 million or 9 percent compared to 2004-05.

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 ten years, the Office of Mental Health has strengthened community services while achieving greater efficiencies in the operation of its inpatient programs. The Agency has closed four psychiatric centers as well as unneeded State-operated inpatient beds at other facilities; consolidated adult inpatient care at three campuses onto one campus on Long Island; and fundamentally restructured State-operated outpatient services. Simultaneously, it has significantly expanded community housing, case management and other community services and supports for individuals with mental illness. As a result, more than two-thirds of every dollar devoted to mental health services is now spent on community mental health care.

The recommended Budget for 2005-06 will continue this focus on community care by closing unnecessary institutional capacity and providing full funding for a number of multi-year initiatives to expand community-based services. These include the Enhanced Community Services Program; Kendra's Law, with its assisted outpatient treatment and psychiatric medication grant programs; and the New York/New York II agreement and other housing development.

The Budget also continues \$7 million in appropriations to significantly expand mental health treatment capacity and clinical staffing for prisoners with serious and persistent mental illness. This funding supports a range of new and expanded treatment services based upon a statewide review of the forensic program. The Office of Mental Health is working with the

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Department of Correctional Services to establish a new Behavioral Health Unit program model; almost triple the number of beds for the Special Treatment Program; expand bed capacity for the Intermediate Care Program; and improve access to clinical staff for mental health services.

In addition, the Office of Mental Health is collaborating with the Office of Children and Family Services (OCFS) to expand home and community based waiver opportunities for children in foster care or at risk of institutional placement. The 2005-06 Executive Budget for OCFS includes \$2.3 million in new State funding for open-ended 65 percent child welfare prevention reimbursement to be combined with local resources to support a demonstration project creating 245 new waiver slots.

Since 1994-95, the Office of Mental Health has also aggressively streamlined its administrative functions at all levels of the organization — Central Office, Field Offices, facility cabinets, clinical management and outpatient services. This effort has enabled it to eliminate over 700 administrative positions with a recurring annual savings of more than \$38 million. OMH has also redesigned local programs for greater efficiency, maximization of Federal Medicaid reimbursement and more effective service delivery. To achieve necessary savings in 2005-06, OMH will:

- Reduce spending on unnecessary inpatient capacity;
- Institute tighter controls on staffing by eliminating funded vacancies that are no longer essential;
- Limit non-personal services expenses through contract reviews and renewals and strict controls on travel, equipment and other purchases, and shifting costs to external grants;
- Achieve local funding efficiencies through the elimination of unnecessary spending and reimbursement mechanisms, including specialty rates for certain hospital-based mental health outpatient programs; and
- Continue to implement initiatives to maximize Federal Medicaid reimbursement.

Furthermore, OMH will achieve \$3.9 million in full annual savings by reducing or eliminating funding to local mental health providers that are underperforming, delivering less cost effective services, or whose agency administration and overhead costs are higher than system-wide averages. While the severe fiscal constraints facing New York require efficiencies in all areas of government, the 2005-06 recommendations also recognizes the need for targeted investments to strengthen the voluntary operated community mental health system. The Governor's Budget includes \$6.5 million in State funding to increase the stipends for Supported Housing beds and another \$6 million for freestanding Article 31 mental health clinic programs to provide for workforce enhancements and improve the quality of care for children and adults. These enhancements complement the \$9.1 million provided in 2004-05 to strengthen the Community Residence model.

COMMUNITY REINVESTMENT

The Executive Budget for 2005-06 recommends that the Middletown Psychiatric Center be closed on April 1, 2006 and that necessary inpatient capacity be consolidated at the Rockland Psychiatric Center. This measure will achieve significant operating efficiencies and capital construction savings while focusing on continued investment in community-based mental health services. All of the facility closure savings achieved through elimination of unnecessary administrative, support and overhead costs will be reinvested to expand State-operated community services in Middletown's catchment area. Furthermore, reemployment opportunities for affected employees will also be pursued at 17 other State-agency run facilities located in and around the Middletown area.

The 2005-06 Budget continues support for adult and children's community-based services that have been initiated under the Community Mental Health Reinvestment Act and incorporates this funding into the adult and children's programs. Community Reinvestment was designed in the early 1990's as a way to redirect resources from State-operated facilities

into community-based services. These resources support community mental health services that are determined through a local planning process and encompass a wide variety of new and expanded programs for children and adults, including outpatient clinics, community support programs and residential beds.

Resources derived from Community Reinvestment have been supplemented over the years through the Governor's Enhanced Community Services Program, New York/New York II, Kendra's Law and other initiatives. Among the highest priorities is to expand community housing and strengthen the State's extensive system of community-based services by supporting its basic infrastructure and workforce.

The Governor's Budget fully annualizes the \$9.6 million in reinvestment funding advanced in 2004-05 for adults and children under the Community Mental Health Support and Workforce Reinvestment program. Part of this funding is being used to support the opening of 600 supported housing beds for priority populations such as individuals leaving State facilities and adult homes, and for the homeless mentally ill. In addition, the Budget reaffirms the Governor's commitment to provide services to children in appropriate settings. Accordingly, all of the savings associated with children's inpatient bed closures are reinvested into an array of evidence-based services for children. As a result, as many as four times the number of children previously served in institutional settings will be served while living at home with their families.

ASSISTED OUTPATIENT TREATMENT

The 2005-06 Budget includes appropriations of \$32 million 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 manage safely in the community without supervision. The appropriations support case management and other services aimed at keeping clients in a treatment program and on any required psychiatric medication. The appropriations also cover 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

Appropriations of \$86.4 million are provided for the Enhanced Community Services Program proposed by Governor Pataki in 2000-01. The program is supported by Health Care Reform Act (HCRA) revenues and, when combined with other funding sources, provides \$125 million for a wide variety of services, which strengthen the community mental health service system for children and adults. The program has significantly expanded case management, housing, family support, family-based treatment and other services. Moreover, the Enhanced Community Services Program has fostered more effective systems for managing resources to best serve the clients by establishing new Single Points of Entry at the local level. This improves the assignment of case management and housing opportunities to the most needy clients.

In addition, the Enhanced Community Services Program includes new HCRA appropriations to implement the eating disorders legislation enacted by the Governor in 2004 and funding to support the ongoing expansion of case management for 3,500 adult home residents. These enhancements are part of the Governor's initiatives to improve the quality of life and safety for adult home residents in New York.

COMMUNITY HOUSING

The 2005-06 Budget provides operational and capital funding for local programs 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. The Governor's Budget continues the development of 2,000 additional community residential

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beds with a new \$75 million capital appropriation to support the State's contribution towards the second phase of 1,000 beds. When fully operational, these 2,000 beds will require approximately \$50 million in additional ongoing support. Including this commitment to expand residential capacity, the Budget supports 27,000 beds currently operating and 1,600 new community beds from prior-year initiatives that are expected to open by the end of 2005-06, as well as another 2,500 in other stages of planning and development.

The Governor's Budget also redirects savings from Local Assistance efficiencies and maximizing Federal Medicaid reimbursement to provide \$6.5 million in State funding on a full annual basis to increase the stipends paid to community providers for the operation of Supported Housing beds. These resources will strengthen the program for about 10,100 beds currently operating and enable community residential programs to address the support needs of priority populations.

CAPITAL PROJECTS

OMH's Capital Budget includes new appropriations of \$263.8 million for preservation and maintenance of inpatient and community facilities and development of new community beds. 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. 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 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 11,000 adults and children annually, while almost 45,000 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, day treatment programs, personalized recovery oriented services and community support programs such as Intensive and Supportive Case Management, residential programs and consumer-run self-help and self-operated

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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 600,000 persons a year.

In all mental health settings, the fundamental goal of OMH is to maximize access to quality mental health care for every single New Yorker. This includes bridging the gap between science and service and focusing on accountability for results, best practices and coordination of care.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2004-05	Appropriations Recommended 2005-06	Change	Reappropriations Recommended 2005-06
State Operations	1,164,576,300	1,203,536,000	38,959,700	1,272,000
Aid To Localities	863,125,000	894,793,000	31,668,000	36,546,000
Capital Projects	138,795,000	263,814,000	125,019,000	534,003,000
Total	<u>2,166,496,300</u>	<u>2,362,143,000</u>	<u>195,646,700</u>	<u>571,821,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2004-05 Estimated FTEs 03/31/05	2005-06 Estimated FTEs 03/31/06	FTE Change
Administration and Finance			
General Fund	534	542	8
Special Revenue Funds - Federal	14	14	0
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	11,275	11,275	0
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	1,965	1,985	20
Forensic Services			
General Fund	1,943	1,943	0
Maintenance Undistributed			
Special Revenue Funds - Other	397	397	0
Research			
General Fund	467	467	0
Special Revenue Funds - Other	27	27	0
Total	<u>16,707</u>	<u>16,735</u>	<u>28</u>

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

Fund Type	Available 2004-05	Recommended 2005-06	Change
General Fund	640,146,000	587,210,000	(52,936,000)
Special Revenue Funds - Federal	1,272,000	1,272,000	0
Special Revenue Funds - Other	512,325,000	604,196,000	91,871,000
Enterprise Funds	8,367,000	8,349,000	(18,000)
Internal Service Funds	2,466,300	2,509,000	42,700
Total	1,164,576,300	1,203,536,000	38,959,700

Adjustments:

Transfer(s) From			
Special Pay Bill			
General Fund	(36,231,000)		
Enterprise Funds	(18,000)		
Internal Service Funds	(51,300)		
Appropriated 2004-05	<u>1,128,276,000</u>		

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

Program	Available 2004-05	Recommended 2005-06	Change
Administration and Finance			
General Fund	55,421,000	58,382,000	2,961,000
Special Revenue Funds - Federal	1,272,000	1,272,000	0
Special Revenue Funds - Other	1,870,000	1,870,000	0
Enterprise Funds	8,367,000	8,349,000	(18,000)
Internal Service Funds	2,466,300	2,509,000	42,700
Adult Services			
General Fund	778,009,000	805,378,000	27,369,000
Children and Youth Services			
General Fund	123,759,000	127,165,000	3,406,000
Enhanced Community Services			
General Fund	19,600,000	19,600,000	0
Forensic Services			
General Fund	126,152,000	129,975,000	3,823,000
Maintenance Undistributed			
General Fund	(504,330,000)	(595,201,000)	(90,871,000)
Special Revenue Funds - Other	504,330,000	595,201,000	90,871,000
Research			
General Fund	41,535,000	41,911,000	376,000
Special Revenue Funds - Other	6,125,000	7,125,000	1,000,000
Total	1,164,576,300	1,203,536,000	38,959,700

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	39,189,000	2,180,000	37,776,000	2,139,000
Adult Services	654,409,000	16,994,000	604,910,000	11,537,000
Children and Youth Services	113,870,000	2,952,000	105,401,000	2,693,000
Forensic Services	119,132,000	3,433,000	109,694,000	2,434,000
Research	37,568,000	1,176,000	36,971,000	1,158,000
Total	<u>964,168,000</u>	<u>26,735,000</u>	<u>894,752,000</u>	<u>19,961,000</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration and Finance	1,080,000	29,000	333,000	12,000
Adult Services	15,823,000	316,000	33,676,000	5,141,000
Children and Youth Services	3,529,000	95,000	4,940,000	164,000
Forensic Services	3,380,000	89,000	6,058,000	910,000
Research	55,000	1,000	542,000	17,000
Total	<u>23,867,000</u>	<u>530,000</u>	<u>45,549,000</u>	<u>6,244,000</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration and Finance	19,193,000	781,000	989,000	167,000
Adult Services	150,969,000	10,375,000	74,552,000	5,550,000
Children and Youth Services	13,295,000	454,000	6,693,000	428,000
Enhanced Community Services	19,600,000	0	0	0
Forensic Services	10,843,000	390,000	6,754,000	390,000
Research	4,343,000	(800,000)	2,342,000	(570,000)
Total	<u>218,243,000</u>	<u>11,200,000</u>	<u>91,330,000</u>	<u>5,965,000</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration and Finance	1,289,000	0	15,115,000	614,000
Adult Services	2,775,000	0	68,050,000	4,825,000
Children and Youth Services	509,000	0	5,552,000	26,000
Enhanced Community Services	0	0	0	0
Forensic Services	622,000	0	3,268,000	0
Research	65,000	(10,000)	1,881,000	(210,000)
Total	<u>5,260,000</u>	<u>(10,000)</u>	<u>93,866,000</u>	<u>5,255,000</u>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	1,800,000	0	0	0
Adult Services	2,427,000	0	3,165,000	0
Children and Youth Services	541,000	0	0	0
Enhanced Community Services	0	0	19,600,000	0
Forensic Services	199,000	0	0	0
Research	55,000	(10,000)	0	0
Total	<u>5,022,000</u>	<u>(10,000)</u>	<u>22,765,000</u>	<u>0</u>

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**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS
SUMMARY OF APPROPRIATIONS AND CHANGES
2005-06 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Finance	14,000,000	24,700	4,379,000	(12,300)
Research	7,125,000	1,000,000	1,915,000	0
Total	21,125,000	1,024,700	6,294,000	(12,300)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	8,321,000	37,000	1,300,000	0
Research	5,210,000	1,000,000	0	0
Total	13,531,000	1,037,000	1,300,000	0

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

Fund Type	Available 2004-05	Recommended 2005-06	Change
General Fund	746,961,000	773,924,000	26,963,000
Special Revenue Funds - Federal	41,129,000	40,584,000	(545,000)
Special Revenue Funds - Other	75,035,000	80,285,000	5,250,000
Total	863,125,000	894,793,000	31,668,000

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

Program	Available 2004-05	Recommended 2005-06	Change
Adult Services			
General Fund	590,021,000	609,468,000	19,447,000
Special Revenue Funds - Federal	33,294,000	32,749,000	(545,000)
Special Revenue Funds - Other	7,735,000	7,735,000	0
Children and Youth Services			
General Fund	152,140,000	154,856,000	2,716,000
Special Revenue Funds - Federal	7,835,000	7,835,000	0
Enhanced Community Services			
Special Revenue Funds - Other	67,300,000	72,550,000	5,250,000
Community Support and Workforce Reinvestment			
General Fund	4,800,000	9,600,000	4,800,000
Total	863,125,000	894,793,000	31,668,000

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

Comprehensive Construction Program	Available 2004-05*	Recommended 2005-06	Change	Reappropriations 2005-06
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	2,000,000
MH Capital Improvements - Authority Bonds	8,000,000	8,000,000	0	8,300,000
Executive Direction				
Capital Projects Fund	0	0	0	3,325,000
MH Capital Improvements - Authority Bonds	3,591,000	3,591,000	0	5,046,000
Community Mental Health Facilities				
Capital Projects Fund	6,000,000	6,000,000	0	30,506,000
MH Capital Improvements - Authority Bonds	5,494,000	80,513,000	75,019,000	146,045,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	34,010,000	34,010,000	0	44,406,000
MH Capital Improvements - Authority Bonds	78,700,000	128,700,000	50,000,000	286,375,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	8,000,000
Total	<u>138,795,000</u>	<u>263,814,000</u>	<u>125,019,000</u>	<u>534,003,000</u>

*Includes transfers from Special Pay Bill - State Operations. See the table for Special Pay Bill in the Miscellaneous section for details.