

OFFICE OF MENTAL HEALTH

MISSION

The Office of Mental Health's (OMH) mission is to promote the mental health of all New Yorkers, with a particular focus on providing hope and recovery for adults with serious 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 has two primary functions as the State's mental health authority: to ensure access to high quality services for adults with severe mental illness and children with serious emotional disturbances and to promote overall public mental health through education and advocacy. The agency has four lines of business underpinning these functions:

- **Regulating, Certifying, Financing and Overseeing New York's Public Mental Health System.** OMH oversees 58 local governmental units, one of which covers New York City in its entirety. The agency also regulates and/or licenses more than 2,500 mental health programs operated by local governments and private agencies serving approximately 600,000 persons annually, including inpatient, outpatient, emergency, residential and family care, and community support services;
- **Providing State-operated Inpatient and Outpatient Mental Health Services.** OMH is a major provider of intermediate and long-term inpatient as well as outpatient treatment services through a network of 25 psychiatric centers that include 16 Adult Psychiatric Centers and six Children's Psychiatric Centers. OMH operates three facilities serving forensic patients involved with the criminal justice system. Additionally, OMH provides mental health services in 23 sites around the State to inmates incarcerated in Department of Correctional Services' facilities;
- **Conducting Basic and Applied Research to Advance Prevention, Treatment, and Recovery.** OMH conducts basic and applied research at the New York State Psychiatric Institute in Manhattan and the Nathan S. Kline Institute for Psychiatric Research in Rockland County, with a focus on identifying interventions that have been proven by scientific research to be effective and that can be incorporated into mainstream practice. New York State's investment in research is augmented by many grants from Federal and other sources through the Research Foundation for Mental Hygiene (RFMH), Inc. Additionally, OMH's Center for Information Technology and Evaluation Research conducts evaluation research and statistical analysis which are used to examine service outcomes, investigate pressing mental health issues, and develop sound approaches for improving service quality and access; and
- **Promoting Public Mental Health through Education and Outreach.** OMH supports a variety of educational activities focusing on the nature and impact of mental illness, effective treatments and services, useful preventive and coping strategies, and service accessibility. The agency's information dissemination strategies are designed to reach as many New Yorkers as possible, with a particular focus on high-risk groups.

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BUDGET HIGHLIGHTS

The Executive Budget recommends **\$3.7 billion All Funds (\$564 million General Fund; \$3.1 billion Other funds)** for the Office of Mental Health (OMH). This is a net increase of **\$1.4 billion (\$67 million General Fund)** over 2007-08 which is largely attributable to technical adjustments associated with a major restructuring of Medicaid resources designed to improve transparency in the budget. Excluding such technical adjustments and changes in Capital Projects, the increase over 2007-08 appropriations is \$628 million, of which \$498 million is due to employee fringe benefits now budgeted in OMH. The remaining net change primarily reflects community residential pipeline expansion, the annualization of prior year initiatives, inflationary increases, State Operations savings associated with program efficiencies, and targeted investments, as outlined below.

The Executive Budget recommends a staffing level of **18,034 FTEs** for the Office of Mental Health, an increase of **415** from the 2007-08 Budget. This increase primarily reflects the annualization of prior year initiatives and positions added to OMH's fill level to comply with new and anticipated statutory changes. Most of the agency's workforce provides direct care services to patients.

OMH continues to improve the efficiency and cost-effectiveness of its operations and the network of non-profit providers it supports. Major budget actions to promote cost efficiency and rationalize reimbursement include:

- **Rationalizing Provider Reimbursement:** OMH will renew efforts to ensure that all appropriate third-party revenue standards for non-profit providers are maintained, saving an estimated \$7.5 million from 2008-09 projected costs;
- **Other Aid to Localities Efficiencies:** Increased emphasis on managing Local Assistance spending — including achieving audit recoupments and managing new program development — will result in an estimated \$34 million savings from projected 2008-09 costs without any impact on service delivery;
- **State Operations Program Efficiencies:** OMH will work to re-align staff resources to decrease the usage of overtime and consultant contracts, control the implementation of prior year initiatives, and will also implement best practices to reduce energy and pharmaceutical spending. These actions will save approximately \$19 million from projected 2008-09 costs; and
- **Maximizing Third-Party Revenues:** Through due diligence analysis, OMH will generate an additional \$32 million in third-party revenues to offset General Fund spending.

These savings actions as well as others proposed in the Budget will permit targeted investments to support the Commissioner's priorities for 2008-09 to strengthen community mental health care and provide the highest quality of care for people requiring inpatient services, with the ultimate goal of helping individuals to live full, productive lives in their communities. Recommendations include:

- **Workforce Strategies for Recruitment, Retention and Training:** For State Operations, targeted salary enhancements will be provided to ensure that OMH can recruit and retain a qualified clinical workforce, especially in areas of the State that are traditionally underserved, and the Rural Tele-psychiatry program will be expanded to allow for increased education and training. This initiative will cost \$2.3 million in 2008-09 eventually annualizing to \$12 million over three years. On

- the non-profit workforce side, the Budget supports \$30.1 million for the final year of the current three-year Cost of Living Adjustment (COLA) for these employees commenced in 2006-07 and extends the COLA for another three years through 2011-12;
- **Sustaining and Expanding the Ambulatory Care System:** Consistent with the Governor's philosophy of improving access to ambulatory care to reduce reliance on costly inpatient and emergency services, and based on the results of the 2007 study of outpatient provider reimbursement, the Budget advances \$5 million in new resources that will annualize to \$10 million to take the first steps in rationalizing clinic funding. This initiative will provide fiscal relief to mental health clinics by: establishing minimum comprehensive outpatient provider rates for clinics licensed solely under Mental Hygiene Law; rebasing clinic providers who have exceeded their Comprehensive Outpatient Programs (COPS) threshold using prior year service volume; eliminating volume adjustments on COPS clinic services; limiting certain payments made for services provided to managed care enrollees; and removing the Medicaid neutrality cap for mental health clinic services. In the children's mental health area, this Budget recommends removing barriers to specialty mental health treatment for children by allowing for the designation of more clinics that serve children enrolled in managed care. Additionally, new resources that will annualize to \$5 million will permit Family Services to be added to the portfolio of covered services under the Clinic Plus program. Furthermore, employment services in the Personalized Recovery Oriented Services program will be enhanced by new resources that will annualize to \$1.3 million;
 - **Managing the Care of High Cost Populations:** OMH, in concert with OASAS and the Department of Health and consistent with the priorities of the Task Force on Co-Occurring Disorders, will engage in demonstration programs to address the treatment needs of persons who are both mentally ill and chemically dependent, with \$1.0 million included in OMH's budget for this purpose, which will annualize to \$2.5 million. An additional \$1.5 million — annualizing to \$2.0 million — will support two managed care demonstration programs (one in Western New York and one in New York City) that will help coordinate both the health and the behavioral health needs of high cost populations, resulting in more effective and cost efficient coordinated care; and
 - **New Community Bed Initiatives:** In order to meet the continuing need for housing of persons moving into less restrictive settings, the recommendation commits new capital and operating resources that will permit OMH to develop 1,500 Supported Housing Beds targeted to specific mentally ill populations; develop 500 integrated Single Room Occupancy (SRO) beds for priority populations; and, in concert with the Department of Health and the Commission on Quality of Care and Advocacy for Persons with Disabilities, provide capital funds to purchase Adult Homes and convert them into OMH housing. Additionally, the Executive Budget provides increased flexibility for Mental Hygiene agencies to establish integrated housing projects, which will increase access to housing, while also helping to reduce the negative stigma attached to housing for the mentally ill.

The 2008-09 recommendation also supports key investments commenced in 2007-08 to strengthen the infrastructure of OMH's community-based system of care, including \$12 million in new resources for the second of a three-year effort to enhance the critical Community Residence housing model.

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PROGRAM HIGHLIGHTS

To live successfully, most individuals with serious mental illness need both treatments that control or eliminate their psychiatric symptoms and support services that address the needs associated with the disabling effects of their illness. Public mental health services are grouped in four major categories across the health care continuum: community support, outpatient, inpatient, and emergency services. In New York State, both State and locally operated programs provide services in each of these four categories:

- **Community Support** helps individuals diagnosed with serious mental illness live as independently as possible in the community, and helps children with serious emotional disturbance remain with their families. These programs provide case management, vocational, self-help, residential and other support services. Although the specific array of community support services differs for adults and children, the goal is always to support successful and full community living;
- **Outpatient Services** provide treatment and rehabilitation in an ambulatory setting, including clinics, partial hospitalization, day treatment for children, continuing day treatment for adults, Assertive Community Treatment (ACT), Prepaid Mental Health Plan (PMHP) and Personalized Recovery-Oriented Services (PROS);
- **Inpatient Services** provide acute stabilization and intensive treatment and rehabilitation with 24-hour care in a controlled environment when community services and supports do not meet the needs of adults and children; and
- **Emergency Services** provide rapid psychiatric and/or medical stabilization and ensure the safety of individuals who present a risk to themselves or others. These programs include a range of crisis counseling and residential services, as well as Comprehensive Psychiatric Emergency Programs.

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 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	574,268,000	1,935,877,000	1,361,609,000	1,358,000
Aid To Localities	1,074,901,000	1,301,447,000	226,546,000	64,380,000
Capital Projects	646,052,000	446,822,000	(199,230,000)	1,349,608,000
Total	2,295,221,000	3,684,146,000	1,388,925,000	1,415,346,000

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

Full-Time Equivalent Positions (FTE)			
Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration and Finance			
General Fund	571	0	(571)
Special Revenue Funds - Federal	14	14	0
Special Revenue Funds - Other	0	705	705
Enterprise Funds	20	20	0
Internal Service Funds	24	24	0
Adult Services			
General Fund	11,959	0	(11,959)
Special Revenue Funds - Other	0	12,470	12,470
Capital Planning			
Capital Projects Funds - Other	41	41	0
Children and Youth Services			
General Fund	2,072	0	(2,072)
Special Revenue Funds - Other	0	2,092	2,092
Forensic Services			
General Fund	1,989	0	(1,989)
Special Revenue Funds - Other	0	2,136	2,136
Maintenance Undistributed			
Special Revenue Funds - Other	397	0	(397)
Research			
General Fund	505	0	(505)
Special Revenue Funds - Other	27	532	505
Total	17,619	18,034	415

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
Special Revenue Funds - Federal	1,358,000	1,358,000	0
Special Revenue Funds - Other	561,776,000	1,923,385,000	1,361,609,000
Enterprise Funds	8,514,000	8,514,000	0
Internal Service Funds	2,620,000	2,620,000	0
Total	574,268,000	1,935,877,000	1,361,609,000

Adjustments:	
Transfer(s) From	
Mental Health, Office of	
General Fund	(550,676,000)
Special Revenue Funds - Other	(562,767,000)
Special Pay Bill	
General Fund	(23,512,000)
Transfer(s) To	
Health, Department of	
General Fund (Aid To Localities)	790,258,000
Mental Health, Office of	
General Fund	562,767,000
Special Revenue Funds - Other	550,676,000
Appropriated 2007-08	1,341,014,000

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration and Finance			
Special Revenue Funds - Federal	1,358,000	1,358,000	0
Special Revenue Funds - Other	3,870,000	100,653,000	96,783,000
Enterprise Funds	8,514,000	8,514,000	0
Internal Service Funds	2,620,000	2,620,000	0
Adult Services			
Special Revenue Funds - Other	546,000,000	1,311,632,000	765,632,000
Children and Youth Services			
Special Revenue Funds - Other	0	206,391,000	206,391,000
Forensic Services			
Special Revenue Funds - Other	0	224,812,000	224,812,000
Research			
Special Revenue Funds - Other	11,906,000	79,897,000	67,991,000
Total	<u>574,268,000</u>	<u>1,935,877,000</u>	<u>1,361,609,000</u>

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Finance	113,145,000	96,783,000	51,695,000	47,263,000
Adult Services	1,311,632,000	765,632,000	739,520,000	193,520,000
Children and Youth Services	206,391,000	206,391,000	127,776,000	127,776,000
Forensic Services	224,812,000	224,812,000	142,562,000	142,562,000
Research	79,897,000	67,991,000	46,396,000	39,805,000
Total	<u>1,935,877,000</u>	<u>1,361,609,000</u>	<u>1,107,949,000</u>	<u>550,926,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Finance	58,150,000	49,520,000	3,300,000	0
Adult Services	568,947,000	568,947,000	3,165,000	3,165,000
Children and Youth Services	78,615,000	78,615,000	0	0
Forensic Services	82,250,000	82,250,000	0	0
Research	33,501,000	28,186,000	0	0
Total	<u>821,463,000</u>	<u>807,518,000</u>	<u>6,465,000</u>	<u>3,165,000</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	496,387,000	563,815,000	67,428,000
Special Revenue Funds - Federal	37,834,000	44,626,000	6,792,000
Special Revenue Funds - Other	540,680,000	693,006,000	152,326,000
Total	<u>1,074,901,000</u>	<u>1,301,447,000</u>	<u>226,546,000</u>

Adjustments:	
Transfer(s) From	
Mental Health, Office of	
General Fund	(397,170,750)
Special Revenue Funds - Other	63,224,250
Transfer(s) To	
Mental Health, Office of	
General Fund	(63,224,250)
Special Revenue Funds - Other	397,170,750
Appropriated 2007-08	<u>1,074,901,000</u>

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Adult Services			
General Fund	347,498,000	391,008,000	43,510,000
Special Revenue Funds - Federal	30,772,000	37,564,000	6,792,000
Special Revenue Funds - Other	445,003,000	613,625,000	168,622,000
Children and Youth Services			
General Fund	147,840,000	172,807,000	24,967,000
Special Revenue Funds - Federal	7,062,000	7,062,000	0
Special Revenue Funds - Other	87,692,000	71,146,000	(16,546,000)
Enhanced Community Services			
Special Revenue Funds - Other	500,000	500,000	0
Community Support and Workforce Reinvestment			
Special Revenue Funds - Other	7,485,000	7,735,000	250,000
Community Projects			
General Fund	1,049,000	0	(1,049,000)
Total	<u>1,074,901,000</u>	<u>1,301,447,000</u>	<u>226,546,000</u>

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

<u>Comprehensive Construction Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>	<u>Reappropriations 2008-09</u>
Design and Construction Supervision				
Capital Projects Fund	2,000,000	2,000,000	0	2,117,000
MH Capital Improvements - Authority Bonds	12,000,000	12,000,000	0	18,935,000
Executive Direction				
Capital Projects Fund	0	0	0	2,445,000
MH Capital Improvements - Authority Bonds	3,717,000	3,717,000	0	6,144,000
Community Mental Health Facilities				
Capital Projects Fund	6,000,000	6,000,000	0	29,304,000
MH Capital Improvements - Authority Bonds	312,555,000	173,555,000	(139,000,000)	681,103,000
Maintenance and Improvements of Existing Facilities				
Capital Projects Fund	34,010,000	34,010,000	0	56,152,000
MH Capital Improvements - Authority Bonds	274,770,000	214,540,000	(60,230,000)	545,408,000
Non-Bondable				
Capital Projects Fund	1,000,000	1,000,000	0	8,000,000
Total	<u>646,052,000</u>	<u>446,822,000</u>	<u>(199,230,000)</u>	<u>1,349,608,000</u>