

# Mental Hygiene

*Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD)*  
*Department of Mental Hygiene (DMH)*  
*Developmental Disabilities Planning Council (DDPC)*  
*Office of Alcoholism and Substance Abuse Services (OASAS)*  
*Office of Mental Health (OMH)*  
*Office for People with Developmental Disabilities (OPWDD)*

## I. Overview

The Executive Budget supports significant and fundamental reforms that will strengthen the oversight of care provided to individuals in institutions and community residences, makes investments to improve the accountability of mental hygiene agencies, and reforms the payment process for not-for-profit providers.

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The mental hygiene agencies provide services to individuals with mental illness, developmental disabilities, chemical dependencies, and problem gambling. These agencies — OMH, OPWDD, OASAS, DDPC — will support services for nearly 1 million individuals in 2012-13, including nearly 700,000 people with mental illness, 260,000 people with chemical dependencies or gambling problems, and 126,000 people with developmental disabilities. The Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) provides oversight within the State's mental hygiene system through investigative, educational and advocacy services.

## II. History/Context

Governor Cuomo has made reform of the mental hygiene system a top priority.

This year, he engaged the services of a nationally-recognized expert to develop recommendations on reforming conditions in institutions and community programs that care for persons with disabilities. These reforms will combat high costs and unacceptable conditions in certain facilities operated by the State and nonprofit agencies by improving the systems that protect individuals cared for by the State, increasing standards for hiring and disciplining staff, and other long-overdue reforms.

The mental hygiene system is a vast system that cares for individuals in institutional facilities, community residences and community settings. The State operates institutional and research facilities serving about 6,300 people, and provides funding to support approximately 88,300 people living in community residences. Additionally, State funding supports outpatient, employment, clinic, habilitative, and treatment programs operated by 1,600 not-for-profit provider agencies that provide services to help individuals live in the setting they desire and lead full and productive lives.

### **III. Proposed 2012-13 Budget Actions**

The Executive Budget begins the process of fundamentally reforming the care of individuals with developmental disabilities.

In addition, pursuant to recommendations from the preliminary report from the Governor's Special Advisor on Vulnerable Persons which is expected to be released in early 2012, the State will establish a 24-hour hotline to report allegations of abuse and neglect.

Costs of targeted investments are offset by programmatic efficiencies and system-wide solutions to reduce State operations costs in purchasing, business services, information technology and other areas. The Executive Budget increases funding for certain lower-cost program models, and redirects funding from high cost institutional services to lower-cost and effective community-based programs.

Proposed cost-saving actions for Mental Hygiene agencies include reforming and restructuring State and local programs and administrative practices, restructuring State-operated inpatient psychiatric capacity, utilizing less costly in-state community residences, placing aggressive cost controls on agency operations, and maximizing payments from third-party payers.

The Executive Budget supports the goal of diverting individuals from prison to treatment programs consistent with 2009 reforms to the State's drug laws and continues current funding. The Budget increases support for community mental health services for certain nursing and adult home residents, and funds additional lower cost community residential and day supports and services for individuals served by OPWDD.

The Executive Budget proposals result in mental hygiene system funding of \$8.2 billion in 2012-13, an annual spending increase of \$85 million, or 1.0 percent.

#### IV. Summary of Spending (All Funds)

Category	2011-12 (\$ in millions)	2012-13 (\$ in millions)	Change	
			Dollar (in millions)	Percent
OPWDD	4,282.2	4,321.9	39.7	0.9
OMH	3,205.2	3,243.2	38.0	1.2
OASAS	587.6	593.4	5.8	1.0
CQCAPD	15.0	16.2	1.2	8.0
DDPC	4.2	4.2	0.0	0.0
<b>Total</b>	<b>8,094.2</b>	<b>8,178.9</b>	<b>84.7</b>	<b>1.0</b>

#### V. Major Initiatives

##### Gap-closing Actions

Proposal	2012-13 (\$ in millions)	2013-14 (\$ in millions)
Forgo Planned COLA/Trend Increases	102	103
Enhanced OMH Collections and Audits	39	52
OPWDD Reforms	45	57
OMH Actions	19	19
OASAS Actions	5	5
CQCAPD Investments	(1)	(1)
<b>Total</b>	<b>209</b>	<b>235</b>

- **Eliminate Planned Cost of Living Adjustments/Trend Increases:** Currently, providers receive automatic payment increases with no relation to actual cost growth or performance outcomes. The Executive Budget eliminates the planned 3.6 percent annual human services COLA and maintains existing rates for other programs including OMH residential treatment facilities, community residences, family based treatment, and various residential and day programs for individuals with developmental disabilities. A new program will be established for 2013-14 which will provide increases based on appropriate provider costs and meeting performance outcomes.
- **Enhance Collections through OMH Audits and Third Party Payments.** The Executive Budget continues programmatic reviews of OMH providers and expands efforts to recover State funds through enhanced audit activities and financial reviews of not-for-profit providers.
- **OPWDD Reforms.** Early in his administration, Governor Cuomo took substantial steps to ensure the health and safety of individuals with developmental disabilities in the State's care, and to improve the overall quality and cost-effectiveness of State services. Significant actions taken include:
  - Increased hiring qualifications and training standards in State-run programs for direct support professionals, including pre-employment psychological and fitness training, mandatory drug testing, rigorous background checks, and a minimum of a high school diploma.
  - Refocused efforts on cases of abuse, with creation of a centralized Incident Management Unit with real time oversight of incidents, and an overhauled investigations process that has direct relationships with local law enforcement/State Police.
  - Holding non-profit providers more accountable for their performance via a restructured Early Alert program to facilitate quickly remedying deficiencies in non-profit provider services, with imposition of fines and revocation of their operating certificate when appropriate.
  - An improved statewide standardized objective process to ensure that potential new non-profit providers have the requisite fiscal and programmatic expertise, and a COMPASS initiative that supports and recognizes providers that have achieved excellence in service delivery.
  - Enhanced fire safety efforts, including implementing recommendations of outside experts to comply with enhanced standards, unannounced fire drills, better training and safety plans, direct relations with local fire personnel, and capital improvements. The 2012-13 Executive Budget reprioritizes OPWDD capital funds to support necessary enhancements in community residential and day programs to meet Life Safety Code and/or Health Care Facility fire safety standards at a cost of \$230 million over the course of the Five-Year Capital Plan.

In addition, OPWDD is seeking authorization from the Federal government to make changes that will improve care coordination of long-term care, acute and behavioral health care services for individuals with developmental disabilities, increase the flexibility of services provided to individuals with developmental disabilities, increase funding transparency, and improve overall service quality and outcomes.

The Executive Budget continues efforts to be effective and efficient in State Operations and local assistance spending via stringent cost controls and reduced use of institutional services, and invests some of these savings in more effective community based programs.

To reduce State Operations costs and improve operations, this Budget reduces administrative staffing levels, and continues to move individuals from institutional settings to the most integrated setting possible. Local assistance reforms include returning individuals from more costly out-of-state placements, expanding services at a lower rate than projected, and annualizing rate reforms taken in 2011-12.

The Executive Budget reinvests a portion of these savings to support 2,300 new non-residential service opportunities for respite, crisis, employment, and community integration programs; over 250 new community residential opportunities; and funding to return all 92 individuals residing out-of-state to community residential options in New York.

- **OMH Actions.** The Executive Budget continues efforts to reduce unnecessary State Operations and local assistance costs via stringent cost controls and reduced use of inpatient services, while investing some of these savings into more effective community based programs. Local assistance reforms include shifting resources to programs that are more effective in helping individuals recover and achieve gainful employment, providing aid to supported housing providers consistent with regional per-bed pricing models, and converting residential pipeline units to lower-cost alternatives where feasible.

State Operations actions to reduce costs and improve operations include reducing agency administrative staffing levels, keeping certain individuals in the sex offender program in less costly prison settings longer when appropriate, authorizing the use of other entities to assist in providing sex offender programs, permitting video conferencing of certain sex offender proceedings, and continued placement of individuals from inpatient settings to the most integrated setting possible.

The Executive Budget reinvests a portion of these savings to support 1,000 supported housing units for residents of nursing homes (600 by the end of 2013); 5,100 supported housing beds over the next three years to deal with emerging needs, including individuals in adult homes and those moving to the community from State Psychiatric Centers (2,100 by the end of 2013); and 3,400 beds for the NY-NY III program (800 by the end of 2013). The budget also includes funding for mobile rehabilitation and crisis teams to provide skill development for people with psychiatric disabilities; training for primary care physicians to improve early identification of behavioral health issues in children; regional First Episode Psychosis Teams and Suicide prevention programs to

assist individuals with psychotic disorders; and one time IT enhancement grants for mental health providers to support the capacity development for transition to a managed care environment.

- **OASAS Actions.** The Executive Budget proposes actions that reduce costs in State Operations to support modest program expansion to better serve individuals with dependencies on alcohol and chemical substances. State Operations savings include system-wide efforts to reduce purchasing costs, streamline IT applications, and reduce agency administrative staffing levels. The local assistance reforms include expanding services at a lower rate than projected, and continuation of reforms begun in 2011.

The Executive Budget includes funding to support 25 new veteran's beds and 12 new residential treatment opportunities for women with children. In addition, \$1.5 million in funding — previously carried by OTDA — is available to support new supportive housing units for homeless families with members suffering from a chemical dependency in New York City consistent with the NY-NY III agreement.

- **Commission on Quality of Care Actions.** The Executive Budget will increase funding to strengthen the agency's core mission of protecting the health and safety of vulnerable individuals in the State's care, consistent with recommendations from the preliminary report from the Governor's Special Advisor on Vulnerable Persons expected to be released early in 2012. These initiatives include funding for five additional investigators to conduct broader systemic investigations in ways that will improve the State's ability to analyze and respond to allegations and incidents of abuse. Funding also will allow for transferring the ombudsman program from OPWDD to CQCAPD to provide greater independence for the oversight function of operations of State and non-profit facilities that house vulnerable populations.

### Other Actions

- **Centralized 24-Hour Hotline for Reporting Abuse and Neglect Allegations.** Pursuant to the preliminary recommendations of the Governor's Special Advisor on Vulnerable Persons, a new centralized 24-hour hotline will be established for reporting allegations of abuse and neglect of children, the developmentally disabled, the elderly and other vulnerable persons. The reporting system will include certain programs operated, licensed or certified by the Office of Mental Health, Office for People with Developmental Disabilities, Office of Alcoholism and Substance Abuse Services, the Office of Children and Family Services, the Department of Health and the State Education Department. The hotline will have a trained staff to screen, classify and route reports of abuse and neglect to the appropriate State agency for investigation. Funding will be housed within OCFS.
- **Behavioral Health Organizations.** Consistent with the recommendations of the Medicaid Redesign Team, OMH and OASAS now have the authority to contract jointly with Managed Behavioral Health Organizations (BHOs). These BHOs will be charged with managing behavioral health services for individuals with substance abuse issues and serious mental illness.