

The FY 2018 Executive Budget supports expansion of community-based care, strengthens the oversight of services for vulnerable persons, and makes investments to ensure that individuals are served safely in the most integrated and cost-effective setting possible. The Budget also combats the heroin epidemic through a significant expansion of prevention, treatment and recovery programs.

Overview

The Mental Hygiene agencies and associated not-for-profits provide services to individuals with mental illness, developmental disabilities, and addictions. These agencies are composed of the Office of Mental Health (OMH), the Office for People with Developmental Disabilities (OPWDD), the Office of Alcoholism and Substance Abuse Services (OASAS), the Developmental Disabilities Planning Council (DDPC), and the Justice Center for the Protection of People with Special Needs (Justice Center). The Mental Hygiene agencies support services for more than 1 million individuals, including more than 700,000 people with mental illness, 240,000 individuals with chemical dependencies or gambling problems, and 130,000 people with developmental disabilities.

Caring for New York's Vulnerable Citizens

The State's Mental Hygiene system provides care and services for individuals in institutional facilities, community residences and community settings. The State operates institutional and community-based services and research facilities. It also oversees residential, outpatient, employment, clinic, habilitative, and treatment programs operated by not-for-profit provider agencies that help individuals live in the setting they desire and lead full and productive lives.

The Budget reflects the Governor's ongoing efforts to fundamentally improve the protection and care of vulnerable individuals. Strategic investments are funded by programmatic efficiencies and system-wide solutions to reduce State operations costs in service delivery, purchasing, business services, information technology, and other areas. To ensure individuals

Budget Highlights

Invest \$200 Million to Combat the Heroin Epidemic. These funds will support prevention, treatment and recovery programs targeted toward chemical dependency, residential service opportunities, and public awareness and education activities.

Invest \$120 Million for OPWDD Program Priorities. Funding will support program reforms and provide new service opportunities to individuals currently living at home, or aging out of the school system.

Invest \$92 Million Annually to Improve Quality and Expand Capacity of OMH Services in Communities. The Budget adds \$11 million annually to expand capacity in less-restrictive, more integrated community-based settings.

Performance Profile

OMH Community-Based Care Expansion Increases Service Capacity While Eliminating Costly Vacant Beds. The expansion in community-based capacity since FY 2015 has resulted in 20,000 new individuals receiving services and funded over 1,000 supported housing beds. These investments have resulted in the reduction of over 500 unnecessary and expensive vacant inpatient beds.

Expanded Respite Services Help More People with Developmental Disabilities Live at Home. Over the past four years, the State has provided families with respite services that support more than 41,000 enrollments – an increase of over 7 percent. These services provide temporary relief to family caregivers, helping people with developmental disabilities live at home.

Support for More Independent Living. OPWDD rental subsidies have increased by 75 percent since FY 2013, helping more than 4,200 individuals reside on their own.

receive appropriate services tailored to individual needs and circumstances in a cost-effective manner, the Budget increases funding for community-based programs, and redirects funding from high-cost institutional services to more effective lower-cost program models that provide expanded services to more people.

Proposed actions for the Mental Hygiene agencies include expanding efficient community mental health services, right-sizing and improving State-operated inpatient services, investing in behavioral health provider systems to help avoid more costly inpatient services, enhancing employment opportunities for individuals with disabilities, improving the investigatory process for abuse and neglect complaints, placing cost controls on State agency operations, and maximizing payments from third-party payers.

The Executive Budget proposals result in Mental Hygiene system spending of \$8.4 billion in FY 2018, reflecting annual spending growth of \$223 million (2.7 percent).

Table 13: Summary of Spending (All Funds)

Category	FY 2017 (millions)	FY 2018 (millions)	Change	
			Dollar (millions)	Percent
OPWDD	4,115.8	4,251.2	135.4	3.3
OMH	3,368.0	3,437.4	69.4	2.1
OASAS	608.3	625.6	17.3	2.8
JUSTICE CENTER	41.1	42.1	1.0	2.4
DDPC	4.2	4.2	0.0	0.0
Subtotal	8,137.4	8,360.5	223.1	2.7
Adjustments*	(1,125.2)	(1,314.0)	(188.8)	N/A
Total	7,012.2	7,046.5	34.3	0.5

*Adjustments reflect spending of \$1.125 billion in FY 2017 and \$1.314 billion in FY 2018 for Mental Hygiene services that are reflected in DOH Medicaid spending.

Proposed FY 2018 Budget Actions

OPWDD

Governor Cuomo's commitment, demonstrated by budget investments and important policy reforms, has ensured the continued health and safety of individuals with developmental disabilities and improved the overall quality, availability and cost-effectiveness of community-based, person-centered services. This Budget continues the State's pledge to support individuals with developmental disabilities in the most appropriate community-based settings, and reflects a 3.3 percent annual spending increase. Specifically, the Executive Budget will:

- **Make \$120 Million Available for Program Priorities, Including New Service Opportunities.** The Executive Budget includes State resources that leverage a total of \$120 million in new funding on an annualized basis. This investment will continue helping individuals with intellectual and developmental disabilities who currently live at home or in residential schools as they transition to adult services in the OPWDD system. It also supports other programmatic reforms. Over the last several years, OPWDD has leveraged this funding and other resources to:
 - **Expand the Availability of Certified Housing Supports Communities.** OPWDD oversees and operates one of the largest community-based residential programs in the nation, ensuring some of New York's most vulnerable residents have safe and affordable places to live. The certified options include residences that are operated by both the State and its network of not-for-profit provider agencies, which provide 24/7 supports, or homes that offer less than 24/7 supervision for people who are able to live more independently. In total, OPWDD supports more than 37,300

individuals in community-based residential programs for a total cost of \$5.1 billion annually. Over the past four years, OPWDD has expanded these services by offering more than 4,300 individuals certified, residential supports in the community.

- **Support More Independent Living.** In addition to the more traditional certified residential options, OPWDD also supports people who reside on their own by providing rental subsidies to individuals who wish to live in an apartment in their community. Today, OPWDD authorizes rental subsidies to more than 4,200 individuals, an increase of about 75 percent from FY 2013.
- **Provide More Day Program and Employment Options.** Day and employment services are a crucial aspect of offering participants the personal, social and vocational supports needed to live in their community. OPWDD has invested significantly in these services, and increased the array of available employment readiness programs over the past four years. There are currently more than 78,700 enrollments in day and employment supports, representing a net increase of 2 percent since FY 2013.
- **Increase Respite Availability.** Respite services provide temporary relief to family caregivers, helping people with developmental disabilities live at home with their families for longer periods. Over the past four years, the State has provided families with respite services that support more than 41,000 enrollments – an increase of over 7 percent.
- **Commit \$15 Million to Develop Independent Living Housing.** The Budget provides \$15 million in capital funding to expand independent living housing capacity. This investment builds upon the agency's successes in providing safe and accessible residential opportunities for individuals with intellectual and developmental disabilities capable of living in an apartment of their own. These funds are in addition to resources that will be available from the five-year, \$20 billion affordable and supportive housing plan, which will help support the development of residential opportunities for people with intellectual and developmental disabilities.
- **Invest a Total of \$21 Million to Expand Crisis Services.** In 2014, OPWDD implemented the START (Systemic Therapeutic Assessment, Respite and Treatment) Program, which is a crisis prevention response model focused on ensuring effective treatment earlier, reducing dependency on higher service levels. The Budget provides an additional \$12 million above the FY 2017 investment to continue expansion of START services in the downstate area.
- **Dedicate \$24 Million to Transition Individuals to Community-Based Settings.** Consistent with the Olmstead Cabinet report and the requirements of the Federal Centers for Medicare & Medicaid Services (CMS), the FY 2018 Budget supports continued efforts to assist individuals to transition from developmental centers (56 individuals) and intermediate care facilities (100 individuals) to more integrated, community-based supports. As was the process with previous efforts to transition people from institutional programs, including the

successful closure of the Broome Developmental Center at the end of FY 2016, OPWDD will utilize a combination of not-for-profit and State-operated services to deliver these new community-based service opportunities based on the specific needs of the individuals.

- **Support OPWDD's Transition to Managed Care.** The OPWDD system will transition to managed care in phases, beginning with an enhanced care coordination model through the development of regional Care Coordination Organizations (CCOs) before a transition to a fully capitated rate structure. Beginning in late 2017, CCOs are expected to begin operations and will be rolled-out on a regional basis. Enrollment on a voluntary basis in managed care is expected to begin in 2019, and the transition to managed care is planned to be completed within a five year period. The Budget applies ongoing Department of Health (DOH) Global Cap resources to support the initial start-up costs of transitioning the OPWDD service delivery system from a fee-for-service payment structure to managed care. OPWDD is the last remaining Medicaid system to transition to managed care, which has shown enhanced quality outcomes and cost control for other Medicaid populations. Developing and implementing a managed care system for OPWDD requires short-term investments for start-up and administration costs at both the State agency and provider agency levels, which will be supported by DOH Global Cap resources. Any savings resulting from the implementation of care coordination organizations and managed care will be reinvested in the OPWDD system.
- **Establish Blue Ribbon Panel for the Institute for Basic Research in Developmental Disabilities on Staten Island.** The Budget will convene a blue ribbon panel to examine the feasibility of transitioning the Institute for Basic Research in Developmental Disabilities (IBR) from the OPWDD to the CUNY College of Staten Island (COSI). The panel will include prominent researchers, academicians, parents and political leaders.

OMH

The Executive Budget builds on Governor Cuomo's effort to expand community services and transition individuals to more appropriate and cost-effective community settings. With investments in community-based services made in recent years, OMH developed new mobile crisis teams, established first episode psychosis programs, provided additional peer support services, and funded the expansion of supported housing units throughout the State. The expansion in community-based capacity since FY 2015 has resulted in 20,000 new individuals receiving services and funded over 1,000 supported housing beds. Since FY 2015, the success of these community investments has resulted in the reduction of over 500 unnecessary, vacant inpatient beds. The Budget continues to improve quality and expand capacity of services in the community. Specifically, the Budget will:

- **Invest \$11 Million in Additional Community Services.** This additional annual investment will be used to expand community services based on regional needs reflecting stakeholder input, and is expected to reduce the need for more costly inpatient beds in FY 2018. Once fully implemented, this additional commitment will bring the total new investments since FY 2015 to \$92 million annually.

- **Fund 280 Additional Supported Housing Community Beds.** OMH will reconfigure 140 state-operated residential beds, which are less integrated and more costly to operate, and replace them with funds to develop 280 community-based, scattered site supported housing units in the same geographic area. These new units, when provided in tandem with access to other existing community services, will ensure the continued support and care of all individuals transitioning into less restrictive settings while keeping them close to their families.
- **Provide \$10 Million to Enhance Support for Existing Residential Programs.** The Budget increases funds for supported housing and single residence occupancy programs. This investment will help preserve access and maintain existing housing capacity as the State brings new housing units online through the Empire State Supported Housing Initiative.
- **Redesign Service Dollars Administration.** Service Dollars are funds available to meet the service plan needs of OMH clients by supporting a variety of emergency and non-emergency expenses for which there are no other resources. The Executive Budget proposes to standardize the oversight of Consumer Service Dollars, thereby ensuring funds are used consistently with OMH spending guidelines. OMH anticipates increased oversight and monitoring of these expenditures will lead to better use of the existing funds.
- **Transform OMH State-Operated Outpatient Clinics.** OMH will review clinic treatment services at all 85 State-operated facilities to reduce any overlap of services and ensure that clinics are operating at optimal patient capacity to address community need. This will allow each facility to redesign its clinic system and maximize its impact on the community it serves. Reductions will be targeted to low-performing facilities, which will enable remaining resources to be directed to clinics with higher productivity and capacity.
- **Revamp Hutchings Children & Youth Services.** OMH will evaluate and develop a plan to achieve efficiencies for the administration and care of Hutchings' Children and Youth inpatient services. The plan is anticipated to involve working closely with an Article 28 hospital that could be utilized to deliver existing OMH services, expand access to inpatient bed capacity, and improve the coordination and delivery of medical and mental health services for children in the central New York region.
- **Establish Jail-Based Restoration Programs for Certain Defendants.** Currently, defendants who are deemed incompetent to stand trial are treated at an OMH inpatient psychiatric hospital until they are restored to competency and returned to jail to await trial. This cycle often repeats itself with more than one visit to the inpatient psychiatric hospital, extending the time individuals are detained prior to trial. OMH will work with counties on a voluntary basis to develop specialized residential treatment units within their jails. The Executive Budget invests \$850,000 to assist county jails in making any necessary infrastructure improvements to provide these separate treatment units. This program has been identified as a best practice by the National Judicial College, and has been implemented successfully in nine other states including California, Virginia, and Wisconsin.

OASAS

Since Governor Cuomo took office, OASAS has been at the forefront of the State's aggressive effort to end the heroin and opiate crisis plaguing our communities. In June 2016, the Governor signed a comprehensive package of legislation that will increase access to treatment, expand community prevention strategies, and limit the over-prescription of opioids in New York State. This legislation, combined with additional financial investments to enhance prevention, treatment and other services, has increased OASAS's ability to better serve individuals struggling with substance use disorders (SUDs).

Although the State has made headway in addressing the crisis, there is still more work to be done. Specifically, the Budget invests \$200 million to combat the Heroin Epidemic, an increase of \$30 million from FY 2017. These funds will continue to support prevention, treatment and recovery programs targeted toward chemical dependency, residential service opportunities, and public awareness and education activities. Specifically, the funding will enable OASAS to implement the following initiatives:

- **Residential Treatment Beds.** The State will add 80 new residential beds run by not-for-profit providers. These new beds are integral for ensuring widespread service availability for those in need of inpatient care.
- **Opioid Treatment Program Slots.** The State will open 600 additional Opioid Treatment Program (OTP) slots, which will provide individuals with the medications they need, including buprenorphine, to help with the State's whole-patient approach to services and care.
- **Community Coalitions.** Funding for 10 new regional coalitions and partnerships will allow families, service providers, educators, law enforcement, State agencies and local leaders to increase cross-sector collaboration on the prevention and treatment of SUDs.
- **Family Support Navigators.** OASAS currently supports 10 navigator programs to assist and inform those seeking treatment and their families of options for insurance coverage and OASAS treatment systems. The Budget includes funding to add another 10 programs, for a total of 20 programs statewide, including two in each ESD region.
- **Peer Engagement.** Similar to family navigators, OASAS also currently supports 10 Peer Engagement programs, one in each ESD region. These crucial programs help individuals in need of treatment make connections from hospital emergency rooms to the OASAS treatment system, putting them on the path to recovery. The Budget includes funding to add another 10 programs, for a total of 20 programs statewide.

- **Adolescent Clubhouses.** These safe, welcoming spaces will help teens and young adults who are in recovery or are at-risk for SUDs to develop social skills that promote long-term health, wellness, recovery and a drug-free lifestyle. The Budget supports eight new Clubhouses, for a total of 15 statewide including five in New York City, two in the Mohawk Valley and one in each of the remaining ESD regions.
- **Recovery Community and Outreach Centers.** These facilities provide recovery supports in a comfortable environment to individuals and their families that are in, or seeking, recovery from SUDs. The Budget supports five new centers, for a total of 14 centers statewide, which provide information and education on how to access treatment supports and wellness activities, and they extend peer supports and volunteers to assist in all areas of the Centers' operations.
- **24/7 Urgent Access Centers.** Urgent Access Centers will be opened throughout the State to offer round-the-clock access to SUD treatment services. These 10 centers will help alleviate traditional "work day" delays in linking clients with appropriate treatment.
- **Recovery High Schools.** These "schools within a school" will help students in recovery learn in a substance-free and supportive environment. Legislation is included in the budget to establish a pilot program at up to two schools. These schools are expected to be operational in FY 2019 in hard-hit regions of the State.

Justice Center

To protect the health and safety of vulnerable individuals in the State's care, the Justice Center has primary responsibility for receiving, investigating and/or reviewing abuse and neglect allegations at certain facilities and programs that are operated, certified, or licensed by the following six agencies: OMH, OPWDD, OASAS, DOH, OCFS, and the State Education Department. The Justice Center is responsible for ensuring the safety and well-being of the approximately one million adults and children who, due to physical or intellectual disabilities, or the need for services or placement, are receiving care from one of the over 3,000 facilities or service providers overseen by the six State agencies.

The Executive Budget recommends \$54.5 million in new appropriations, providing the necessary funding for the agency to perform its key functions timely and efficiently.

Multi-Agency Budget Actions

The Executive Budget invests \$17 million to support the direct cost of FY 2018 minimum wage increases for direct care, direct support, and other workers at not-for-profits that provide services on behalf of OPWDD, OMH, and OASAS.