

**Testimony of  
Alison Burke  
Associate Director, Regulatory and Professional Affairs  
Before the Committee on  
Mental Health, Mental Retardation, Alcoholism, Drug Abuse and Disability Services  
New York City Council  
Hearing on  
The Implementation of Personalized Recovery Oriented Services and its Impact on Mental  
Health Services  
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Thank you for the opportunity to submit comments to you. I am Alison Burke, Associate Director, Regulatory and Professional Affairs at Greater New York Hospital Association (GNYHA). GNYHA is a trade association that represents the interests of approximately 250 hospitals and continuing care facilities, all of which are not-for-profit, charitable organizations or publicly sponsored organizations located throughout New York State and surrounding areas. GNYHA members are the largest hospital-based providers of services for the mentally ill population in the metropolitan area and are committed to the delivery of safe, high quality, and compassionate care to all of the patients they serve. GNYHA is submitting testimony today to present comments regarding the New York State Office of Mental Health's (OMH's) Personalized Recovery Oriented Services (PROS) initiative.

The goal of PROS is to integrate mental health clinical treatment, support, and rehabilitation in a manner that facilitates an individual's recovery and re-integration into the community. Support and rehabilitation services include psychosocial clubhouse programs that assist the mentally ill population with communication and socialization skills. In addition, supported employment and vocational training programs are offered to improve individual skills, reduce disability and restore individual functioning in the community. Lay people and peers often provide these

support and rehabilitation services in community-based programs. These services are distinct from psychotherapy and pharmacological interventions provided by licensed practitioners of the healing arts in large part provided by hospital-based programs. Integration of all of these services under the PROS initiative represents a significant restructuring of the mental health delivery system in New York State and will result in Medicaid payment for certain mental health services now supported by other funding streams. GNYHA and its member hospitals support the OMH goals of increasing accountability and improving the quality of services and outcomes for adult mental health patients in New York State. Hospitals also endorse the objectives of the PROS initiative to preserve consumer choice, increase employment rates among this population of patients, and provide adequate access to intensive rehabilitation services. However, GNYHA does have concerns about the Medicaid conversion of mental health outpatient support and rehabilitative services under the PROS initiative, which GNYHA has shared with OMH in writing and during meetings. GNYHA's concerns with certain elements of the PROS initiative are discussed below.

### **Need for Ongoing Assessment of Programmatic Impact**

While the PROS initiative is focused on consolidating and coordinating traditionally non-medical community-based support services for the mentally ill population, GNYHA and its members have concerns about the impact the PROS initiative will have on hospital-based mental health services for the severe and persistently mentally ill population, as well as access to necessary treatments by patients who are not recipients of Medicaid benefits. Notwithstanding these reservations, hospital-based programs in the mandatory conversion categories, including

but not limited to educational, socialization, and vocational support services of the PROS initiative, are planning for conversion in an effort to maintain necessary services for the mentally ill populations they serve rather than eliminate essential services. GNYHA and members planning for the PROS conversion have actively worked with OMH and commented throughout the planning stages of the PROS initiative. While OMH has accepted comments and implemented changes based on GNYHA recommendations, there continue to be concerns about the PROS program model.

The PROS model is complex with multiple license categories, co-enrollment rules that equate to enrollment prohibitions, and multiple payment schedules that are confusing to providers and will likely result in significant confusion among the patient population affected by the conversion. GNYHA has recommended that OMH consider a pilot or demonstration project of the PROS initiative prior to full implementation. OMH has indicated this is not possible. Therefore, to ensure fiscal and programmatic viability, GNYHA has recommended that OMH not implement PROS until it has undertaken a thorough assessment as to whether the objectives of the program have been met as evidenced by measurable outcomes.

A primary goal of PROS is the integration of services for the mentally ill population. However, PROS has three separate license categories that, while maintaining patient choice, do not eliminate fragmentation of care. The three license categories of the PROS model are Limited License PROS, Comprehensive PROS, and Comprehensive PROS with Clinical Treatment. The Limited License PROS will be licensed to provide vocational support and intensive rehabilitation services. The Comprehensive PROS will be licensed to provide vocational support, intensive

rehabilitation with the addition of community rehabilitation and support services. The Comprehensive PROS with Clinical Treatment will be licensed for each of the above service components as well as clinical counseling and therapy and medication management. Patients in PROS programs may receive each type of service from a different PROS provider. Multiple PROS providers can deliver a single PROS service component or multiple PROS service components. While the license categories under the PROS model progressively integrate service components, the patient may continue to receive each service type from a different provider. Therefore, the PROS goal of eliminating fragmentation may not be realized.

Hospital-based mental health clinic and continuing day treatment programs (CDTPs) have sufficient overlap in the populations they serve with the community-based support and rehabilitative programs. GNYHA members' outpatient mental health programs rely on support and rehabilitative services, currently provided in large part by community-based programs, to compliment the treatment offered by hospital-based programs by assisting patients with educational and vocational goals as well as restoring skills and providing supports necessary to allow an individual to live in the community. This multi-agency and multi-disciplinary approach provides the mentally ill population with comprehensive services in appropriate settings with appropriate staffing. The consolidation of services provided by these two distinct treatment communities will affect the nature of treatment the mentally ill population currently has available, which is collaborative and recovery oriented.

In addition, the PROS program has co-enrollment rules that will result in health care provider and consumer confusion. The complexity and pitfalls of tracking patients within the PROS

program, which will not have any formal enrollment system or Medicaid roster, is of great concern to GNYHA members. There will be no official way to verify that a particular patient is enrolled in the PROS program. This presents problems in that if a provider treats a patient who is actually enrolled in another PROS program, it will be at risk of non-payment. This is because the provider who bills Medicaid first for PROS services will be reimbursed, and a provider who may have simultaneously provided services (during the same monthly billing cycle) will not be reimbursed for services rendered. This lack of enrollment information will expose the PROS provider to financial risk as it would be responsible for this unmanaged utilization.

### **Need for Ongoing Assessment of Fiscal Impact**

The payment structure and reimbursements schedules for the PROS model also represent significant restructuring for the provider community. Reimbursement for PROS is based on a monthly case payment system that requires providers to track and calculate the total number of hours of service for each patient in a PROS program in the various program components of PROS. Providers will be required to track the number of hours for each service type and frequency for every patient in a PROS program. This billing structure is complex, labor-intensive, and must be completed promptly by providers that want to avoid the risk of non-payment due to co-enrollment rules discussed earlier.

Stakeholders, both hospital-based providers and community-based support and rehabilitation service providers, have uniformly communicated concerns about access to PROS programs for populations that do not receive Medicaid benefits. Currently, there are other funding streams for support and rehabilitative services. With the conversion of these services under the PROS

model, current funding streams are scheduled to end abruptly. It is not clear how programs will be reimbursed for patients without Medicaid benefits.

In response to concerns raised by downstate counties and providers regarding reimbursement schedules, OMH has made modest adjustments to payment schedules that take into consideration the regional differences in providing care. GNYHA continues to have concerns about the adequacy of reimbursement rates under the PROS model. OMH has stated that after thorough analysis, it found that total costs for upstate and downstate PROS programs are essentially the same. GNYHA suggests that additional analyses of the costs be conducted before final fee structures are established.

Finally, while GNYHA supports OMH goals of integrating clinical treatment, support, and rehabilitation in a manner that facilitates an individual's recovery and re-integration into the community, the PROS program model is not a recognized mental health service among commercial third party payers. GNYHA strongly encourages OMH to educate the third party payer community about the PROS initiative and encourage payers to recognize the PROS model for reimbursement purposes.

### **Inadequate “Safety Net” for Providers During the PROS Conversion**

Under the current PROS implementation plan there are limited resources allocated to assist the provider community during the PROS conversion. As with any major restructuring, this conversion will require significant support. Both hospital-based mental health providers and

community-based support and rehabilitation providers operate on very modest budgets. Delays in payment and lack of payment for services rendered can result in closures of programs that provide necessary services to the mentally ill population of New York State.

While OMH has committed to assist providers with their cash flow in order to meet potential revenue shortfalls as well as with start-up funding to assist those who do not currently have the capacity to bill Medicaid electronically, the amount of financial assistance and length of time such assistance will be available remain vague. Such a complex reimbursement and billing structure is likely to result in difficulties in the initial phases. GNYHA is unaware of a current billing program or vendor available to implement the reimbursement model of the PROS program.

## **Conclusion**

In conclusion, GNYHA supports OMH's agenda to improve quality and outcomes for the severe and persistently mentally ill population throughout New York State. In addition, GNYHA supports OMH efforts to secure federal assistance for the funding of the mental health system throughout New York State. However, GNYHA believes such a significant restructuring of the mental health delivery system should be implemented in a phased, deliberate fashion so as to minimize any anticipated and unanticipated consequences that may negatively impact the provider community and target population.

GNYHA is grateful for the opportunity to submit these comments and is available to assist OMH with initiatives aimed at improving the quality and outcomes for the severely and persistently mentally ill population of New York State.