

New York City Council

**Committee on Mental Health, Disabilities and Addiction
Committee on State and Federal Legislation**

Hearing Testimony:
Coordination of the State and City in the Provision of Mental
Health Care Services

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GREATER NEW YORK HOSPITAL ASSOCIATION

Introduction

Chairs Lee, Abreu, and members of the New York City Council Committee on Mental Health, Disabilities and Addiction and the Committee on State and Federal Legislation, my name is Alison Burke, Vice President at the Greater New York Hospital Association (GNYHA). GNYHA proudly represents all hospitals in New York City, both not-for-profit and public, as well as hospitals throughout New York State and in New Jersey, Connecticut, and Rhode Island. I work on behavioral health issues at GNYHA, an area whose importance has been highlighted by the COVID-19 pandemic. Thank you for the opportunity to testify today about the state of behavioral health care services in New York City and State.

As the largest providers of behavioral health services across the State, hospitals and behavioral health workers have found the past two years particularly challenging. GNYHA and our members greatly appreciate the level of coordination we have enjoyed with the City and State. GNYHA believes investing in behavioral health is the single best way we can improve the delivery of care to patients in need.

New York's Current Health Care Staffing Crisis

Behavioral health services in New York are underpinned by the workers who provide them. There is a major staffing crisis among health care workers, including in the behavioral health care space. Although it predates the pandemic for most safety net organizations, the COVID-19 public health emergency significantly worsened the staffing crisis New York City's hospitals face. Staffing flexibilities, including the authorization for out-of-state licensed staff to practice in New York, have been a key tool in helping New York's hospitals and other health care organizations meet multiple COVID-19 waves since March 2020. On September 28, 2021, New York Governor Kathy Hochul issued a declaration of disaster emergency specifically for health care staffing (separate and apart from the COVID-19 declaration) and has extended it numerous times in recognition that the pandemic has worsened the staffing crisis. The Governor's Executive Order provides hospitals and nursing homes with the necessary flexibility to maintain safe, high-quality patient care despite the statewide health care staffing challenges.

To address this crisis, this year's State budget includes a package of GNYHA-supported health workforce policies that address this crisis. These proposals include funding for hospitals and other health care employers to provide bonuses of up to \$3,000 to frontline, hands-on health and mental health workers structured to be paid out over time for the express purpose of retaining existing staff members. The budget also includes investments in loan repayment and clinical education support that will attract more people to this rewarding field. GNYHA also understands that New York State, as part of its application to the Federal government for investment in New York's health care delivery system through a Medicaid "waiver" proposal, is planning to ask for an unprecedented level of funding to further develop and retain New York's health care workforce.

New Investments in Behavioral Health Care

New York's hospitals and health care workers work tirelessly to save lives and improve the physical and mental health of New Yorkers, a task that became increasingly important and difficult due to the COVID-19 pandemic. Hospitals incurred greatly increased costs and reduced revenues as New Yorkers deferred necessary care. The pandemic also produced a mental health crisis with which we continue to grapple, but without adequate resources. Behavioral health services suffer from woefully inadequate Medicaid reimbursement. In 2020, Medicaid reimbursed only 54% of the cost of inpatient psychiatric care services. Commercially insured patients only represent about 25% of total revenue for these services, meaning public programs such as Medicaid are critical to ensuring that these services are available for all patients. This year's State budget represented a major opportunity for the State to invest in behavioral health services, given the State's mental health and substance abuse crises. GNYHA advocated for and supported many of the budget's new investments and provisions.

Hospitals provide robust behavioral health services to the Medicaid population and are the providers most likely to treat individuals with serious mental illness, but Medicaid rates for mental health services are extremely low. Without more funding, it will be extremely difficult for hospitals to maintain their current capacity, let alone increase it. For instance, one New York City-based hospital system reports that Medicaid only pays 55% of the costs for inpatient bipolar disorders and only 52% for inpatient schizophrenia cases.

To begin to address this issue, as part of the Human Services cost-of-living adjustment provision, this year's State budget provides a 5.4%, one-year increase for outpatient behavioral health services, including those provided by hospitals. It also provides several million dollars for loan forgiveness to recruit psychiatrists and psychiatric nurse practitioners and \$1.5 billion for supportive housing as part of the budget's five-year housing plan. The budget also mandates telehealth reimbursement parity for Medicaid and commercial plans, with limitations on the reimbursement of facility fees in certain circumstances. Telehealth greatly expanded in the behavioral health space during the pandemic, enabling continuity of care and providing much needed access. Lastly, the budget reinvests \$111 million from Medicaid managed care recoupments into behavioral health services and includes \$400 million (\$200 million State share) to enhance Office of Addiction Services and Supports programs and services to combat the opioid epidemic. In addition to the above budget investments, on February 18, Governor Kathy Hochul also announced that her Administration would invest \$49 million in various mental health initiatives, including \$27.5 million to enhance access to inpatient psychiatric services by increasing Medicaid fee-for-service rates by 20%.

We are hopeful that new investments in behavioral health will strengthen both inpatient and outpatient services, address the payment to cost gap, and support the recruitment and retention of highly qualified staff. And while there will always be a need for robust inpatient behavioral health

hospital services—sometimes they are the only option—care delivery is changing, and ambulatory services are a significant component of that future. Given the limited resources, it makes sense to provide other important community services, including ambulatory psychiatric care, that better reflect the latest clinical advances and community needs.

GNYHA strongly supported the Governor’s mental health initiative and the behavioral health investments included in the State budget. GNYHA will continue to advocate for Albany to build on this critical investment for behavioral health services during future budget cycles.

Conclusion

Despite the challenges presented by the staffing shortage and the ongoing pandemic, hospitals continue to provide essential behavioral services and are committed to maintaining robust behavioral health capacity. We are also hopeful that the State’s major investments in Medicaid, worker bonuses, and training and pipeline initiatives will help ease the health care staffing shortage and rebuild New York’s health care workforce. GNYHA looks forward to working with the New York City Council to strengthen our health care system and the behavior health services it provides. Thank you for the opportunity to testify today. I am happy to answer any questions you may have.