

# New York State Office of the Attorney General

Hearing Testimony:  
Mental Health

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**GREATER NEW YORK HOSPITAL ASSOCIATION**

## **Introduction**

Attorney General James, 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 State.

As the largest providers of behavioral health services across the State, hospitals and their behavioral health workers have found the past two years particularly challenging. Regardless, New York hospitals are committed to maintaining sufficient inpatient and outpatient psychiatric services. 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**

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'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, 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.

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. New York State has also proposed a five-year long, \$13.5 billion request for the Federal government to invest in New York's health care delivery system through a Medicaid "waiver," much of which will be used to further develop and retain the 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 the COVID-19 pandemic made more

important and difficult. Hospitals incurred greatly increased costs and reduced revenues as New Yorkers deferred necessary non-COVID-19 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 they are available for all patients. This year's State budget was 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 one-year, 5.4% 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. Behavioral health-related telehealth greatly expanded during the pandemic, enabling continuity of care and providing much-needed access. Finally, the State 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, the Governor announced on February 18 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 these 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. GNYHA strongly supported the Governor's mental health initiatives and the behavioral health investments in the State budget. We will continue to advocate for Albany to build on this critical investment in behavioral health services during future budget cycles.

## **From Institutional to Community-Based Care**

While the popular focus is often on inpatient services—delivered within a hospital’s four walls to patients requiring high levels of care—New York’s public and voluntary hospitals have in recent years shifted toward providing more outpatient services, particularly through the Delivery System Reform Incentive Payment (DSRIP) program. DSRIP, a State-Federal initiative that lasted from 2015 to 2020, successfully reduced avoidable hospitalizations, including psychiatric hospitalizations.

New York’s hospitals and health systems have made enormous investments in ambulatory psychiatric care. It is generally preferable, when possible, for psychiatric patients to access treatment and recovery services while remaining in the community, whether at home with the support of family members or in another non-institutional setting. There will always be a need for robust hospital inpatient behavioral health services—sometimes they are the only option—but 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. Any review of behavioral health service utilization in New York State must examine this trend and include ambulatory care data alongside inpatient data to get a complete picture of the services available and utilized by New Yorkers.

## **Conclusion**

Despite the challenges presented by the ongoing staffing shortage and the COVID-19 pandemic, hospitals continue to provide essential behavioral health services and are committed to maintaining robust behavioral health capacity. We are hopeful that the State’s major new investments will help ease the health care staffing shortage and rebuild New York’s health care workforce. GNYHA looks forward to working with you to strengthen our health care system and the behavioral health services it provides. Thank you for the opportunity to testify today. I am happy to answer any questions you may have.