BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

JOINT LEGISLATIVE HEARING

In the Matter of the
2015-2016 EXECUTIVE BUDGET ON
MENTAL HYGIENE

Hearing Room B
Legislative Office Building
Albany, New York

February 27, 2015
9:30 a.m.

PRESIDING:

Senator John A. DeFrancisco
Chair, Senate Finance Committee

Assemblyman Herman D. Farrell, Jr.
Chair, Assembly Ways & Means Committee

PRESENT:

Senator Liz Krueger
Senate Finance Committee (RM)

Assemblyman Robert Oaks
Assembly Ways & Means Committee (RM)

Senator Robert G. Ortt
Chair, Senate Committee on Mental Health
and Developmental Disabilities

Assemblywoman Aileen Gunther
Chair, Assembly Committee on Mental Health

Senator George A. Amedore, Jr.
Chair, Senate Committee on Alcoholism
and Drug Abuse

PRESENT: (Continued)

Assemblywoman Linda B. Rosenthal
Chair, Assembly Committee on Alcoholism
and Drug Abuse

Assemblywoman Ellen C. Jaffee

Senator Diane Savino

Assemblywoman Rodneyse Bichotte

Senator Jesse Hamilton

Assemblyman Clifford Crouch

Assemblyman Daniel O'Donnell

Assemblywoman Didi Barrett

Senator James Sanders, Jr.

Assemblyman John T. McDonald, III

Assemblyman Thomas Abinanti

Senator Jack Martins

2015-2016 Executive Budget
Mental Hygiene
2-27-15

LIST OF SPEAKERS

LIST OF SPEAKERS, Cont.

CHAIRMAN FARRELL: Good morning. Today we begin the 12th in the series of hearings conducted by the joint fiscal committees of the Legislature regarding the Governor's proposed budget for fiscal year 2015-2016. The hearings are conducted pursuant to Article 7, Section 3 of the Constitution, and Article 2, Section 31 and 32A of the Legislative Law.

Today the Assembly Ways and Means Committee and the Senate Finance Committee will hear testimony concerning the budget proposal for mental hygiene. I will now introduce members from the Assembly, and Senator DeFrancisco, chair of the Senate Finance Committee, will introduce members from the Senate.

I am joined by Assemblywoman Bichotte and Assemblywoman Jaffee and Assemblywoman Aileen --

ASSEMBLYMAN OAKS: Gunther.

CHAIRMAN FARRELL: -- Gunther. That's all right, I've only known you 20 years.

(Laughter.)

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CHAIRMAN FARRELL: Senator?

CHAIRMAN DeFRANCISCO: I'm joined by ranking member of the Finance Committee Liz Krueger.

SENATOR KRUEGER: And also -- hi, Liz Krueger. And I'm joined by the ranker, Jesse Hamilton.

CHAIRMAN FARRELL: First to testify is Ann Marie Sullivan, M.D., commissioner of the New York State Office of Mental Health.

Good morning.

COMMISSIONER SULLIVAN: Good morning.

CHAIRMAN FARRELL: If we sound happy, it's the last day.

(Laughter.)

COMMISSIONER SULLIVAN: Good morning. Thank you, Senator DeFrancisco, Assemblyman Farrell, Senator Ortt, and Assemblywoman Gunther and other members of the Legislature for this opportunity to discuss the 2015-2016 Executive Budget for the Office of Mental Health.

As you know, we are in a time of transformation in our healthcare system that

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challenges us to provide population wellness and illness prevention, quality patient-centered care, comprehensive services for the chronically ill, and all at a lower

cost to New Yorkers. This will require, as demonstrated so well in DSRIP, the Delivery System Reform Incentive Payment program, that we transform our system from one based too heavily on hospital use and institutional care to one that balances the need for community services. These services must focus on effective population health and wellness as well as acute and chronic care.

Our New York State mental health system must evolve in a similar way, and the proposed 2015-2016 budget supports that transformation of mental health in critical ways. Fortunately, this budget provides resources to help transform our system of mental health care so that it can provide the right level of services to individuals in their communities while containing growing costs. The Executive Budget, while staying within the 2 percent state funding cap,

significantly supports this transformative goal.

First, let me begin with the Medicaid redesign and the implementation of health and recovery plans.

Medicaid redesign is focused on providing substantially better care for individuals with mental illness by utilizing prevention strategies and maximizing wellness, while containing costs.

The 2015-2016 Executive Budget includes $115 million in Medicaid to continue a full range of behavioral health transformation activities such as integration of health and behavioral health services, facilitating the transition of behavioral healthcare services from a fee-for-service system to a managed-care environment, managed care start-up grants, Health Home plus expansion, Home and Community-Based Waiver service expansions, and targeted funds to preserve critical access to behavioral health services in communities.

It is especially exciting that the

waiver services in Medicaid managed care will for the first time, through health and recovery plans, pay for peer services, respite and crisis services, employment and education supports for those with serious mental illness, enabling each individual to reach his or her desired goals and full potential.

Second, this budget builds on last year's effort to transform the state mental health hospital system.

For decades, New York State has sustained a system of mental health care for its citizens which relied heavily on state-operated hospitals. New York's extensive state psychiatric center inpatient

capacity includes 24 facilities with nearly 4,000 budgeted beds. New York currently significantly exceeds the national average inpatient utilization rate at state-operated psychiatric centers. This has been costly and has prevented the investment of dollars in needed community services.

We now know that innovative and

effective community services can prevent avoidable inpatient admissions and readmissions, and that those dollars saved can be utilized at the front end of care to enable individuals to lead more enjoyable and productive lives. New York State's state-operated inpatient facilities serve approximately 1 percent of the total number of people served, yet they account for 20 percent of the gross annual system expenditures. The imbalance is not productive, and we as a state can do better.

The Executive Budget continues the promise made last year by fully funding preinvestment and making an additional outlay of $7.5 million -- $15 million full annual -- in funding for community reinvestment, which builds upon the $44 million of reinvestment enhancements that are continued from 2014-2015.

As you know, these funds, at the rate of $110,000 for every bed reduced, are

reinvested in the expansion of state and voluntary operated community-based services

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across the state.

Last year, through reinvestment dollars and working with our counties and community providers, we developed a wide range of new services, including supported housing, respite beds, mobile treatment units, and Home and Community-Based Waiver services for youth.

Third, the Executive Budget recognizes the pressure of rising housing costs by continuing and adding to rental stipends, as well as COLA support for direct care staff and forensic reentry services.

It is not possible to provide quality care without quality housing. Last year OMH was fortunate to be able to include an addition to the supported housing rental stipend of $550 targeted to downstate areas. This year the Exhibit Budget includes $10 million to further expand that much-needed rental stipend by an average additional $750 in areas facing fair market value cost pressures. These two increases help to bring many supported housing programs

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across the state closer to closing the fair market gap.

Additional housing investments in the

OMH budget include $20 million to fully annualize funding for 1,700 residential pipeline beds and for those coming out of adult and nursing homes and New York/New York III housing.

If quality staff are to be maintained in our mental health programs, then they need appropriate payment for their services. Following the promise made in last year's Executive Budget, the OMH 2015-2016 Executive Budget provides $20 million to fully fund a 2 percent salary increase for direct care staff and support workers on January 1, 2015, and another 2 percent salary increase in April 2015 for those same direct care support workers, as well as clinical workers. This is critical assistance for recruiting and retaining staff.

Individuals with chronic mental illness leaving prison are especially vulnerable to difficulties in reentering

society. This is why the Executive Budget includes significant funding of $22 million for an expanded forensic reentry program and prison-based OMH services.

This year we will be significantly expanding our long-standing partnership with DOCCS, the Department of Corrections, to include more comprehensive assessments, treatment and discharge planning for inmates,

as well as intensive outpatient treatment and specialized housing after discharge.

I firmly believe we can achieve a system of care for individuals with mental illness which applies integrated approaches that simultaneously improve care, improve population health, and reduce costs per capita. The Governor's budget strongly supports this goal.

And I will be happy to answer any questions you may have concerning OMH's budget. Thank you.

CHAIRMAN DeFRANCISCO: Thank you, Commissioner.

The first questioner will be Robert

Ortt, chairman of the Mental Health and Developmental Disability Committee. Oh, I'm sorry.

CHAIRMAN FARRELL: Yes, it's all right.

CHAIRMAN DeFRANCISCO: I'm sorry, he's in charge today. It was last night at 8:30. I was in charge. I couldn't remember.

(Laughter.)

CHAIRMAN DeFRANCISCO: I'm on a different standard time.

CHAIRMAN FARRELL: We're joined by Assemblywoman Rosenthal.

First to question on our side is Aileen Gunther.

ASSEMBLYWOMAN GUNTHER: Well, good morning, Dr. Sullivan, and thank you for coming here to testify this morning. And I know that you're very busy, and we appreciate the time. And it's been really great working with you.

So first I want to address some of the decrease in inpatient beds and the impact that it will have on the care of people in

crisis throughout the State of New York. And I also would like to differentiate between downstate and upstate, because I think that in downstate, in the city areas, that you have a lot -- there's many more choices, where in upstate New York we have transportation issues, we don't have crisis intervention necessarily. And I think there's a difference.

And I also think that, you know, the rate of bed closures -- and I know that throughout your testimony you talked about housing and the fact that you're investing in housing. But, you know, how quickly is that happening, and where are most of the investments going? That's a long question, I know, Ann.

COMMISSIONER SULLIVAN: Thank you, Assemblywoman Gunther.

In terms of housing, first, I think that we will have, when reinvestment is

finished, about 625 housing slots across the state. And those housing slots are earmarked for areas where we have --

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ASSEMBLYWOMAN GUNTHER: Six hundred and twenty-five?

COMMISSIONER SULLIVAN: Twenty-five additional because of reinvestment.

There are many, many other housing options, including New York/New York IV, including 1700 New York/New York III housing beds in the pipeline. But for reinvestment specifically, there will be 625 housing slots, and they are earmarked for the areas where we are downsizing the beds. So those housing services are being put up in the neighborhoods where the hospitals are downsizing the beds.

We've sent out the contracts. Some of them have -- we've allocated about $30 million of the $44 million in reinvestment. So most of those contracts are out there. Whether they are actually in place yet really depends on how quickly they were picked up by providers. But we are really increasing significantly housing. And those beds are slotted for individuals leaving the state hospital system and leaving

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Article 28 facilities.

Regarding the crisis services, again throughout the state much of the reinvestment dollars is being put towards respite beds and mobile integration teams. Mobile integration teams are home-based mobile teams that will be going out in other parts of the state depending upon how the community -- when we designed the dollars that would go into the communities, we did a lot of work with the local government units. And basically what they said they needed, some of this money was put towards.

So in some areas there are mobile crisis teams that are coming up with the reinvestment dollars. And actually more of those mobile crisis teams are upstate than downstate. And as well as integration teams as well as respite beds, and as well as home-based waivers for children.

But all this was done in conjunction with talking with the local government units and the stakeholders in those areas as to what they needed most, in their opinion, in

order to be able to successfully lower the beds.

ASSEMBLYWOMAN GUNTHER: You know, when I think about 625 beds, I know that a lot of the folks that are going into, you know, separate housing from a long-term-care situation, that they have dual diagnoses, a

lot of them have significant medical problems as well as mental health issues.

And the number 625, I'm thinking about in Sullivan County and Liberty, New York, I think they have about 40 patients there alone that have a mental health diagnosis that would really be part of the definition of moving out.

So 625 beds seem very -- or residential slots seem very, very small in comparison to the people that, you know, that I've traveled throughout New York that -- and the investment.

And also I'm really anxious about the timeline. I mean, this is, you know, a very complicated system with people that have more than just the mental health. Usually they

have a lot of physical disabilities too, or diagnoses.

COMMISSIONER SULLIVAN: Yeah, I think that, again, that was just from the reinvestment dollars. There are other beds in the pipeline. There are 1700 beds in the pipeline which are also -- when I say pipeline, I should say that are in the process of being allocated out from other sources of funding in the state. So there are more beds coming up.

But you are correct that probably we are still not at the point where we can say

we have enough beds across the state. I think each year we have been incrementally increasing, but there is still a need for some additional beds.

The other, on the patients with multiple problems, yes. And actually we have bridger teams that we're putting up and some supports to help individuals move into supported housing where they will receive more wraparound services. So that would be like more frequent visits from a social

worker or a care worker to make sure that they are doing well in housing. And we found that when you wrap those teams around housing, they're more successful in helping the mentally ill stay in housing and be productive in the housing situation.

So we are increasing those as well with some of the reinvestment dollars.

ASSEMBLYWOMAN GUNTHER: So I'd like to address the distribution of beds. I mean, are they New York City-centric? Which I know they need a lot of beds in New York City. And when I think about housing in New York -- and a lot of this would be considered low-income housing. We have so many homeless people already in New York. So where is this community of people going to fit in?

And the distribution is important, and also the timeline.

COMMISSIONER SULLIVAN: Yes. Well, the timeline, this year so far we have closed about 259 beds. And we will be, over the next year, probably closing another 200 beds across the state. Many of those may be in

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the city. Some will also be upstate. But we will be working to get the housing contracts and things in place before those beds come down.

And also we've followed the letter of the law in terms of the requirement by the Legislature for 90 days, where it's shown that we don't need those beds for 90 days before we've lowered any bed. And we've worked with communities to make sure that that is the case.

So in the places where we have so far lowered the beds, we've been successful in putting up enough community services, I think. But we have to keep monitoring and looking to be sure that what we're putting in place really serves the needs of the community.

ASSEMBLYWOMAN GUNTHER: And, you know, in upstate New York we have a real problem with psychiatry and having the folks that actually can do some of the treatment with people that are being discharged from what I would consider almost a safer environment to

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like a more independent environment. Not that I think it's a bad thing that people move into their own home. Everybody wants to have that happen.

But my fear or my trepidations are that when I look at psychiatry -- and I'll use my own county in Sullivan County, Ulster County, Orange County, we have little to none. And sometimes -- we had two psychiatrists come to Orange County, and they were booked up solidly until the end of 2015. And so they have really very little access to psychiatry.

And I'm sure, because of the reimbursement rates from our insurance company, which again should be addressed -- but I'm sure it's not any different in New York City than it is in upstate New York with this lack of availability of treatment from a professional.

COMMISSIONER SULLIVAN: Yeah, I think you're absolutely right. One of the things that we're hoping will help is we've changed some of the regulations relative to the use

of telepsychiatry. And in some ways I think we haven't used the electronic-medium world as much as we could in psychiatry.

So with telepsychiatry, we're hoping that we can have hubs of psychiatrists who can then do with -- for example, a client

would come in with a social worker and then have an interview with a psychiatrist via telepsychiatry, and often those psychiatrists can be in certain sections, often academic medical centers in certain parts of the state, and we think that will really hopefully improve the access to psychiatric consultation and the ability to have psychiatrists.

The recruitment across the state is difficult, and there are national shortages of both psychiatrists and child psychiatrists. So we're hoping telepsychiatry will help, and we're also hoping that we can try to attract, you know, some of our younger psychiatrists into some of the areas, and we're trying to do that a lot. But it's difficult. It's difficult.

ASSEMBLYWOMAN GUNTHER: A lot of times I think it's the reimbursement issue that really prevents -- you know, stops people from coming to New York.

COMMISSIONER SULLIVAN: Yes. Yes.

ASSEMBLYWOMAN GUNTHER: And I think I would say four years ago, in Rural Resources, they passed the telemedicine legislation. And actually it was based on a gentleman coming and testifying about his grandson and the fact that there wasn't a child psychiatrist. And it's been underutilized

since then, absolutely underutilized. So what can we do to, you know -- you know, I know they can credential, there's a distant location. But we haven't really utilized that, and it's been four years.

COMMISSIONER SULLIVAN: No, I agree. And I think one of the things that we've done is we've eased the regulations so that within clinics across the state, telepsychiatry can easily be utilized and billed for.

And then the other issue is just getting -- working with groups of

psychiatrists to do it. And we're going to be doing that at the state level. So we will be working with groups of psychiatrists.

For example, we have Project Teach, which is a pilot which has been very successful, which is a group of child psychiatrists who are available by telepsychiatry to work with both mental health professionals and primary care physicians. And we've been doing that for a couple of years, and it's been very successful. So we want to expand that. That's a good way to get child psychiatry out there. And we're going to expand a similar phenomenon to that for adult psychiatry as well.

But you're absolutely right, we have not picked this up and expanded it the way we

should have.

ASSEMBLYWOMAN GUNTHER: And the last question I have is about choice. For instance, if somebody has been living in assisted living and they have their friends, their social life, do they have the option to

stay where they are?

COMMISSIONER SULLIVAN: Oh, sure. Sure. Absolutely.

CHAIRMAN FARRELL: The clocks are dead, but --

ASSEMBLYWOMAN GUNTHER: Okay, sorry. Thank you.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN FARRELL: For the dais, it seems we've lost a clock. I'm the only one that has it. I will notify you when you're one minute. Okay? Thank you.

And we've been joined by Assemblyman McDonald.

ASSEMBLYMAN OAKS: And Assemblyman Crouch.

CHAIRMAN FARRELL: Senator?

CHAIRMAN DeFRANCISCO: Senator Ortt.

SENATOR ORTT: Good morning, Commissioner. Thanks for being here.

COMMISSIONER SULLIVAN: Good morning.

You're familiar, I'm sure, with the regulation, the OMH law which requires notification of 12 months whenever there's

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any significant service reductions.

COMMISSIONER SULLIVAN: Mm-hmm.

SENATOR ORTT: There was an agreement with -- in fiscal year 2015, in the enacted budget, that required reports from OMH on bed reductions. OMH reported bed reductions at Creedmoor, 22, as well as New York City Children's Center, of 28, that were not planned for under the original RCE plan in fiscal year 2015, and there was no 12-month notification.

Were you aware of those reductions? And can you explain why those were done without the 12-month notification.

COMMISSIONER SULLIVAN: Yes. Yes, I'm aware of the reductions.

And two things. One, we have been following the legislative side letter which said that basically beds which were held vacant for up to 90 days could be reduced with notice to the Legislature. So that's what we have been utilizing as the benchmark for making decisions about lowering beds.

In both those hospitals, those beds

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had been vacant for a considerable period of time and it really didn't make sense necessarily to keep them at the same level. They're also not -- they are, relative to the

total number of beds, not that significant of a reduction. One I think is a 6 percent lowering, and other one is maybe a 10, 11 percent lowering of beds.

So -- but we've been following the side letter, and that's been my understanding, that the side letter, which was passed by the Legislature, has given us the authority to lower beds which are vacant for 90 days. And we've been very careful to make sure that they are vacant for 90 days, and that basically there is no waiting time, significant waiting time for anyone to get into those facilities.

SENATOR ORTT: Okay. In 2015 there was proposed reducing the number of inpatient beds at state-operated centers by 399. To date, OMH inpatient beds have been reduced by 259. There's 140 remaining beds to be reduced. Can you tell me where those will

be, and how those decisions are made?

COMMISSIONER SULLIVAN: The decision will be made based upon getting the community services up in those areas so that we can really monitor and safely decrease the number of beds.

So they will be at various locations across the state. They will probably generally follow the numbers that we saw in the initial plan. But we modified it because

again, based on the side letter, if there's a 90-day vacancy and we feel that that community, we have been successful in lowering the beds. So they will be in various places throughout the state. I can't tell you exactly which facilities.

SENATOR ORTT: It would be your contention that the community services would be in place prior to those reductions?

COMMISSIONER SULLIVAN: Yes. Yes.

SENATOR ORTT: Last year the Senate proposed funding to expand crisis intervention teams. It was approved and implemented in recent months. Obviously we

were disappointed, I was disappointed that the Governor did not choose to annualize this in his budget.

Can you give me an update on the CIT teams from your perspective and how maybe we can go about expanding them to increase security in our communities?

COMMISSIONER SULLIVAN: Well, the CIT training programs and the CIT teams have been put up I think it's in six counties. And I think they've done a good job, from what I've seen, in terms of training police and working in a partnership with police on CIT training.

The localities I think so far have been very pleased with what happened. And I think we're still getting feedback. I think

it will take a little time to get the data. But everybody I think is expecting.

So I think part of it is to make sure that they are being effective. I'm pretty sure they probably will be. But I think they might need some time to evaluate that further.

SENATOR ORTT: Okay. Commissioner,

I'm very concerned, as we spoke previously, about the recommendation to decrease the number of state-operated psychiatric center inpatient beds by 137 in the 2016 budget. What impact will that reduction of inpatient beds have on the closure of the Western New York Children's Psychiatric Center?

COMMISSIONER SULLIVAN: Well, the Western New York Children's may or may not have any reduction in beds. Western New York Children's is really being proposed to be consolidated with Buffalo. So that may or may not result in a somewhat decreased bed census. That would only be if we found that by the community services, those beds could be slightly reduced.

But the plan for Western is really not to reduce the beds significantly in any way, it's to move those beds and consolidate on the Buffalo campus.

SENATOR ORTT: And as a psychiatrist, what's your position on prescriber prevails

and the state's plan to do away with prescriber prevails?

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COMMISSIONER SULLIVAN: You know, I think it's very important, it's always important that patients get the medications that they need. I think there has to be a balance between psychiatrists and insurers. I do think that the way it is stated now, if prescriber prevails was not there, that there would be a reasonable authorization process that you could go through with the insurance companies. And there is an appeal process in the event that basically the insurer and the physician should disagree.

So I think there are protections there. And I think it's important that we be able to get our patients the medications that they need.

SENATOR ORTT: But you're okay with the current proposal to do away with prescriber prevails as it exists today?

COMMISSIONER SULLIVAN: I think it could work. I think it can work.

SENATOR ORTT: Just for the record, I would like to say that it is my opinion that the 90-day vacancy period doesn't trump

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existing law. That's my understanding. Perhaps we can further discuss that.

But thank you for being here,

Commissioner.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN FARRELL: Thank you.

Next, Assemblywoman Bichotte.

ASSEMBLYWOMAN BICHOTTE: Hi, good morning. How are you?

COMMISSIONER SULLIVAN: Good morning.

ASSEMBLYWOMAN BICHOTTE: It's a pleasure to be here this morning. I did have a couple of questions.

I do have some concerns around just the overall immediate transition from the institutional settings to the community-based settings. I just simply don't think in the time frame that we're projecting, we will have the resources. I'm not convinced that there's a clear-cut tangible plan. And maybe after this we can take a look at it.

But, you know, we have to realize that everything is not about costs, immediate costs or savings. Because when you close a

door in one area, you're just opening up other burdens in other areas. For example, we transition these patients out of the institutional area, and we might be creating homelessness, higher crime rate, higher substance abuse, and our monies will be reinvested in prison facilities.

So my question is around the substance abuse. I notice that there's an increase, a

$5 million increase for opiate abuse prevention and treatment programs. So my question is, are you expecting to have more patients to be opiate abusers, and is it a result of the transitioning?

COMMISSIONER SULLIVAN: The $5 million for addressing that is really Commissioner Arlene Sanchez, from OASAS.

ASSEMBLYWOMAN BICHOTTE: Okay. Okay, I'm sorry.

COMMISSIONER SULLIVAN: So in terms of opiate use.

ASSEMBLYWOMAN BICHOTTE: Okay. okay. Well, so can you -- and I know you touched on it a little bit, but can you give me a

clearer sense of some of the programs in particular in Brooklyn -- I represent Brooklyn -- that you'll be readily available for those beds or those transitions that are taking place?

We're hearing that there's a lot of beds that are transitioning from Brooklyn to Staten Island, and so we want to know what is the reinvestment plan for the area of Brooklyn in New York City in particular.

COMMISSIONER SULLIVAN: Yeah, we're working very closely with the Department of Health and Mental Health of the city on the plan for New York City. And some of the things that will be in Brooklyn are

additional supported housing beds, which are apartments, with intensive wraparound services.

So individuals discharged from either Article 28 hospitals or from RPCs, there will be a team that will work with them in terms of their adapting to being in the community and work with them, visit them in the home, et cetera, to make sure that their experience

in housing works.

You know, when we've been doing this across the state, we've had a very low return rate to state hospitals because we've been very careful about bridging the individuals who are leaving the state hospitals to community-based housing.

The other thing that will be in Brooklyn, we will now be supporting, out of these dollars, parachute services, which is an interesting respite and mobile crisis team combined service for individuals with serious mental illness who, when they are having a crisis, instead of going to a hospital, can go to these respite beds, and there's a mobile crisis team that is associated with that respite bed, as well as the mobile crisis team does work in the community as well.

There will also be additional home-based crisis services for children in

Brooklyn.

So there are a number of crisis, mobile team and housing initiatives which

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will be coming up in Brooklyn. And in our thinking, those were the things that are probably most helpful in keeping individuals out of the hospital. So those are the services we will be putting up.

ASSEMBLYWOMAN BICHOTTE: What kind of model are you using for the housing? Because, you know, if you're looking at a transitional model, a housing model, will it be regulated? Because currently some of our transitional housing is not well-kept, you know, rodent-infested, not clean, not sanitary. And we want to make sure that our patients have a clean, safe, healthy environment to go to that's regulated.

COMMISSIONER SULLIVAN: Any licensed regulated housing by OMH, if you see any that isn't clean and well-kept, I would really want to know. Because we do a lot of reviews, we go out and we do site visits, et cetera, to make sure that those services are in place and that they are appropriate.

For the supported housing apartments, we make site visits to those apartments to

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make sure that the housing providers that

have gotten those apartments -- we're funding them, so we have the right to go, if the client gives us permission, into that apartment and see is this what really is a good living situation.

So we are monitoring both. So if there's any place that you see or you've heard of, truthfully, I would like to know. Because we're very, very careful about making sure that when our clients go into housing, it's the right kind of housing.

ASSEMBLYWOMAN BICHOTTE: Okay. Thank you.

CHAIRMAN FARRELL: Thank you.

Senator?

CHAIRMAN DeFRANCISCO: Senator Hamilton.

SENATOR HAMILTON: Good morning, Commissioner Sullivan. How you doing today?

CHAIRMAN DEFRANCISCO: Excuse me. We're joined by Senator Savino.

SENATOR HAMILTON: Okay, don't start the clock yet, then. Okay.

Good morning, Commissioner Sullivan. It's good to see you today. I just want to say that mental health is an important issue to me and my family. I have family members who do have mental health issues. My office is on top of a mental health facility, to let people know that there should not be a stigma

on people with mental disabilities. And especially in communities of color, there's a stigma on getting help for people with mental disabilities. And we're trying to take that stigma away. That's why my office is on top of a psych center.

In saying that, a concern of mine is the people who wind up in the prison system. Usually they have psychiatric problems which were never addressed through childhood, young adulthood, and eventually they fall through the cracks and they wind up in the criminal justice system. And I don't think the criminal justice system should be a place for someone to get psychiatric care.

And I'm just trying to find out how many adults now in prison have mental

disabilities?

COMMISSIONER SULLIVAN: In the prison system, about 2100 -- there are 54,000 inmates in the state prison system. And about 2100 have serious mental illness, and about another 7200 at any point in time are on our caseload for having a mental illness as well. So it's about 9300 of the 54,000 in the prison system.

And within the prison system we have a very elaborate system of care, that we actually have an -- we have, in the prison system, an inpatient unit. We have, in the

prison system, step-down residential units in different prisons for individuals with mental illness. And then we have almost the equivalent of outpatient clinic services throughout the prison system for individuals with mental illness.

SENATOR HAMILTON: Yes. I want to commend you for increasing the budget for individuals leaving prison by $19 million. I think that's great. It's a great idea for supportive services when these individuals do

get out of the prison population.

So in addition to that, with the youth, I know there are youth being incarcerated. I don't think the youth who have mental disabilities should be incarcerated. I don't think for the developmental mental process that they benefit from being incarcerated or being put in solitary confinement.

Can you give me suggestions on how we should treat the 16-to-17-year-olds and below?

COMMISSIONER SULLIVAN: Well, I think with the Raise the Age bill which is actually being put before the Legislature, we hopefully would move all of those individuals out of the prison system.

Right now we have about 100 youth in the prison system, and about 24 of those are

on a mental health caseload. And I think with the Raise the Age, all of those would be essentially -- unless it's the most egregious crimes -- would no longer be in the prison system.

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And I absolutely agree with you that moving those clients out and into appropriate places where they can get both mental health treatment and the other things they need to pursue life and to get that real second chance is very important.

SENATOR HAMILTON: Thank you, Commissioner. I just want to commend you also for increasing the budget for outpatient services for people incarcerated. But New York City is a difficult place to live right now. In my neighborhood, a new building, a studio apartment starts at $2,200 a month. The allocation for individuals coming out in New York City is only $750 per month. So what happens is, it's no fault of your own -- the way the budget is now, we have to increase the budget. Because when they do come out, $750 just gets you into a rooming house or into a room.

So we have to be more creative. You are being creative. But can you just tell my fellow colleagues what we can do for the supportive housing for individuals who live

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in New York City?

COMMISSIONER SULLIVAN: Well, one of the things, especially for the forensic population is we work with specific providers, because they're very good at working with the population and also getting housing in areas that will accept, you know, forensic patients.

So we've been successful with a pilot project in New York City which has wraparound services and medical treatment services and has reduced the return to prison by about 50 percent. And that's what we're going to be expanding. So we will be working with a team that so far, despite all the issues in the city, has been able to find some.

But you're absolutely right that we are not -- the market-rate values is an issue. Each year we've been increasing the support for those market-rate values, but we are not there yet in terms of having enough dollars to make it easy to find the kind of housing, whether in the city or across other key areas of the state as well, it's equally

as difficult to find housing.

So we need to increase and keep increasing, and that's what this budget does, again, is increase the stipend for housing.

SENATOR HAMILTON: Yes, where I live at we do have supportive housing, and we do

work with those individuals to make sure they integrate into the population. I think it's better to get individuals into the general population rather than being segregated with other individuals with mental disabilities.

You mention in your document that you've given to us that 1 percent of inpatient care accounts for 20 percent of the budget. And I'm just trying to figure out how can we be more proactive in identifying young children at an early age with mental disabilities -- not children who have behavioral problems, but children who have mental disabilities -- to help them out.

Sometimes teachers want to label a child with a mental disability as a behavioral problem, and then they get medication. Which some may need, some not

need. I'm an advocate for not having medication on individuals.

So can you just give some insight to my fellow colleagues in government on how we can improve on the front end in dealing with mental disabilities, rather than spending $100,000 per patient bed and spending $40,000 to $60,000 for someone to be incarcerated. When you take a small fraction of that on the back end and put it on the front end, I think society and the general population and individuals who do have mental disabilities

can be integrated back into society and live a perfect lifestyle.

COMMISSIONER SULLIVAN: Yeah, I absolutely agree. And I think one of the things that we have been doing is an outreach and screening program that goes into primary care clinics and into some schools. And we've found, in doing that, that we get about a 15 percent yield of individuals who have enough of a mental health issue or problem that they need to at least be assessed, and then some of them get mental health

treatment.

So that screening process, whether it's in the school or in primary care clinics, is particularly important. And the younger you get to start looking at problems that families are having or children are having, I think the more effective your prevention can be.

So I do absolutely agree with you that it's very important that we begin to have more programs like the one we have of doing that kind of screening at younger ages as we look at the problems that children and families have. So we do have it in some places, and it's been successful where we have it.

SENATOR HAMILTON: Last quick question. What age do you think we should be

identifying young individuals with mental disabilities to get them assistance to live productive lifestyles?

COMMISSIONER SULLIVAN: You know, there's a lot of data that shows that the trauma that a lot of families experience,

whether it's the trauma of poverty or the trauma of crime, affects children as young as one, two years old, three years old. So a lot of the early prevention literature now is going back further in time, saying you're not going to necessarily see it then, but if you don't start to prevent sooner, you will see it more obviously at the age of four, five, et cetera?

So thinking about these things earlier is better.

SENATOR HAMILTON: Thank you, Commissioner, for your support. Thank you.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN FARRELL: Thank you.

Assemblyman Crouch.

ASSEMBLYMAN CROUCH: Thank you.

Good morning, Commissioner.

COMMISSIONER SULLIVAN: Good morning.

ASSEMBLYMAN CROUCH: A little over a year ago, or about a year ago, we were discussing about the closing of the Greater Binghamton Health Center, and an agreement was reached to sustain the closure in

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exchange for downsizing from 90 beds down to 60 beds. And with the opportunity for reinvestment of that savings back into the community.

Can you give me an update of where we are, what's happened in Broome County to reinvest back into the community, where we are? Are we at full reinvestment, or we've got more planned or --

COMMISSIONER SULLIVAN: We have been putting the -- we have been opening up the services in Broome County. We have not, to date, lowered by the number of beds that we had initially projected.

And this is one of the areas where it would be just -- you know, as I said, we're being very careful about lowering the beds. And I think we might, as we begin to get more and more services up. But so far, we have not really decreased much of the service delivery system in Broome County.

But we're putting up the services, and we feel that once they're up there, we may be able to reach those targets.

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ASSEMBLYMAN CROUCH: It's been my understanding that there always is maybe not enough beds, so -- as a matter of fact, last year, probably about May, I had a constituent

call, and her 12-year-old son had sort of gone off the deep end, she had to pry his hands off the throat of her 18-month-old toddler, and she ended up having to take him to the hospital. And they got him quieted down for a couple of days, but there was no real place for him to go for a longer term. She ended up having to drive him down to Long Island, to a hospital down there that her family member worked at in order to get the services.

I related that to some staff, and, you know, it just basically told me that we don't have the services that we need in Broome County. So I'm very cautious, I wanted to see where we were.

There was a comment made to me just the other day that Broome, Tioga, Delaware, and I believe Chenango County each are supposed to get $87,000. Can you tell me

what that's supposed to go for?

COMMISSIONER SULLIVAN: I'm not sure about that. Particular number, what it's supposed to go for. I can get back to you, Assemblyman. I'm sorry, I'm not sure about that specific --

ASSEMBLYMAN CROUCH: I appreciate that.

The schools that I've talked to -- my district crosses three different BOCES

regions, and so I get a chance to sit down with the BOCES superintendents and the board members and so forth. But one of the top things has always been more mental health services in schools. And obviously, as we just had a little discussion earlier, the earlier we can provide services to some of these young people yields benefits 15, 20 years down the road. Because there's a lot of abuse, sex abuse, physical abuse, dysfunctional families, bullying in schools -- there's a lot of issues there that, from a mental health perspective, if it was available, we could solve a lot of these

issues.

So what's your take? I mean, is there programs that you're developing or helping to put into schools?

COMMISSIONER SULLIVAN: There's about -- I think we have probably about 250 across the state. Which is not a lot, but they are there, mental health programs in schools. Some of them are freestanding and some of them are connected to primary care services in the schools.

And when they're connected to primary care, I think that they often are self-sustaining in terms of billing Medicaid. But they can be very helpful.

We've also done a lot of educating

with teachers and others on mental health issues in schools. And I think that's another way to extend what you do as well. I think that through our outreach programs we've gone to schools, we've educated on issues of bullying and suicide, to help teachers be what we call gatekeepers who know and then can be aware of individuals and

families and kids who maybe need to be referred for mental health services in the community.

And we've also done some of the screening in schools. There's a small number that have worked with us to do some screening on-site.

So I think there are things going on in the schools, and there are some best practices. And I think when they're there, they have been shown to have good effects.

ASSEMBLYMAN CROUCH: I guess my concern is if anybody was listening to the call for more mental health services in the schools. I've passed that on through the last two years now in various conversations, a couple with the Governor's people and so forth.

And I think that's something that we need to really listen to and just keeping enhancing that service as we go further down the road because it's going to be so critical

trying to turn these young lives around at an early stage and give them the support

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services that they need.

You know, my last question I wrote down is for the next testifier, so I'll stop now. But thank you for your comments.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN FARRELL: Thank you.

We've been joined by Assemblywoman Didi Barrett.

Senator?

CHAIRMAN DeFRANCISCO: Senator Savino.

SENATOR SAVINO: Thank you, Senator DeFrancisco.

Thank you, Commissioner. I promised Senator DeFrancisco I only had one question, because you've actually answered several of the questions from other legislators. But I want to go back to the issue of setting the fair-market rental rate in --

COMMISSIONER SULLIVAN: Your microphone is not on.

SENATOR SAVINO: I'm sorry. I want to go back to the issue of the fair-market rental rate and setting the stipend for supportive housing. Because by -- we have an

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analysis that was done for us that shows there's a total of 17,390 beds but 14,425 of those beds are below the fair-market rental

rate, almost all of the ones in New York City and many of the surrounding counties.

Knowing how difficult it is to site supportive housing programs to begin with -- and you speak to any of your providers, they will tell you between community opposition and, you know, real estate values it's hard enough. How are we going to provide stable supportive housing if we're not providing the adequate stipend so that they can actually produce them? That's my one question, I promise.

COMMISSIONER SULLIVAN: Well, it's a good question.

But I think -- thank you. I think we've been gradually trying to get the stipends up. And I think there were a number of years where the stipends weren't increased, which gave us the kind of lag that we're dealing with now in terms of moving the stipends.

Last year there was $7.5 million put into increased stipends. This year there was $10 million to put in to increase stipends. It brings some areas a bit closer to fair-market value but still does leave a gap in many areas in terms of not being at the fair-market value across the state, not just in New York City.

SENATOR SAVINO: Well, let me just --

I would say that if almost 15,000 of the units are below fair-market value, I think we have a lot more work to do. But thank you for your answer.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN FARRELL: Thank you.

Assemblywoman Jaffee.

ASSEMBLYWOMAN JAFFEE: Thank you very much.

And thank you, Commissioner. I wanted to follow up with a question regarding the rental subsidies and the concern in various communities in terms of that kind of supportive housing.

But also the other part of that

question is what types of services and programs are available in the community to ensure that those who are put into these -- provided these rental opportunities, and they are now being transitioned to the integrated settings, what kind of programs are available in the community to provide assistance for these individuals? OMH will have oversight of these programs? How is this moving forward?

COMMISSIONER SULLIVAN: Yeah, thank you.

Every individual who goes into housing will have a care plan. And the care plan will include a care coordinator who will

design what services that individual needs. And that's services from social services, which might include certain entitlements, all the way to the treatment plan they need, what may be rehabilitation services.

Throughout the state we have a variety of recovery programs and programming which helps individuals really get back into productive lives, which include things like

education supports and employment support.

So those treatment plans are developed for each of the individuals who go into the housing. And then in addition they have a person who works with them to make sure that they can participate.

Now, obviously patients have choice and it's up to them how they design that plan with the worker. But it is something that all the individuals which we're putting in -- who are choosing to go into the supported housing, that we have these care plans available and then we work with them on an ongoing basis.

ASSEMBLYWOMAN JAFFEE: And generally what is the ratio of the care coordinator to the number of residents?

COMMISSIONER SULLIVAN: It can vary. We have some bridger programs where it might be 1 to 15, maybe 1 to 20. And we're trying to keep it within that caseload. Sometimes

the care coordinators in some programs, it may be higher.

ASSEMBLYWOMAN JAFFEE: You know, that

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is a very real issue, in speaking to providers and, in the community, families. The issue of employment opportunities, training for employment, and then, you know, the transitioning and being able to be a part of the community are major issues that families are concerned about.

The other issue is support for those who stay at home, who continue to need sufficient home support who are actually living at home. And that's another issue that has been raised. Is that something that will be expanded, provision for that kind of support?

COMMISSIONER SULLIVAN: I think -- we're working to -- if someone is at home, they would also have the opportunity to use all those services. And in addition, what we're establishing in certain parts are something called mobile integration teams, which can actually go out and spend some time in the home with families.

And we'd like to be able to continue to expand that service, because sometimes --

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it's important to get out to rehab services

and clinic services, but sometimes it's also important to be able to go to the home.

So we're expanding that in some parts of the state so that actually there can be that concept of the home visiting and working together with the patient and the family.

ASSEMBLYWOMAN JAFFEE: An issue, a major issue is the reality that many of the parents of people with disabilities are aging and that transition is an issue. Is that something that is being considered? I mean, that's a population that's increasingly needing -- you know, they need the assistance in terms of finding new sites to be able to live and transitioning them from the home to the outside.

COMMISSIONER SULLIVAN: You're absolutely right. And I think we work with families who need that assistance in helping to move their loved ones into settings that will work.

And I think we've been, you know, relatively successful. It's not a hundred

percent, but we've been working very hard. And you're absolutely right, there -- what is good is that over the years we've gotten better. Many of our chronic and mentally ill used to die at younger ages because some of the services we provided were not so good. And now they are living longer and healthier

lives, so it does become more of an issue as we go on, yes.

ASSEMBLYWOMAN JAFFEE: And as their parents age, and their families, it makes it impossible for the caretaker to provide services. And it is a major issue in the numbers as well.

COMMISSIONER SULLIVAN: Yes.

ASSEMBLYWOMAN JAFFEE: Just going back to the individuals leaving prison, obviously there needs to be some way to monitor the reintegration, you know, these reintegrated individuals now who have had involvement in the criminal justice system or other risk behaviors in the community.

Is there a schedule for development of housing for them? And also will there be

support provided, and oversight, for these individuals leaving the prison?

COMMISSIONER SULLIVAN: Yeah. The $22 million which is in this year's budget provides for the high-risk individuals with serious mental illness who are coming out of prisons, it provides housing, a team that will work with the individual around housing, and it works very closely with parole. So we work with the Department of Corrections on parole, and we work with the individual and really monitor for as long as they are on parole, but for a minimum of a year, where we

work with the individual, make sure they're adapting, make sure that they're getting medications they need, clinic treatment, et cetera.

So that's a very comprehensive program that we're adding to the system.

ASSEMBLYWOMAN JAFFEE: And that's essential, and I'm pleased that you will be doing that. It's a way to assure that these individuals have the stability to then be able to function in the communities, and in a

safe manner as well.

COMMISSIONER SULLIVAN: Yes.

ASSEMBLYWOMAN JAFFEE: The other question I wanted to ask, you know we've had situations where there are residents who are now being brought back into New York State from out-of-state sites where they've had services in an ongoing way.

What is happening now in terms of bringing these New York State residents back? Are there programs for them? Is there a transitioning opportunity that's focused on their return and being able to provide appropriate residential sites for them or appropriate services?

COMMISSIONER SULLIVAN: On the mental health side there aren't too many that have gone out-of-state. But if they have, there's an intricate planning process when they come

back. But most of our services for mental health, except for some dually diagnosed with developmental disabilities as well, the services are provided pretty much within New York State. So we don't have as many as

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I think other groups that go out-of-state and come back in. For mental health.

ASSEMBLYWOMAN JAFFEE: We just passed legislation which I sponsored which requires that the services, when they do return, especially the older individuals, that they are provided services in a site that is appropriate and parents can then respond to that if there are any legal issues that may be necessary as well.

But I thank you for your commitment and your response, and look forward to continuing to work with the office. Thank you.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN FARRELL: Thank you.

Senator?

CHAIRMAN DeFRANCISCO: Senator Krueger.

SENATOR KRUEGER: Good morning.

COMMISSIONER SULLIVAN: Good morning.

SENATOR KRUEGER: So we've had some big and I would even say extreme changes to the system, not only OMH but the overlapping

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Department of Health, OPWDD, OASAS, especially when it comes to you have contracts with very often the exact same providers.

So we've had dramatic decreases in rates paid in certain years. We've had Medicaid redesign, which I still think was 400 different things and I think I'm up to 200 of them. We've had a philosophical decision -- and I'm not saying I think it's wrong, but we've had a philosophical decision at the state level to try to do fewer larger contracts with what I call "mega agencies," as opposed to lots and lots of small individual contracts with smaller groups.

And I'm very concerned about whether we are asking ourselves the question, now that we have made these entities responsible for getting their payments from the insurance companies, dealing with managed care, creating health homes, becoming the gatekeepers -- there's lots of other terminology out there. You're shaking your head; you know what I'm talking about.

How do we know it's working? And are we walking into a giant everything-blows-up? And I ask that because I've seen in New York City several smaller but large organizations tell me they're going out of business. I've seen a couple of them do so. And then

recently one of the mega agencies, what I would have called an agency too big to fail, FEGS, suddenly announced it was closing its doors.

So there can be a million reasons why these things happen. But do you feel like we have a system to evaluate why it's happening? Can we help avoid it happening again? And a system to make sure that when it does happen, because I fear it will happen some more, we have an emergency response system in place to make sure that those services are provided through another entity?

I mean, with FEGS it was a $220 million, $230 million agency, state and city contracts, I think all the O agencies and some other agencies at the state level. Who's even watching to make sure that the

things that fall through the cracks aren't the human beings that were getting the services?

And in that context, because FEGS is happening now, there was a group called Pathways, supportive housing for the mentally ill, that closed also, I guess about a year ago now. And my office became aware of it when people were coming and saying they're evicting the tenants, the mentally ill, previously homeless people back into the streets, because nobody's been paying the

rent since long before the agency closed.

One -- so I guess maybe start micro -- do we know that those 750 clients of Pathways in fact continued their housing or were rehoused under contract with someone else? Then what do you think about the FEGS situation today. And then building up on that, what are we doing, bigger picture, to make sure we're watching, we're trying to prevent, we're asking ourselves the question is it our fault, did we ask them to do too much too quickly with too little?

So it's a lot of questions.

CHAIRMAN DeFRANCISCO: Could you repeat the question, please?

(Laughter.)

SENATOR KRUEGER: The commissioner understands everything I asked.

COMMISSIONER SULLIVAN: Okay, let me -- I will try. If I don't get it all, please ask me again.

SENATOR KRUEGER: Yes.

COMMISSIONER SULLIVAN: First of all, relative to Pathways and the people that were in the housing in Pathways, that has been turned over to two agencies, SUS and -- I'm blanking on the other one for a minute. They're doing a great job in making sure that all those individuals are safely in housing. In the transition, no one lost their housing.

We're also in the process of just double-checking that all the housing is adequate and what it should be. But these clients have been successfully transitioned.

When it comes to FEGS, I think we were dealing with an emergency situation that came

upon us very quickly. And we have contracted with JBFCS for the mental health services, and we're working night and day with them at this point in time to safely transition all the clients, both in the housing of FEGS, where there were a fair number of housing units, and on the clinical programming side. And --

SENATOR KRUEGER: The 1900 units of housing.

COMMISSIONER SULLIVAN: Yes, 800 units of housing --

SENATOR KRUEGER: Nineteen hundred.

COMMISSIONER SULLIVAN: Yes. So it's big, it's very big.

But I think we had been very careful in our selection. We had looked at a number of agencies that were big that we thought could possibly take on the kinds of services that FEGS had. And we feel that they are stable enough and capable of doing it.

We're going to be working very closely with them through the transition. FEGS is also working very closely with us at this

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point in time. So I think we have in place an emergency plan. Some things will take a little longer, there are leases that -- it's complicated. But no individual is going to be -- this is our strong point. We're not going to let any individuals not have a safe transition here, especially with the housing with the clinical services.

The bigger question as to what's some issues in the community, I think what we've started to help with this is two things. One, we have a technical assistance center which we offer to all the clinics and all the providers who are beginning to have trouble, whether it's meeting some of their requirements relative to billing, anything else. We work very hard with those providers. That technical assistance center is available to them.

The VAP funding, which is Vital Access Provider, we have segregated off about $30 million of that VAP funding to work with clinics. And we've put out a proposal, and clinics have submitted to us proposals to

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help them redesign in the changing world so that we won't lose especially some of the providers that are so important. Some of them serve specific ethnic groups in the

city, some of them serve communities that are very vulnerable.

And we're working with them through these VAP dollars, which were in Medicaid, part of the whole Medicaid redesign. Initially those dollars were earmarked just for hospitals, but we have pulled a section of those dollars off from just hospitals to work with the community-based organizations.

On top of that, we do review every year all the financial statements that come in from all the providers. They have to be audited statements, they have to be statements that have had certified public accountants do them. When we see a trend -- unfortunately, we didn't see that trend with some. But when we do see that trend, then we work very aggressively with those institutions to try to keep them whole.

We are aware that there is a lot of

change going on. For many of these providers, they have to think a little bit differently about how they've been providing services as they move into the new world and into managed care. And we're giving them a lot of technical assistance in that. And we also have some money through VAP to help them make the transition.

But it is difficult. And I think that there are things that are changing which I

think will ultimately be good for the system, but the transition is something that we have to work very carefully with the CBOs in the city. And throughout the state, throughout the state.

SENATOR KRUEGER: And does the state organize itself to coordinate the oversight? So, for example, if I was any of these groups, I likely have a contract with a -- multiple contracts with OMH, OPWDD, Department of Health. Is there somebody who is actually saying we need to look at it in totality, not just for the agency contracts?

Even when your staff thought 800 was

the number of units at FEGS. Maybe that's the OMH units at FEGS, but it's 1900 housing units total between -- there were other contracts, and many of those units are all clustered within the same buildings.

So, for example, with Medicaid managed care. We set the rate. You have a capitated fee go to a provider, an insurance provider. They say no when you hit the max, and they'd prefer -- they prefer to say no way before, because anything they don't have to pay out in services they keep.

Do we evaluate whether in fact our Medicaid managed care contracts are actually preventing the quality of services that you know, as the expert, needs to be done? I

mean, that's not your agency, it's DOH. But it's all the same people through all the same agencies.

COMMISSIONER SULLIVAN: Sure. We're working very closely with DOH on this in developing the kind of contract that we -- as you know, we're moving all the seriously mentally ill into managed care, and this is a

big movement, a lot of individuals who are very vulnerable. So we are working on the contracts now. This has not yet been approved by CMS. We're hoping it will happen in July.

But we're looking at the contract language and being very careful. And we're working with the managed care companies at the same time to make sure that the right services are in the package, to make sure that the dollars stay with the mentally ill and don't get diverted into others.

And there is -- and I'm not sure of the exact formula, but there is only so much, and it's not that much, that a managed care company could keep. Most of it has to be reinvested into services.

So for the first time we're really trying to work with managed care companies to redesign the system with us. So we're holding them -- we're having meetings now, we're working with them, and we're hoping

that this will work and we're putting some of it into the contract language.

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For the first time, things like employment services, peer services, education services are going to be paid out of Medicaid. This is new for the managed care companies. So we have to be working with them. We also have to be working with our providers, who in the past didn't bill for those services but now will have to bill for those services.

So that's what that $115 million in transition dollars is in terms of technical assistance and working with managed care to have this transition happen. I think there's a lot of promise in it, because I think it does offer these services really on a -- in a health plan to our patients. But we have to be very -- a lot of oversight and care in putting it in place.

SENATOR KRUEGER: I'm out of time. So thank you very much, Commissioner.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN FARRELL: Thank you.

Assemblyman Oaks.

ASSEMBLYMAN OAKS: Yes, good morning.

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I just had a question on the Balancing Incentive Program. And the state's been awarded $598 million. Do we know how much

OMH is getting of that? And has a determination been made what you're going to be utilizing that for?

COMMISSIONER SULLIVAN: You know, the BIP, I think we're getting -- I think it's about 68 million -- something, something in the 60 millions. I'm not sure exactly. Some of that is going for Home-Based and Community Services Waivers, which are for children and families. Some of it is going for expanding our rehab services, which include expansion of some of the rehab necessary to what we call PROS services.

So basically it's coming forward to keep individuals out of hospitals. And the dollars will be spent on things like recovery services, home-based crisis services, et cetera, those kinds of services in the community. And that's what has been enhanced, primarily, with BIP.

ASSEMBLYMAN OAKS: Thank you.

CHAIRMAN FARRELL: Senator?

CHAIRMAN DeFRANCISCO: Senator Ortt.

SENATOR ORTT: Commissioner, as part of the state's settlement agreement on the transition of adult home residents to community centers, community care, there was an expectation that 1200 people would actually make that transition in the first year. My understanding is that we're nowhere

near that number. If that's the case, my question is what happened to the $40 million that was allocated for that in last year's budget?

COMMISSIONER SULLIVAN: That money is still there and is being utilized. Yes, it will be utilized. And I think the expectation is that the pace of that movement will increase this year, significantly this year.

SENATOR ORTT: Okay. And then I just have a follow-up question regarding Western New York Children's PC. As someone obviously who spent, a mental health professional who spent your life dealing with mental health

issues, obviously as the families tell me, the families that I talk to, and I'm sure you're aware, there are differences between children that are dealing with psychiatric issues, mental health issues, and adult populations.

What are your concerns, if any, with merging children with an adult population? And how would you go about addressing those concerns and I guess allay some of the fears that the families may have?

COMMISSIONER SULLIVAN: I think -- we're not -- it's not a merger. There will be basically very distinct, separate space, and there really will not be any contact on

the Buffalo campus with adults and children. The actual square footage that we're thinking of would be the equivalent of what's at Western. And we're having architects come in and design what we think will be state-of-the-art services.

The reason for doing this is that it would free up about -- several million dollars to serve an additional 300 families

in that area.

So in my looking at this, I think you can provide quality services to children on a campus which is an adult campus -- we do it in Elmira, we provide excellent services in Elmira in our psychiatric center. We do it in St. Lawrence in our psychiatric center. You can provide real quality services. And by moving those services to that campus, we free up the dollars to serve that community -- without even closing beds, without even reducing beds.

So it just seems to me like a win/win, that we get excellent services, we save the dollars and reinvest those dollars in the community. And we know that that community needs outpatient services, and we think we could serve another 300 families, which would be great. I mean, 300 families with significant issues.

SENATOR ORTT: But the decision, to be

clear, hasn't officially been made final at this time, it's something that's being looked at? Or has it been made?

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COMMISSIONER SULLIVAN: We're still very seriously considering it. And we're going to be getting the designs out. And what we would like to do is meet with the stakeholders. I think we would like to try to sell this because we think it's a good plan and we would like to see if we can make it happen.

SENATOR ORTT: Thank you, Commissioner.

CHAIRMAN FARRELL: Thank you.

Assemblywoman Didi Barrett.

ASSEMBLYWOMAN BARRETT: Hi. We haven't had a chance to meet, so it's nice to hear you.

I have a district -- I represent the 106th Assembly District, which is Dutchess and Columbia counties, and we have a lot of state facilities both for mental health and people with developmental disabilities that have closed, and we're, you know, reintegrating in the community.

And I just learned actually this week that Dutchess County particularly is

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introducing an innovative program called a

Restoration Center, based on the model out of San Antonio, which looks at jail diversion but also addresses a fuller mental health piece. And I have a couple of questions.

So one was, you know, whether you had any familiarity with that. I mean, it seems like it's a holistic and intercepting peer-supported program that seems like a very good model. Is this something you have any familiarity with?

COMMISSIONER SULLIVAN: I've heard of the model. I'm not sure exactly of the program in Dutchess. I'm sorry, I'm not. But I'd love to see it now that I've heard about it. But I know the model uses peers and involves peers very heavily in the reintegration of individuals in the community.

ASSEMBLYWOMAN BARRETT: And is this something that once it gets going that you would be interested in coming to visit and seeing what that --

COMMISSIONER SULLIVAN: Oh, I would

love to. I would love to. I think that peers are a tremendously powerful force in terms of helping individuals at all levels, and especially with reintegration. Absolutely.

ASSEMBLYWOMAN BARRETT: Okay, great.

And then my other question is this is

an issue that I struggle with a lot in trying to talk to constituents about the siloing of all of these agencies that -- you know, people call them the O agencies or whatever. But you have if a person who's a Vietnam veteran who's over 65 who has substance abuse and is dealing with mental health issues, you know, that's four different, five different places that they have to go to in order to start addressing services.

And it seems to me, from a client and a constituent support situation, but also from funding reasons and for efficiency and effectiveness and all of those things, that looking at breaking down some of these silos at the state level would be a very positive, you know, and effective way to move forward.

Is there any conversation about that? And what does that look like?

COMMISSIONER SULLIVAN: I think we're always working together to kind of try to see if we can break -- because you're absolutely right, those silos are not helpful. One of the things that we've done is work in the primary care area to break down some of the silos that prevent substance abuse and mental health from coming together in primary care by licensure regulations. We're working on that.

We're working on simplifying some of

the regulations so that, as you say, you don't get -- if you go in one door, that you can get the services that you need. And OASAS and Mental Health have been working for years on trying to integrate those kinds of services, and I think we're getting better at it and we're going to be continuing to look at how to do that better over time.

But I think yes, you're right, I think that all the agencies -- social service agencies, mental health agencies, everyone --

has to really come together around individuals. And I think -- we're working on it, but it's not easy to break down those silos.

ASSEMBLYWOMAN BARRETT: Are you? Because, you know, it seems to me it should be a priority in terms of even just where the funding comes from and goes. It would be so much more efficient. I know everybody's got their turf and people like to protect their turf. But this is something that's kind of, in my mind, very long overdue.

COMMISSIONER SULLIVAN: Mm-hmm.

ASSEMBLYWOMAN BARRETT: Good. Thank you.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN FARRELL: Thank you.

Senator?

CHAIRMAN DeFRANCISCO: This is kind of

an off-the-wall question, but there's a reason to ask. How many 1-800 numbers does your department have for people to call in -- and maybe you don't have any -- to call in if there's an emergency, or people to call in --

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I guess there's many departments that have them. Do you have any?

COMMISSIONER SULLIVAN: We have a helpline that answers at the central office. But for many of our clients, they use the 1-800 numbers that go with crisis hotlines. So, for example, in New York City it's Lifenet, and across the state there are other crisis hotlines.

New York City has one that's pretty prominent. Across the rest of the state for individuals in crisis, it probably varies by county. I don't think there's one crisis hotline.

But we do have a helpline that you can get to in the Office of Mental Health, yes.

CHAIRMAN DeFRANCISCO: The reason, this is probably not doable, but the 311 number, you know, that's just become more and more prevalent throughout the state, is there any way -- I don't know, does the state pay to participate in these 1-800 lines?

COMMISSIONER SULLIVAN: It depends. Some of them are state/local aid that might

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pay for some of them. Some of them come through grants. Some of them are our dollars. The one we have is us, we pay for it.

CHAIRMAN DeFRANCISCO: I'm just wondering, just to throw it out there to every other department that's here, is there any feasibility of making this part of 311? And so there's one number, they don't have to run around for a hotline, there's no requirement to pay for that other service. And just a thought. And I wanted -- I was thinking of it just now, because I wanted to call 311 when Senator Krueger was questioning you.

(Laughter.)

CHAIRMAN DeFRANCISCO: So I just wanted to bring it up now. Thank you.

COMMISSIONER SULLIVAN: Thank you. Good idea.

CHAIRMAN FARRELL: Thank you.

Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

Thank you very much. Nice to meet you

through this process.

My question is the $68 million in BIP funding. That's a one-time shot; right?

COMMISSIONER SULLIVAN: I think it's spread out over a few years. But it's one time, yes. But it's spread out. I don't

think it's like one year, I think spread out over several years, yes.

ASSEMBLYWOMAN ROSENTHAL: So after that money is exhausted, how will those services be administered without that kind of funding?

COMMISSIONER SULLIVAN: Well, most of the services that we're putting in place will come under -- they will come under Medicaid. Now, how they get paid for is in the entire scheme of Medicaid, which is that ultimately dollars will be shifted from high-cost inpatient care to these kinds of services. So at the end of the transformation, which is about five years, DSRIP, BIP, all these dollars theoretically -- and I think it can happen -- should be paid for by decreasing other costs in Medicaid so that these

community-based services will now be paid for.

So they are really start-up funds, in essence, to say get these things out there, make them happen, if you make these happen, you will decrease hospitalizations. And then over time, as those dollars come down, these can be paid for without going over the Medicaid cap. So this is in the Medicaid world.

ASSEMBLYWOMAN ROSENTHAL: Okay. And is there a review process to see if that is

indeed happening at the end of those few years?

COMMISSIONER SULLIVAN: Yes, the Department of Health is very aggressive in monitoring all this and making sure that the outcomes and the clinical outcomes and that will be happening over what will probably be a four-to-five-year period, between DSRIP, BIP, all these funding streams that are coming from the federal government.

ASSEMBLYWOMAN ROSENTHAL: And will there be a report produced, or how will this

information be shared with the appropriate stakeholders?

COMMISSIONER SULLIVAN: I believe that the Department of Health is being very transparent about all this. So this will be in reports.

ASSEMBLYWOMAN ROSENTHAL: So no 90-day retention?

COMMISSIONER SULLIVAN: Oh. Well, I don't know that it's been --

ASSEMBLYWOMAN ROSENTHAL: Just kidding.

COMMISSIONER SULLIVAN: -- that they have the results yet. But they will be doing it. It's through the Department of Health in terms of those reports.

We will be giving them our reports on our services, which we will definitely share.

ASSEMBLYWOMAN ROSENTHAL: Okay. Thank you very much.

CHAIRMAN FARRELL: Thank you.

Senator?

SENATOR KRUEGER: Hi, Commissioner. I have a couple of follow-ups.

Actually following up on my colleague's questions about the $40 million yet to be spent on the 1200 adults to be moved, how many adults were you able to move to the community in that year?

COMMISSIONER SULLIVAN: I think it's thirty -- in the 30s.

SENATOR KRUEGER: In the 30s.

COMMISSIONER SULLIVAN: Thirty-five, 36, yes. This is -- yeah, the --

SENATOR KRUEGER: What's happened between the last 12 months and this coming up 12 months that makes you believe you're going to be able to move the next 1160?

COMMISSIONER SULLIVAN: I think there's been a lot of learning about how to outreach to these individuals. We've been -- we work very closely with the Department of Health. We do the housing, Department of Health does the outreach and the assessment. So it's the two agencies working together.

And I think a lot has been learned about the needs of these individuals, a lot has been learned about how to get accurate

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information from the managed care companies, making sure that they're getting coordinated with care.

So even in the settlement, I think the first six months to a year were seen as times to pilot and get the processes right. And I do think the processes now are much tighter. We have now recently screened over a thousand in-reach, so we're now going to be doing assessments on those. It's a multilayered phenomenon.

So I think there's good evidence that it's going to go at a much faster pace now, that the systems are working better together and also we've got a better handle on how to really engage clients in what this move means for them and getting more of them interested in doing it.

SENATOR KRUEGER: And if you were to, I don't know, percentagewise break up where the issues are, is it not being able to find providers of the services in communities to provide the services you know these folks need? Or is it the inability to find

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residential -- you know, anybody for them to live with or anywhere for them to live?

COMMISSIONER SULLIVAN: We've been able to find pretty much the residential

services. I think it's developing the wraparound services that these clients will need, making sure that they have everything in place. Many of them have medical problems, complicated medical problems. Many of them have been living in a certain setting for 20, 30 years.

So it's really getting all of the services in place as well as the housing. And if you do it right, it can take some time to make that happen. And it also involves a great deal of patient choice, which is highly appropriate. So we have to work with what a client says they want as well as what we can offer. So it's a dialogue, and that's good. So I think it -- we're getting better at knowing how to do it.

SENATOR KRUEGER: And I accept completely that the first year would be a pilot, slash, let's figure out what we're

really up against here. What's your estimate about how many years it will take your department to find alternatives for the -- it's the 1200 target? That was the original number?

COMMISSIONER SULLIVAN: Yeah. Yeah.

I would hope that we could move much, much quicker. I think it has to be -- that target has to be something developed between us and DOH. To be fair, it's not just us.

So I think we have to work together.

But -- and I'm not entirely -- I should be, but I'm not entirely familiar with the terms of the settlement. So there's probably a requirement in there, is my guess. But I'm not as familiar with it, so I can get back -- but I think we should be able to move, you know, several hundred in a reasonable period of time going forward.

SENATOR KRUEGER: And just for the record, I am very glad you're the commissioner of OMH, and it's an enormously difficult job.

So yesterday many of us sat here for I

think 11 hours of a hearing on Public Protection, and discussions came up particularly with DOCCS and I think also with probation about the number of mentally ill people in the state and local prison and correction system. And several people testified "We're working with OMH." What are they doing with you, and what's working?

COMMISSIONER SULLIVAN: Well, first, there are so many pieces. But let me just say that within the prison system, I think we do work really very -- we work very closely with DOCCS, and we have a system of care for the mentally ill that ranges from a hospital in the prison to step-down residential units in the prison to what would be considered

outpatient care or like clinic visits within the prison system.

And that extends across the entire prison system. So if a patient is in one system and really needs hospital care, they will move to the hospital base, which is the Central NYPC.

We also do, with DOCCS, a lot of

training on the mentally ill so that they can understand the kinds of issues that present in DOCCS. And they work with us on high-risk patients, we sometimes -- we have conferences where we talk together. We're getting that better and better in terms of the communication with DOCCS. So with the system within the prison.

And then when it's time to leave, for the seriously mentally ill we have a specialized transition program where they come to one of the DOCCS facilities for several months before they leave. So we work with them very closely.

With others, we work on plans for discharge throughout the system. We work with parole afterwards. And for many of these clients it's a mutual kind of -- and some of the five -- I think it's $5 million which Corrections is going to get to have lower parole caseloads, so that they can work a little closer with us on monitoring some of

these clients when they move to the community.

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Now, we also have started some -- DOCCS does some substance abuse work and stuff in the clinics, so we work with them when our patients cross over. So there's always more that can be done, so I'm not saying by any means it's a perfect system. But I do think with DOCCS we have developed throughout the prison system a continuum of care which offers pretty good care for individuals who unfortunately have gone far enough in the system that they're now in prison.

The other issue is one of diversion, which is a whole other story in terms of hopefully getting less and less of our patients into prison.

But we work very closely with DOCCS, and we do on the parole too. And this new initiative which we have which we're going to be using community-based services is with DOCCS, with parole, and with our clinicians to do wraparound services, housing, intensive psychiatric treatment, et cetera, in the transition into the community.

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SENATOR KRUEGER: Thank you.

CHAIRMAN FARRELL: Thank you.

Assemblyman McDon -- McDon --

ASSEMBLYMAN OAKS: O'Donnell.

ASSEMBLYMAN O'DONNELL: O'Donnell? You mean me?

(Laughter.)

UNIDENTIFIED FEMALE: He was getting there.

CHAIRMAN FARRELL: Dan O'Donnell.

ASSEMBLYMAN O'DONNELL: I must say I like being down here; it's like we're having a conversation. It's much better.

Thank you very much for coming. My questions will entirely be about your work in the prison system. As you know, I chair the Corrections Committee and have been to 25 of the prisons where many of the people you just talked about are.

So there are some questions. The first one has to do with discharge planning. As you know, the Legislature passed a bill last year that requires mental health discharge planning for anybody who has been

on your caseload in the last three years. The Governor finally, in December, decided he would acquiesce to that wonderful idea.

So I know that there's money in the budget for that. Could you please explain to me what that money is going to get us? And is that money enough to do the job that we required you to do?

COMMISSIONER SULLIVAN: Well, what

we're going to be doing is looking back three years. So far that looks like about 3,000 individuals who at some point had touched the mental health system while they were in prison but are not currently on our caseload. There's a whole group currently.

So we're going to go back over those 3,000 individuals and we're going to have at least -- well, not at least, we're going to have one face-to-face evaluation with them within six weeks, six to eight weeks of discharge, before discharge. And that face-to-face interview will determine the degree of discharge planning that that individual needs.

So, for example, if that person should have or on the time of discharge be having acute symptoms, we'll be doing a more robust discharge plan, making sure that they get to clinic appointments, have their medications. They will come onto our mental health caseload.

If they are really not having psychiatric symptoms at this time, which often can occur with the population in prison, then we will be giving them referral services, how to get what they need.

And we're also going to be setting up a hotline for those individuals that they know that they can call when they leave

prison -- this isn't up there yet, but we're doing it with the Mental Health Association of New York -- so they can call to get services after they leave.

We feel that with the additional dollars that were in the budget for mental health services for prison, and also with some things that we are doing in the prison, that we can manage this and do it well.

ASSEMBLYMAN O'DONNELL: I'm concerned, as you know, that the law is that seriously mentally ill people are excluded from solitary confinement and so what has happened since 2008 is an interesting either change in the prison population or a change in what you folks are saying about the people who are there. A 35 percent drop in the number of people diagnosed as schizophrenic, a 50 percent increase in adjustment disorder, which I think most of the State Senate has --

(Laughter.)

ASSEMBLYMAN O'DONNELL: -- and a 77 percent increase in personality disorder, which is the New York State Assembly.

(Laughter.)

ASSEMBLYMAN O'DONNELL: So I'm curious to know how it is that these non, quote, serious diagnoses have gone up so dramatically and the serious ones have gone down. I mean, obviously I did not -- it

wasn't my bill, but I was there for it, and there was a great fight about it about who would get included. I don't think the

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intention was for us to include seriously mentally ill and then to have you folks change the diagnoses of the people who are in the system.

Could you address that, please?

COMMISSIONER SULLIVAN: Yeah, I think -- two things. One is I just -- we have received, you know, your concern about this and we're looking at it very carefully.

The drop -- for the last three years, the numbers have been pretty consistent. So we're talking about a shift in the way we were doing things probably before those three years. So we're going to be looking at that. We're going to be taking a close look at the individuals that we're diagnosing now, the ones who are on the seriously mentally ill and the ones who are less than -- the other category that are not seriously mentally ill.

And we're going to be double-checking, because we just want to be sure. There was this drop, you're absolutely right. It's not -- I'm not entirely clear what happened then. Over the past three years we've been

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pretty consistent; the numbers have not

shifted. So the question is are we still doing it right now or not. So we really need to look at the cases.

And I know that we've been wanting to get back to you on this, but it takes a little time to really look at what's going on to make sure that we understand it. So I think we are taking very seriously the concern about the drop.

ASSEMBLYMAN O'DONNELL: I can tell you that I know inmates today who before they were in the system had obviously schizophrenic and bipolar diagnoses from doctors on the street, and they're now in your system and they are now in solitary confinement. So I don't know how somebody who has lived 25 years of their life, 30 years of their life -- and these are people who have access to the best treatment in America -- can have a very serious diagnosis and, lo and behold, they present into your system -- or the DOCCS system, I'm not to blame you for them -- to the DOCCS

system, and then lo and behold, you say they're not. I don't understand. And these are people who I know for a fact -- this is not the family telling me, I know for a fact that they had those diagnoses when they were on the street.

COMMISSIONER SULLIVAN: Well, that's

what we're looking into.

ASSEMBLYMAN O'DONNELL: Okay. Can you -- I've been to Attica; that was an interesting experience. And I know that they have an RMHU there. But they seem to rely on telepsychiatry as a mechanism. Do you really think that that's the best way to deal with mentally ill people in a place like Attica?

COMMISSIONER SULLIVAN: You know, I think telepsychiatry -- not just in prison, but in many ways -- can be very effective. I think what you still need to have is a treatment team, which is often either social workers or psychologists, there working with them.

But for the psychiatric evaluation, there's very good studies that show that

telepsychiatry can be very effective. In fact, the VA system uses telepsychiatry a lot in terms of being able to reach veterans in satellite spots all across the country. So I actually do think that telepsychiatry can be very effective.

You still need to have the treatment -- a team there that can work with social workers or psychologists who can still work with the client. But the actual evaluation and working and doing things by telepsychiatry has been shown to be pretty effective. And in other countries such as

Australia, too, where there's huge expanses of land and psychiatrists can't get to all kinds of populations.

So I think it can work. I do.

ASSEMBLYMAN O'DONNELL: Well, in my humble opinion, in the most serious environments, in places like Clinton and Attica, it's the wrong place to do that. It's just the wrong place to do that.

Can I just briefly ask about the residential crisis treatment programs, which

I've been to in a number of prisons as well. They seem to have had a huge increase since 2007, and yet admissions to the Central New York Psychiatric Center have been addressed by the same amount. And my concern is that although the ones in the prisons are very lowly lit and they're designed to prevent someone from self-harm, primarily, it's not a therapeutic environment.

So are you folks intentionally trying to limit access to the Central Psychiatric and rely on these other forms as a mechanism?

COMMISSIONER SULLIVAN: No.

ASSEMBLYMAN O'DONNELL: The numbers -- well, the numbers suggest that. The numbers suggest -- one has gone up 55 percent, one gone down 57 percent in the last three years. So --

COMMISSIONER SULLIVAN: Well, we

haven't -- but we have not decreased the staffing or the availability of putting the -- of that number of clients coming into Central New York.

So whether the individuals who are

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seeing them are making those decisions -- but we have not staffed down or anything. We can go up to the full complement in Central New York.

ASSEMBLYMAN O'DONNELL: The Senate is very serious about being on time. I have used up my time. Thank you very much.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN FARRELL: That's it. Thank you very much.

COMMISSIONER SULLIVAN: Thank you.

SENATOR KRUEGER: Thank you.

(Scattered applause from audience.)

CHAIRMAN FARRELL: Helene DeSanto, deputy commissioner, New York State Office for People with Developmental Disabilities. This is the 10 o'clock meeting.

DEPUTY COMMISSIONER DeSANTO: Thank you.

CHAIRMAN FARRELL: Good morning.

DEPUTY COMMISSIONER DeSANTO: Good morning.

Good morning, Senator DeFrancisco, Assemblyman Farrell, Senator Ortt,

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Assemblywoman Gunther, and other distinguished members of the Senate and Assembly. I am Helene DeSanto, deputy commissioner for service delivery at the New York State Office for People with Developmental Disabilities. I would like to thank you for this opportunity to testify regarding Governor Cuomo's 2015-2016 Executive Budget proposal for OPWDD.

The Governor's Executive Budget supports the ongoing reform of OPWDD's service delivery system and the implementation of our transformation agenda by providing resources to continue assisting individuals to receive services in integrated settings and providing access to community-based services.

OPWDD's budget also supports our agency's vigilance in the oversight of both state and not-for-profit providers, while providing our agency with the funding and flexibility to plan for the future.

The Governor proposes making significant investments in the hard-working

people who form the backbone of our service delivery system by providing resources to support compensation increases for direct care and clinical staff who are employed at OPWDD's not-for-profit provider agencies. This funding is sufficient to support both

the 2 percent increase for direct support professionals that took effect on January 1st of this year and another 2 percent increase scheduled to take effect on April 1st for both direct support and clinical staff.

The Executive Budget will enable us to build on our accomplishments of the past four years, during which we worked together to overhaul the OPWDD system, enhance accountability, ensure the health and safety of individuals with developmental disabilities, and offer greater opportunities for employment, community living, self-direction and independence. Under Governor Cuomo's leadership, OPWDD had many successes in 2014.

In 2014, 521 individuals successfully transitioned from developmental centers,

intermediate care facilities, and skilled nursing facilities into community-based, person-centered services. There are now approximately 500 individuals living in six developmental centers, which is down from a high of over 27,000 living in 20 developmental centers in the 1970s. This budget dedicates $42 million to assist more individuals in institutional settings in transitioning to community services.

In 2014, an additional 1200 individuals began receiving residential

services funded by OPWDD, 813, or more than two-thirds of whom moved from their own home into a certified setting. The Executive Budget proposes to invest $120 million additional dollars in new residential and day services. These resources will support expanded services throughout OPWDD's continuum of care, including certified and non-certified residential opportunities, day programs, employment, case management, and respite services, and will be allocated based on OPWDD's person-centered processes, which

include an individualized needs assessment and planning process and will be made available to those leaving institutional settings and those living at home in need of services.

I am happy to report that in partnership with our stakeholders, businesses, and the education system, we made great gains in helping people with developmental disabilities achieve competitive employment. As of January 1, 2015, there were 7,444 individuals competitively employed in an integrated setting, a number we hope to see greatly increase in the coming years with enhancement to our supported employment service and our new career exploration and readiness service launched last year, Pathway to Employment.

We also made great strides last year in seeing more people take control of their services through self-direction. In 2014, we saw a threefold increase in the number of people self-directing their services and educated more than 9,500 people in

self-direction as an option. 2014 also saw a major redesign of our self-directed service options, and we will continue to look for ways to streamline our services to offer more choice and flexibility to individuals.

While we have made significant progress in the initial stages of our transformation, we recognize that work still needs to be done. We have gathered a panel of experts charged with examining the challenges of implementing managed care in our system, turning the initial success of our transformation agenda into lasting change and ensuring the long-term fiscal and programmatic sustainability of our system. Over the course of the next several months, the panel will meet and receive substantial public input and feedback, leading to a set of clear and actionable recommendations that will guide our path forward.

In addition, we have heard the many concerns raised about the current and future availability of services for those now living at home who may want and need to access

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residential services. In response to these concerns, OPWDD will spend this year conducting extensive outreach to those individuals who have requested residential services through its residential registry. Through this process, OPWDD will advance its promise to serve individuals in the most integrated setting while ensuring a full continuum of housing is available to meet each individual's needs and goals.

The information gained through this assessment will be used to ensure that current needs are identified and met and project support needs into the future. This review will help us to ensure that services and supports can be developed and made available to individuals when they need them.

OPWDD looks forward to working with our partners in the legislature, and all of our stakeholders, in the continuing effort to achieve real and lasting transformation in our system. I welcome your questions.

CHAIRMAN FARRELL: Thank you.

Assemblywoman Aileen Gunther.

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ASSEMBLYWOMAN GUNTHER: Good morning, and thank you for coming to testify today.

And first of all, you know, I read that in the Executive Budget he proposed a

decrease of $69.6 million in support. There's $58 million in savings. And where will that money be reinvested?

DEPUTY COMMISSIONER DeSANTO: Well, as -- the money that we have this year for new services is fully annualized at $120 million. And that is money to create new services of all types for individuals in the community. The folks who leave our campuses are supported also by $42 million to create new services for them.

ASSEMBLYWOMAN GUNTHER: Now, what kind of services? Can you explain some of the services that --

DEPUTY COMMISSIONER DeSANTO: Sure. We have a full range of services to support people's needs, including services for people who live at home -- and that can be respite, it can be something called community habilitation, where people who live at home

but want to have some integrated time in the community would be supported that way.

We have overnight services for people also who need respite, employment assistance, day supports, service coordination, and obviously residential supports for those who need them.

ASSEMBLYWOMAN GUNTHER: It would be very helpful if you could like divide it up by county and actually tell us what service

is available and in which counties, because I don't know that I can think of a respite bed in Sullivan County. There might be a few in Orange County.

And it would be wonderful to know exactly like the -- like one, two, three, how that $58 million is going to be invested and in what areas. So that would be very, very important.

The other thing I wanted to talk about is the 2 percent increase for the direct support personnel, which I deeply appreciate. And I know there are many, many people in New York State that appreciate it, appreciate the

increase. But now when we're talking about the increase of minimum wage to, you know, to over $2 an hour more, this is what DSPs are making at this point.

And I think one of the trepidations -- and this is just to put on the radar screen of like facilities like -- I'll just say one ARC, et cetera, is that because it's a very strenuous job, both emotionally and physically, that we won't be able to attract people to these jobs.

So thank you for the 2 percent last year and this year, but I think that we should really question whether we're paying enough to these folks that are working in all the non-for-profits across New York State.

The other question that I have is we're talking about the transition from institution to a residential setting. And also another trepidation of many people across New York State are their aging parents and the fact that there are not services provided to them. You know, if a child is put into a residential facility at a very

early age, what happens is those dollars follow that person. But it doesn't seem to be happening.

And do we have enough support systems in place? And I do want you to be aware, when you answer the question, looking at transportation upstate versus downstate.

DEPUTY COMMISSIONER DeSANTO: I do want to mention -- you spoke earlier about looking to see if there was a way to see which services are available in which communities. And we do have on our website something that kind of lays out those services. Which I'd be interested in, you know, perhaps talking with you or your staff further to see if you think that's what would be helpful, and if people are actually able to access the information that they're looking for there.

You know, we're very aware of the concerns of families about the need for services for people who are living at home.

As I mentioned earlier, we do have a great deal of supports that go to people who live

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at home, and we do know that people who have registered as wanting a residential service at some point, a great, great percentage of them do receive these types of in-home supports while they're still living with their families.

But we understand that we need to be sure that we can have the right residential supports for people when the time comes and the families can no longer be the primary caregivers.

ASSEMBLYWOMAN GUNTHER: And that time is coming to a lot of families across New York State. So I think like the preparation should be over and, you know, we need bricks and mortar to make sure that these folks have a place.

DEPUTY COMMISSIONER DeSANTO: Yes. And we certainly have made significant investments, you know, with your support over the years, for new monies to create these kinds of residential supports. As I said earlier, there were over 800 people who were able to leave their homes in the community

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and go to certified settings this past year. And I think what we want to do this year is really do some very focused outreach to

people --

ASSEMBLYWOMAN GUNTHER: There was 800 last year that left --

DEPUTY COMMISSIONER DeSANTO: Correct. It was over 800 people who were able to leave a home in the community, most of them with caregivers, and move into certified settings.

And, you know, so we have made significant investments over a period of years, including last year, and in this year's budget, when it's fully annualized, $120 million, which is quite significant. And we want to do that outreach that I spoke of earlier to be sure that we can actually talk with all these folks who are registered as wanting residential supports, talk with them about what it is that they want and need, when they want it, so that we can really be creating a very focused plan going forward and ensure that in coming budget years we have the supports that we need to

meet the needs of people that are expressing these desires.

ASSEMBLYWOMAN GUNTHER: How many of those actually -- like, first of all, you know, I have been from Long Island to up by the St. Lawrence. And, you know, when I hear the number 800, I think it's great that there's a beginning. But I don't feel that -- maybe it's not being communicated to

people in the State of New York that these services are available.

I know there have been parents that -- ARC had a residence, it took us about five years to get it up and running, between going to, you know, the Department of Housing and putting all the money together. So the length of time seems to be, you know, quite -- it took five years for one, and that was to house five people.

DEPUTY COMMISSIONER DeSANTO: Yes.

ASSEMBLYWOMAN GUNTHER: So, you know, when you talk about the different areas, are you actually -- who are you contacting in those areas? And how do you reach out to

parents that, you know, have been taking care of these adult children, and how do you get that information?

DEPUTY COMMISSIONER DeSANTO: Well, OPWDD has a registry, a residential registry, which is a request list of people who have come forward over a period of years, actually, and have requested that at some point they feel that they will need a residential service for their family member. And so we actually have that list to work from.

Which any time someone comes to us and expresses a need, either a more immediate need or a future need for residential

services, we have a way in which we register them and actually keep information about them. So that's the list, Assemblywoman Gunther, that we're going use. And we plan to really do some focused discussion with these individuals.

I have to say that some of them have been registered, as I'm sure you've heard, for a number of years. And quite frankly,

our service system has evolved, and they may have registered at a point in time where the only available service might have been a certified residence, whereas now there might be other ways to get residential supports.

So we want to make sure that we can share that information, see if there are needs that people need in the meantime that we can meet, and then help them to get to the residential support that they're looking for.

CHAIRMAN FARRELL: Thank you very much.

ASSEMBLYWOMAN GUNTHER: I just want to ask about sheltered workshops. I -- Linda?

ASSEMBLYWOMAN ROSENTHAL: I was going to ask about that. I'm going to ask about that.

ASSEMBLYWOMAN GUNTHER: Okay.

Okay, go ahead.

CHAIRMAN FARRELL: Senator?

CHAIRMAN DeFRANCISCO: Senator Ortt.

SENATOR ORTT: Good morning.

DEPUTY COMMISSIONER DeSANTO: Good morning.

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SENATOR ORTT: Thank you for being here. I guess I will, since I was going to ask, I will take up the question about sheltered workshops.

First of all, I'd just like to -- and I'll lead into it. Can you describe your current needs assessment process using the DDP-2 and ISPM scores. And for my own edification, is there a scientifically valid correlation between the ISPM scores generated and the staffing patterns that are necessary to support the individual?

DEPUTY COMMISSIONER DeSANTO: The DDP is a tool that was developed a number of years ago that really does measure individuals' abilities and needs in a whole variety of areas. And that tool results in an ISPM score, as you've referenced, which kind of gives you an overview or a snapshot of what types of needs the person has in various areas.

So it will say there are support needs, say, in activities of daily living, which are issues of self-care and just being

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able to get through the day. They may have

high needs in one area. They may have high needs in a behavioral area, is another piece that is measured there.

So it will measure adaptive skills, behavioral needs, and also health needs. And that's really how that scale rolls up into scores, which you referenced are called ISPM scores in our system.

It was developed a number of years ago. It does have some validity in doing those measures. But we know that we need to use a more robust assessment system. So we are in the process of validating a comprehensive assessment system, and that is in place right now, the validation work, across the state. And that has begun since late last year and will continue into this year.

We hope at some point to have this tool available to replace the DDP and do a much more robust acuity-based assessment of folks that will then give us good direction around service needs.

So we're still using the DDP, but we are evolving into another way to measure people's needs and how that relates to services.

SENATOR ORTT: So it would be fair to say that OPWDD hopes in the next 12 months, 24 months to have replaced the DDP?

DEPUTY COMMISSIONER DeSANTO: Yes, I would say it's fair to say that. That's correct.

SENATOR ORTT: With regard to the sheltered workshops, I've heard from a number of families whose children take part in these. They have great concerns because, as you know, there are certain folks who simply cannot go out and get other employment. And I don't think it's just a paycheck issue, I think that there's an issue of quality of life, of personal pride, personal fulfillment, to do a hard day's work and get a paycheck regardless of the dollar amount, if you would.

And there's a real concern that if they don't have the sheltered workshops

available that they will be at home or they will not have anything to do to replace that activity.

What is OPWDD's plan for those individuals? And what do you say to the families of those individuals?

DEPUTY COMMISSIONER DeSANTO: Our plan is really to look at each person who now participates in the workshop settings, to evaluate them and to really see what other services we might have that would assist them either to actually the point of getting employment or to have other kinds of supports

that are community based.

And we really plan to do this individual by individual. We certainly have had successes with people who have spent many years in workshops and have now gone on to community work. And we do realize that not everyone is going to end up in competitive employment.

One of the things that we are doing, in addition to some of the new services that we've created to assist with this, is we are

going to have a conference day with our workshop providers. We have over 100 workshop providers, and we're going to invite them in in early May to work with us, with a family member, someone who participates, so we can really hear firsthand what people are thinking, to talk about other business models that might work well to shift from the sheltered workshop setting.

So I think what we're doing is a variety of approaches to both create supports and services, but also to invite people into the process and to work with us so that we can hopefully come to a collaborative point and a partnership where we can move forward.

SENATOR ORTT: It's my contention that the sheltered workshop serves a function, and while the goal should always be to move people to competitive employment, I am very

concerned about a replacement model.

And just lastly, can you just take me through the Front Door, or describe the Front Door process for me? Being new, being new as the chairman and new to the Senate,

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I've heard a lot about the Front Door process, both good and bad. Can you describe to me what that process is?

DEPUTY COMMISSIONER DeSANTO: Yes. The Front Door process was begun almost two years ago now, and its intention was to create one way, one pathway for people to travel when they were looking for services from OPWDD.

And we know that we had wide variation across the state previously, and people would enter in many different ways, sometimes talking to voluntary provider agencies and then coming to us, sometimes coming directly to OPWDD. But ultimately it was always our responsibility to both determine their eligibility for our services and then to authorize those services.

So our Front Door was an attempt to create a standard way in which people would come to us, learn about the services available, have their eligibility determined and verified, and then authorize their services.

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And that is done in collaboration with service coordinators that work for voluntary provider agencies. But the simplest way I can describe it is that was our intent. We have done many things over these months to improve the process, because we know initially there were a lot of concerns about people feeling like it was confusing, it took too long. And we did a number of things to both streamline and improve upon the process.

I think we're a long way ahead of where we were last year, but we still have a way to go to really get to a point where we feel like that service is exactly what we would like it to be.

SENATOR ORTT: Okay. I have more questions, but I'll ask them later.

CHAIRMAN FARRELL: Assemblyman Oaks.

CHAIRMAN DeFRANCISCO: Excuse me one moment. We've been joined by Senator George Amedore.

CHAIRMAN FARRELL: And we've been joined by Assemblyman Abinanti.

ASSEMBLYMAN OAKS: Thank you.

Senator Ortt had mentioned some things about the sheltered workshop issue. And certainly that has been a big concern for many of us. And when you were talking some about the workshop coming up and trying to work through, in many of the rural areas -- I

represent three rural counties -- we tend to have a single provider, sheltered workshop, and transport people in.

The effort for -- it seems to me that the effort for them to become inclusive work environments may end up becoming the greater option or smarter option for possibilities of, you know, continuing on into the future. Could you just talk a little bit about that?

Is that going to be a process that is, you know, easy to go into, or is it going to be something that takes a lot of those sheltered workshops as they exist now and really makes it so they're not able to move into that inclusive situation?

DEPUTY COMMISSIONER DeSANTO: Well, we certainly are hoping that we will be able to assist as many as possible to be inclusive,

because that's our goal. And we do have examples, quite honestly, across the state, both in rural areas and in cities, where we've been quite successful. We do have the challenge in more rural areas of transportation, and we are trying to make sure that we build in the right funding in our supported employment program to ensure that transportation needs can be met for folks. Because we do know that that is something that is often a challenge in some of the areas such as what you describe.

ASSEMBLYMAN OAKS: Do we have a sense, though, that some, for instance, ARCs and others, that many of them or some of them, at any rate, will have the opportunity to become some of those inclusive sites so that for some -- because I know for some individuals, the consistency, the success they're already having there, and their day is a constant or something they're comfortable with -- for many, that is key, both for the families feeling comfortable and the success that we're seeing today with people who are in

those sheltered workshop situations.

DEPUTY COMMISSIONER DeSANTO: Yes.

ASSEMBLYMAN OAKS: Is there a deadline for compliance that we are -- a drop-dead time that we're looking at?

DEPUTY COMMISSIONER DeSANTO: Yes. We have a plan that was developed over a couple-of-year period with a lot of input that we received from around the state, and it actually projects out to the year 2020.

Now, you know, this is a plan. And like all good plans, it will be assessed along the way. And if we need to make adjustments, we certainly will.

But I do think when we have the opportunity to meet later this spring with our workshop providers and their stakeholders, we'll really have a better

sense of, you know, what people are concerned about and whether we can meet those concerns in a way that's a good outcome for everyone.

ASSEMBLYMAN OAKS: Last year's budget created an Integrated Employment Plan Advisory Council to help individuals with

developmental disabilities find employment. Has that council been created and has it started -- is that a part of this effort as well?

DEPUTY COMMISSIONER DeSANTO: We have a number of ways in which we do involve our stakeholders in talking about employment.

And we're very involved with the Governor's Employment First Initiative, which draws together many different agencies and perspectives to advance the ability of people with disabilities -- not just developmental disabilities, but all people with disabilities -- to be able to be employed and to enjoy the same benefits of the world of work that many people do. So we're also very engaged with that Employment First Commission activity.

ASSEMBLYMAN OAKS: And so is this advisory council, is it formed and working?

DEPUTY COMMISSIONER DeSANTO: Yes.

ASSEMBLYMAN OAKS: Okay. Thank you very much.

CHAIRMAN FARRELL: Thank you.

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Senator?

SENATOR KRUEGER: Thank you.

Senator Jesse Hamilton.

SENATOR HAMILTON: Good morning, Deputy Commissioner. How you doing today?

DEPUTY COMMISSIONER DeSANTO: Good morning.

SENATOR HAMILTON: I just want to ask you a few questions. You mentioned that you want a lot of the patients to be mainstreamed into the general population with nonprofits in the community. And I just want to ask you, if a patient does not want to go and they want to stay within a state facility, do they have that option?

DEPUTY COMMISSIONER DeSANTO: Well, we work with individuals in the planning process to assist folks to get services that they will want in the community. And we do know, from having a very long track record of having downsized and closed institutions over the years, that at times there are individuals who have lived there for many years and will tell us that they really would

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like to stay.

And I'm happy to say that in all those instances we are really able to assist people to get to know another alternative in the

community, to visit and to become comfortable, and we really end up with very few instances where we have people who, despite those efforts, will say that they don't want to leave.

Obviously as facilities close, we, you know, are involved in very extensive efforts to assist people in planning for their move. And if there are people who really are not at a point in their treatment where they can move into the community, for those few people we will offer an alternative facility.

SENATOR HAMILTON: Okay. Deputy Commissioner, you mentioned that many of your patients will be coming into nonprofit organizations in the community. And I've been a union member all my life, and I'm just trying to find out what's going to happen to those workers who have been working for 25 years within the system. Will they be

able to transfer their union salaries to the non-for-profits in the community?

DEPUTY COMMISSIONER DeSANTO: Well, as we have had facilities such as the one in Brooklyn downsize, what we do is we assist those employees to find new work within OPWDD. So we have not had layoffs, and we have not had situations where our state staff in recent years have, you know, been looking for other jobs in other sectors. But,

rather, they continue on with their state employment.

SENATOR HAMILTON: So I guess the question I'm trying to get at is if you're going to transfer patients to nonprofit organizations, is part of the money-saving process not having unionized workers? Because why couldn't you also have union workers follow the patients to a nonprofit organization within the community?

DEPUTY COMMISSIONER DeSANTO: Well, some of our nonprofit providers actually do have unions that represent their employees.

And it really is a process where we

make significant investments with our voluntary providers to be able to create the right supports for people leaving our campuses. So we do make investments in those providers. You know, and there are obviously a variety of agencies, and they have many different employment situations that they offer.

SENATOR HAMILTON: Thank you.

Also, what about the forensic patients who are deemed to be sexual offenders? We passed several bills yesterday basically saying they can't live anywhere close to children, near schools. And they're going to have a hard time finding a place to live. And in addition to that, finding a place to

live that they can afford to. When you consider a one-bedroom apartment now in our area is about $1500 to $1700 a month in New York City.

DEPUTY COMMISSIONER DeSANTO: We have a very small percentage of people with developmental disabilities who also have some kind of forensic involvement. But we do

certainly support individuals with developmental disabilities who may have those issues.

And we work with those individuals both to assess the kind of supports that they need, first and foremost, to determine from a safety perspective, both for safety in the community and for the person's ability to safely live in the community, we do a very rigorous assessment before any of those individuals would have community supports offered to them.

SENATOR HAMILTON: Yes.

DEPUTY COMMISSIONER DeSANTO: And then we do a lot of review throughout the time when people are living in the community.

So when people are offered our supports, we would also assist them in finding the appropriate housing that they would need.

SENATOR HAMILTON: I just want to follow up on Senator Ortt's question about

sheltered workshops. I know many
individuals, great people, energetic, but

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they just are not able to be integrated into the mainstream. And I think for their eventual stability and enhancement, they need to be integrated into areas where they can see other people, rather than being isolated amongst themselves.

And so sheltered workshops are great, because these people just -- you know, young men and women want to get out there and be productive in society. So I just wanted to know what can we do on our end to make sure that these workshops are kept operational?

DEPUTY COMMISSIONER DeSANTO: Well, thank you again for expressing, you know, those views about the supported workshops. And, you know, we really are gathering a lot of input as we go along. I don't know that we're going to arrive at a place where we're going to say, Well, workshops as they exist today can remain as they are. But I think that we're going to be hopefully doing some transformation work to assess the people there, to help those that do want a different alternative to be able to access it, and then

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to provide the right supports for people who maybe, as you suggest, might not be wanting or, you know, successful in competitive

employment.

So I think we have a number of services that we are -- that are just brand-new to OPWDD, such as our Pathway to Employment service, which is just getting off the ground. And that's really a kind of a career or life interest exploration that is a new service that will be involved in with folks so that they can and we can work with them to see what the possibilities are.

SENATOR HAMILTON: Thank you, Deputy Commissioner DeSanto. I look forward to working with you. Thank you for being here today.

DEPUTY COMMISSIONER DeSANTO: Thank you so much.

CHAIRMAN FARRELL: Thank you, Senator.

Assemblywoman Didi Barrett.

ASSEMBLYWOMAN BARRETT: Hi. I'm not going to belabor this sheltered workshop, but it is an issue that I care about a lot and

one that my colleagues have already asked about. And it is very important, for the reasons that have been mentioned, that for this population, change is not always an easy thing to do, that in our rural communities the distances are far and not easy to --

CHAIRMAN DeFRANCISCO: Excuse me, I don't think your mic's on.

ASSEMBLYWOMAN BARRETT: Oh, there we go.

-- the sense of purpose and the sense of something to do every day, for families the sense of dignity, and all of that is really important.

Can you just tell me, though, why it's taken this long to actually convene this meeting of these hundred sheltered workshop providers and the stakeholders? Because this is obviously a conversation that's been going on for a couple of years. And, you know, in our communities the upset and concern and disruption has been palpable. So, you know, why is this not happening until this spring?

DEPUTY COMMISSIONER DeSANTO: Yes, actually -- we've actually spent the last couple of years doing a lot of outreach and a lot of forums in different locations talking about the closure of workshops with a whole variety of folks, including workshop providers and families and individuals.

You know, we've certainly heard a lot of input from self-advocates, families and people who participate in these settings. And quite honestly, you know, people have a variety of opinions about what is really the best path forward.

I think the meeting is really an attempt to bring people together to try to

work through the actual concerns that we've heard from this process that we've gone through, from all the information we've gotten from many, many different folks, and really to bring people together and to see if we can do some collaborations, some problem-solving, and some common agreement on a path forward.

So I think that it's kind of where we

are in the evolution of the process, that we think the next best thing to do is really to get people together with a variety of perspectives and talk about the future.

ASSEMBLYWOMAN BARRETT: So brainstorm on solutions?

DEPUTY COMMISSIONER DeSANTO: Yes. Yes, absolutely.

ASSEMBLYWOMAN BARRETT: And do you imagine that it's possible that some version of sheltered workshops on a certain scale in some communities will remain but there will be other, you know, hybrids or other versions in other places?

DEPUTY COMMISSIONER DeSANTO: Yeah, I think it's very possible that something like the sheltered workshop, but in a more integrated business model, will remain.

And as I said earlier, I think we're well aware that not every person today who is participating in these settings may end up

competitively employed. And that's why some of these other supports that we have, pre-vocational supports and Pathway to

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Employment, are the kinds of things that we want to work together on and see if people believe that with all of these tools and supports that will be available, that we can actually get to the point that we hope to get to in terms of the greater integration of these services.

ASSEMBLYWOMAN BARRETT: So in our communities, our respective communities, if we have workshops like this, or providers, is it appropriate for us to be sure that they're included in this conversation if they don't know about it already?

DEPUTY COMMISSIONER DeSANTO: Yes. Actually, we just this week sent the invitation. There are 113 of these providers across the state. But we could certainly be sure that, you know, we can let you know who the providers are in your area that would be included, and just be sure that they are -- you know, that they are going to be part of it.

And we have invited them to bring interested family members and individuals who

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actually participate so that they can be, you

know, part of the discussion.

And I do know your area and some of those agencies, I do know the workshops that are there, and I'm sure that they will be very interested in participating.

ASSEMBLYWOMAN BARRETT: Great. Thank you. Thanks very much.

DEPUTY COMMISSIONER DeSANTO: You're welcome.

CHAIRMAN FARRELL: Thank you.

Senator?

CHAIRMAN DeFRANCISCO: Senator Savino.

SENATOR SAVINO: Thank you.

Thank you, Commissioner, for your testimony.

I'm not going to go over some of the issues that have already been addressed, the sheltered workshop, et cetera. But I want to go back to your testimony where you talked about the success of moving 500 individuals from six developmental centers, how many people you've moved into transitional housing, et cetera.

By our estimation, there are about 6500 adults right now who are living at home with their parents, who are not in residential schools, who are waiting for placement. But yet the state share of this build-out program is only $30 million. Do you think that's a reasonable estimate for a

program that large? And how are the nonprofits, who are basically going to provide the services, how are they going to absorb this on such a small amount of money?

DEPUTY COMMISSIONER DeSANTO: Well, what I can say is that the funding that's available, the state's share of $30 million, with the federal share added to it, about doubles to $60 million, and then when it's fully annualized to $120 million.

And based on our past several years of development, this is pretty consistent with what we've seen as being able to meet the needs of people that have been presenting to us.

As I said earlier, there were over 800 people able to access a certified residential

setting from home in the past year. And I think, you know, what we are really looking to do, Senator, going forward this year, is that very focused outreach and discussion with these 6,000 people that you're referencing who are registered, on our list, to talk with them about, you know, what is it that they need today, when do they think they need it, are they aware of the other kinds of supports they can receive right now. And really to look to see what kind of planning we may need to do around residential development.

I also want to mention that we've just convened a panel, a transformation panel, to really look more broadly at the needs in our system and the sustainability of being able to meet those needs within the types of services that we see now and in the future.

So that's kind of a macro view, I think, of where we're trying to go with the planning. And the other piece is really the person-by-person outreach that we hope to do.

So that should inform our needs going

forward in terms of what kind of funding really is reasonable to be able to assure people that we can meet the needs that they have when they really are at a point where they need residential supports.

SENATOR SAVINO: I look forward to hearing more about that.

Because the concern is that, you know, consumers and their families will make decisions that will benefit them, and that we're almost sending a message that it's better to place your child into a residential school earlier, separate them from their family, because that's almost a guarantee that they're going to get a placement. And that's not something that we want to encourage, but that could be the unintended consequence of it.

I know there are other issues that are

affecting the nonprofits, who basically are the ones who provide 90 percent of the services. The increase in the minimum wage is going to affect them.

They're still reeling from the

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devastating cuts that took place in the budget crisis in 2010 and then the CMS decision that hit them very hard in the past two years, and I know that's still looming. There's a potential that CMS is going to look at 2013 and 2014 -- or 2012 and 2013 and disallow a significant amount of reimbursement to them.

Are we at all prepared for the potential impact of that if it does go that way?

DEPUTY COMMISSIONER DeSANTO: Yes. We have certainly been looking at that fiscal review and its potential implications. The Governor has set aside $850 million as really an assurance to us that we will not have any effect that may come from whatever turns out to be the final amount of money that needs to be repaid, to assure that that is not going to affect services or our service providers.

So I think that that's a very positive aspect of this budget, and it is forward-looking to ensure that there's not any negative effect on the vulnerable people

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who rely on our services.

SENATOR SAVINO: And also as a result of, you know, some of those cuts that had to be put in place and changes in the way we provide services, many of the consumers were required to begin to pay for their own recreational activities and community outreach, et cetera.

For some of them that can tap their family resources, that's fine. But a lot of them don't have any family resources. And the nonprofit providers are picking up that expense with no reimbursement for it. Is there anything -- because that's only going to continue to grow. Is there a possibility that we could talk about reimbursing the providers for when they lay out the money to cover these expenses?

DEPUTY COMMISSIONER DeSANTO: Yes. I mean, we do a lot of -- there are a lot of ways in our waiver where individuals can access reimbursement for various types of supports.

And we recently in our waiver have a

new service that is individualized goods and services that will be available that could possibly help with some of what you're speaking about.

SENATOR SAVINO: And in my final moment, I noticed -- you know, the beauty of

texting now is there are providers at home that are sending me questions and saying ask this, ask this.

(Laughter.)

SENATOR SAVINO: Staten Island is holding its developmental disabilities breakfast as we speak, and so they are -- they know I'm here, and they have a million questions.

One of the providers there, Joanne Gerenser, she runs Eden II, she said "The sad part is is nowhere in the budget are we talking about 4410 preschools." Is there any discussion about expanding or improving? As you know, we put a lot of money into UPK, we're identifying problems with children much younger, we know early intervention is the way to go no matter what population of

children we're dealing with. What are we doing on the 4410 schools?

DEPUTY COMMISSIONER DeSANTO: Yes, I'm sorry, but that's not a part of the OPWDD budget, the preschool. So I'm sorry, I can't respond to that.

SENATOR SAVINO: Can you tell me who to ask?

DEPUTY COMMISSIONER DeSANTO: I believe it's a State Education --

SENATOR SAVINO: I'm kidding, I'm kidding. Thank you. I ran out of time.

CHAIRMAN FARRELL: Thank you very much.

Next is Assemblywoman Jaffee.

ASSEMBLYWOMAN JAFFEE: Thank you very much, Commissioner.

I wanted to go back to the discussion about the Front Door process, you know, that so many people with disabilities have to utilize that when they're seeking services.

But my understanding is that the regional offices, many of them are not fully staffed, and in a way that they could be

effective in actually providing the services in terms of determining possible eligibility and the needs assessment, you know, and matching the individuals to the appropriate services that they might need.

And this obviously directly impacts those that I've mentioned earlier who are at home with aging parents.

In terms of the new employees, will they then be provided to these various Front Door sites so that they can provide the services? Because you mention that you have 6500 that are registered. And so that wait could be quite long if there's not the opportunity within these sites to provide the eligibility to be able to move them to a place where they need the services.

DEPUTY COMMISSIONER DeSANTO: Yes. We

are in the process of adding staff to our regional offices for the Front Door. We've been really -- had a goal for some time to do that, and we are getting to a point I think in many parts of the state where we have the staffing that we feel is needed.

A lot of the early issues that we did experience with the Front Door did have to do with the fact that we really were not resourced immediately to a need that we really felt that we had. And then of course we had training issues as well.

But we are really in the process now where I think we're getting to a good place with being able to meet the needs locally through our regional offices with the staffing that we are authorized to have there.

ASSEMBLYWOMAN JAFFEE: And is there a sufficient collaboration with the Front Door groups with the providers? Because that would probably allow the process to move more smoothly and effectively.

DEPUTY COMMISSIONER DeSANTO: Yes. I would say that that's going very well.

ASSEMBLYWOMAN JAFFEE: And within the budget constraints, is there sufficient funding? Or should we add some funding to be able to provide opportunities for employment in these sites to then move the process

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faster?

DEPUTY COMMISSIONER DeSANTO: Actually, I think that in this budget we're well-resourced from a staffing perspective. But I appreciate the interest and the question.

ASSEMBLYWOMAN JAFFEE: I know that Early Intervention is -- although it does overlap. I just need to make a statement and share a concern. Early Intervention, I'm sure you're aware, I know you are, about the difference it makes with children with severe disabilities and the services that are provided.

Unfortunately, over the last several years, given the change in the process, there has been a significant decrease of Early Intervention providers, and many of them have closed their doors. And that has had an impact on the services for these children, and their families are struggling. And we know how effective Early Intervention is. I know I worked in the area for many years as a special education teacher, and I

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know the difference with a child coming from -- you know, having been provided Early Intervention services and how they can perform better, you know, as they move

forward.

But I must say that it's a conversation we really need to have, because the manner in which this whole system has changed has really impacted in a very negative way the Early Intervention services that are being provided. In areas like my county, they've diminished to practically zero. And that's a very severe issue that impacts so many.

So I wanted to raise it so that there is an awareness that it's something we need to discuss.

DEPUTY COMMISSIONER DeSANTO: Okay, thank you.

ASSEMBLYWOMAN JAFFEE: And thank you so much.

CHAIRMAN DeFRANCISCO: Senator Krueger.

SENATOR KRUEGER: Thank you.

So a number of people have asked about the people attempting to find residential options for adult children, and I believe Senator Savino said 6500 on the waiting list. And is there a variation in the time it takes to find somebody somewhere based on where they live? I represent Manhattan Island, and I get people coming to me all the time saying we're very frail and elderly, we really are not capable of taking care of our adult

child, and we're very, very concerned we could die, and what happens? And I'm -- it's a perfectly reasonable question.

Is there a time frame? Should I be telling people five years before you actually think you need a residential placement, you should be making that application? And will they be allowed to? I mean, we tell seniors in our community if you are going to be looking for senior housing, you start putting your name on lists at least five years before you ever imagine you would actually need to leave where you are now.

What is the time frame, and what is

smart advice for people?

DEPUTY COMMISSIONER DeSANTO: Yes. Regarding the time frame, there really are a variety of ways in which people do access residential supports. And we have right now in our existing system some 38,000 residential opportunities that are certified settings, operated mostly by our voluntary provider network, but some by the state as well.

And so there is a big supported base of services out there that we've been very fortunate, through the support of the Legislatures over the years and our budgets, to have been able to create. And many people do access services in the existing system

fairly quickly, depending upon the need that they present.

So we may have people come forward that find themselves in a crisis situation, and we are usually able in those circumstances to be able to meet those needs immediately.

For people who want to be more in the

planning mode, as you discussed, where maybe it's not urgent today, we still keep our residential request list active. And, you know, to say that there's any standard length of time would be very difficult. We actually have situations where families register and we might get to a point where we have something that we think might meet their needs, and they may say, Well, I'm not really ready yet -- which is of course is a very understandable and individualized decision that families make -- and others who may register and say, I think I'm looking for something in five years, and lo and behold, an unforeseen circumstance happens within that caregiver's life and they may be knocking on our door in six months or a year from that point in time.

So I think the best advice is to make sure that people are known to us, that we've established their eligibility so that there's not any question, and that they're actually

able to access supports that they need for just ongoing life as -- you know, when

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they're not yet at a point of needing residential supports. We have many supports for families that are caring for a loved one who lives at home.

So I think the best advice is to make yourself known, make sure you're eligible, find out what kind of help you can get right now, and then be on that registry and have a case manager so that you can be talking about, you know, kind of the life plan that you have.

SENATOR KRUEGER: And you have one list per se for the state, so if I came to you today and I was approved, I would have a number and I could continually cross-check, I'm still on the list and I've moved up?

I mean, this is what we do with public housing in New York. I mean, there's 250,000 people on it so you can actually check, oh, you're 20 years out; oh, you're only 19.4 years out. I'm not exaggerating, actually, just so you know that. Right?

So there's that kind of system, so somebody can cross-check, they didn't fall

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off the list, they can talk to someone about something has changed so that there's now a closer-to-emergency status, an actual

emergency status? You have that kind of system?

DEPUTY COMMISSIONER DeSANTO: It is not something where right now you could go and check your status there. It's not a, you know, sign up today and you keep moving up on a list. Because we really do need to deal with emergency situations as they happen.

So as I said earlier, it could be that someone who registered very recently gets to a point of a life emergency that requires them to get the service very soon. And so it isn't really like the housing kind of supports that you're speaking of where you kind of are on a waiting list per se and it literally is moving along based on when you registered. It's really more based upon each person's circumstances and what their needs are at a particular time.

SENATOR KRUEGER: But it's not arbitrary and it's not they like that person

better --

DEPUTY COMMISSIONER DeSANTO: Oh, no. We have criteria that actually speak to the level of urgency that any particular person is experiencing.

I do think the outreach exercise, though, that we will do will help to inform us, you know, also about the way our registry is developed and maintained. So there may be

ways that we can improve, both for families to know the status of their request or services, but also to know what else is available in the meantime and how to stay connected.

So I think that's an interesting thought that you actually have raised, Senator. So thank you.

SENATOR KRUEGER: And with my last 50 seconds, there's been a lot of discussion about the sheltered workshop issues. Is it correct that under the Olmstead court agreement you actually are not supposed to be in the sheltered workshop business? I'm a little confused.

DEPUTY COMMISSIONER DeSANTO: Well, the Olmstead agreement really does speak to people being able to access services in the most integrated settings. So it really was something that dealt with any aspects that might be segregated, whether it's an institutional setting that's segregated, a workshop that's segregated. And it really does focus on affording people the opportunities to be as integrated as they can be. That's really its focus.

SENATOR KRUEGER: Thank you.

DEPUTY COMMISSIONER DeSANTO: You're welcome.

CHAIRMAN FARRELL: Thank you very

much.

Assemblywoman Bichotte.

ASSEMBLYWOMAN BICHOTTE: Good afternoon, Deputy Commissioner. Thank you for being here with us today.

So I have some questions concerning obviously about the cut, $30 million, $30.91 million overall in funding for the Office for People With Developmental

Disabilities. I recall Mayor de Blasio saying that easily one-third of the inmates have mental health issues or developmental disabilities. And there's a concern, with facilities closing, budget cuts in this particular department will increase the inmate population.

Now, I know you talked a little bit about providing housing for people who committed criminal sexual activities, but you didn't talk much about how you would monitor these individuals. You know, anyone who actually was involved in the criminal justice system.

So how would you monitor that? And how would you also monitor all others who have a history of risk behaviors in the community?

DEPUTY COMMISSIONER DeSANTO: Thank you. I do want to say that we do not have a reduction or a cut in funding in this

proposed budget. We actually have an increase overall of like $133.8 million in OPWDD's budget, which is about a 3 percent

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increase.

But I would like to respond to your very good question about how we really are working to ensure safety in communities. And it is a very high priority, obviously, that we have. And because we have this small percentage of people with developmental disabilities who do have these forensic involvements, we need to make sure that we have the right types of services to meet their needs.

We do have some of our campus-based settings that offer intensive treatment supports to people who have these kinds of issues. And we do evaluate people on an ongoing basis to see if they have progressed to a point in their treatment where they can be safely integrated into more typical community settings.

When that happens, we have experts that both develop their plans and review them, and we offer supports that they need, sometimes pretty intensive help in the community also. And then we monitor, on an

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ongoing basis, monitor and review their

success and how they're doing.

And most of these individuals accept these services voluntarily, so it's not something that we are able to compel them to receive. But many more people than not are very willing to accept these kinds of supports in the community.

ASSEMBLYWOMAN BICHOTTE: Okay, thank you. I'm sorry, I did see -- I'm looking at the Yellow Book, and it said a decrease, but maybe I read it wrong. So we'll see, we'll talk about that later.

DEPUTY COMMISSIONER DeSANTO: Yeah, maybe we can talk about it afterwards, because there may be some subsection of the budget that I'm not --

ASSEMBLYWOMAN BICHOTTE: Right, or sometimes it's an overall and there was probably a net change, increase of what you're talking about. But that's fine.

I did have another question about the closing of facilities.

DEPUTY COMMISSIONER DeSANTO: Sure.

ASSEMBLYWOMAN BICHOTTE: Do you expect any in the future? And if so, where? Do you expect any of the facilities to be closed?

DEPUTY COMMISSIONER DeSANTO: Yes. For our campus-based facilities, we have a closure plan. And presently the most -- the one that will close this year, by the end of

this year, is our O.D. Heck facility in Schenectady. That's down to a very low number of individuals; about 17 people are there now. And that will close by the end of March.

We also are planning to close our Brooklyn Developmental Center by the end of the calendar year of 2015. And then our Broome Developmental Center that following March, in 2016. And finally, we have a facility in Queens, Bernard Fineson Developmental Center, which will close the following year in March of 2017.

So that is -- those facilities are just over, altogether, about 500 people today. And we will get, we expect, to a point of about 150 individuals on two

remaining campuses by 2018.

ASSEMBLYWOMAN BICHOTTE: Do you have the numbers of the Brooklyn Developmental Center?

DEPUTY COMMISSIONER DeSANTO: Yes. Brooklyn today is about 62 people right now. And it served in state services there. And as I said, we hope to -- and we do have plans for those people throughout the coming months to be able to find community opportunities by the end of the calendar year.

ASSEMBLYWOMAN BICHOTTE: Okay. Thank you.

CHAIRMAN FARRELL: Thank you very much.

ASSEMBLYWOMAN BICHOTTE: Oh, I have one more question.

CHAIRMAN FARRELL: Oh, I'm sorry.

ASSEMBLYWOMAN BICHOTTE: Yeah, I still have time.

CHAIRMAN FARRELL: You got one second. No, you got one minute.

ASSEMBLYWOMAN BICHOTTE: One minute. That's two questions worth.

CHAIRMAN FARRELL: One point one.

ASSEMBLYWOMAN BICHOTTE: Okay. Is there a record of how many of your OPWDD clients are employed? And how will that change as they transition from an institution to a residential -- yes, that's the question.

DEPUTY COMMISSIONER DeSANTO: Yes. The individuals right now who are competitively employed with OPWDD, it's about 7,400 of them who've been able to achieve employment. And we certainly hope, with a lot of the supports that we've been speaking about this morning, that that number will increase.

ASSEMBLYWOMAN BICHOTTE: Okay, great.

And right now with the folks who registered to transition, patients who registered, what's the percentage of that?

DEPUTY COMMISSIONER DeSANTO: I'm

sorry, I didn't --

ASSEMBLYWOMAN BICHOTTE: The clients who registered to transition over to a residential facility or home --

DEPUTY COMMISSIONER DeSANTO: Oh,

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okay.

ASSEMBLYWOMAN BICHOTTE: -- what's the percentage of that population, of the overall population that registered right now?

DEPUTY COMMISSIONER DeSANTO: Okay, so OPWDD serves about 127,000 people. And our list is -- the most immediate list within two years is, as we said earlier, like 6,500. And then there's another 5,000 who say, well, at some point like beyond, in the future years, we're looking.

So you might say it's a little less than about 10 percent of the total number of people that we serve.

ASSEMBLYWOMAN BICHOTTE: Okay, thank you very much. I appreciate it.

DEPUTY COMMISSIONER DeSANTO: You're welcome.

CHAIRMAN FARRELL: Thank you.

Next will be Assemblyman Crouch.

ASSEMBLYMAN CROUCH: Yes, it's good afternoon now. So thank you for being here still.

I've got two or three things I want to

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touch base on. In Norwich CIT, recently there was a -- one of your people visited the board of supervisors' meeting to answer some questions. I know the community and supervisors are upset with some of the things that have been going on there. Is the correct population of that facility right now -- it's a potential population of 60 beds, but there are about 45 there?

DEPUTY COMMISSIONER DeSANTO: That's correct.

ASSEMBLYMAN CROUCH: Okay. One of the things that -- when that was first constructed back in I think it was the early 2000s, or late '90s, 2000s or whenever, there was a promise to the community at that time that the people that were going to be held there probably would never be out in the community.

And I know they had an ABCD house plan at that point. If a person came in, a consumer came in, they were put in House A, and as they learned the system, they got merits, they could move to House B and they

had more privileges, and C and D. And if they messed up, they went back to House A and start over again.

My understanding, from talking to some of the employees and people that are more familiar with that, it's all kind of a

House A routine now. And there are discipline problems, breakage of some of the equipment and furniture. A gentleman told me he heard that there was one person that continually breaks the steel door, and it's maybe estimated about a total of $90,000 a year because -- to replace it all the time.

I have some concerns with that and basically how it's being run, I guess. Can you talk about that?

DEPUTY COMMISSIONER DeSANTO: Yes. You know, our facility in Norwich is certainly our most secure facility in the state and serves people that really do have intensive needs there. And I think that, you know, some of what you describe in terms of issues, perhaps, with property destruction are the kinds of things that you do see with

this population.

We also do have, though, a very good treatment approach there, that is successful with and has been successful with very many of the individuals who have lived there.

I think that we have evolved in our treatment approaches. We are a certified ICF there as well, which is an intermediary care facility that has a body of the federal requirements that come along with it which we are measured against, as I'm sure you're probably familiar with as well. And we

really do a good job of keeping our treatment services compliant with those requirements and also meeting the intensive needs of the people who are there.

ASSEMBLYMAN CROUCH: How did it change from when it started? I mean, if you went -- like I say, there used to be four different stages that they would go through to learn just discipline or just in general learning of trades or whatever. How did that change to what it is now? Because it -- I never heard of this destruction, destructive

behaviors before.

DEPUTY COMMISSIONER DeSANTO: Yes, the best way maybe that I can describe it is that a system that may have been in place a number of years ago in some of our facilities was not an individualized system. And really what we have today are plans that are based on each person, their individual needs and issues. And they each have goals that they work on.

And so we've moved away from approaches that are generalized to everybody in a setting and really tried to get to more individualized treatment plans, which is what's required also in the ICF type of program.

ASSEMBLYMAN CROUCH: There's now I'll call them field trips where some of the

consumers, if you want to call them, are taken out into the community. There was an incident when some of them went to Walmart. Apparently there was another incident at the YMCA.

The district attorney expressed some

concern at the county meeting about, you know, lack of notification to the local sheriff's department or Norwich Police Department or something like that. And there's apparently no communication.

So there's concern about keeping the general population safe as well as maybe some of your clients that are going out there, because there's no communication.

DEPUTY COMMISSIONER DeSANTO: Yes. I mean, we're certainly concerned about the safety of the general population. And, you know, what I would say to you is that our goal in these facilities is really to get people to a point in treatment where they can safely go into community settings, as many, many people have done. And you really do need to have opportunities for people to go out into the community with good supervision and good plans and learn and demonstrate that, you know, they either can or cannot be safely integrated.

I think it's part of the treatment. It's really part of what we try to do for

everyone. And it really does assist in helping people to get to a point where they can move to more integrated settings. And we certainly follow all of the rules and requirements for notification when those moves occur.

ASSEMBLYMAN CROUCH: My background is I was on the board of supervisors for nine years. And one of the things that always was very disconcerting to us was the pass-down of cost or the impact that some of the things that the state did would affect the county budget.

And so my understanding is that if there's an incident even at the facility or if there's an incident out in the community, you're suddenly involving the local sheriff's department, possibly the jail, possibly the public defender and the district attorney.

So I would ask that you look at that and have a conversation with the county about that type of a financial impact.

I'm running out of time, but I do have some questions on the Broome Developmental

Center and on the number of people that are left there -- I know you're looking at closing it -- and how we're transitioning some of those people out into the community.

But I'm out of time, and I'll come back when it's appropriate, please.

CHAIRMAN FARRELL: No, this is it.

ASSEMBLYMAN CROUCH: I'm it, huh?

CHAIRMAN FARRELL: This is it. We're going to the next one. I'll give you a minute more.

ASSEMBLYMAN CROUCH: What happened to my other seven minutes?

CHAIRMAN FARRELL: I'll give you one.

ASSEMBLYMAN CROUCH: Broome Developmental Center, how many people are left there at this point in time?

DEPUTY COMMISSIONER DeSANTO: There are just over 90 people at Broome Developmental Center. I believe 92 at last count.

ASSEMBLYMAN CROUCH: And I know there's been an effort to place a number of them in the community. Some of them are sex

offenders in the community, which we've expressed our concern about that.

My understanding also was that there would be a certain percentage of that population who ultimately end up at the Norwich CIT and at Sunmount. Do you have room for those individuals at this point in time?

DEPUTY COMMISSIONER DeSANTO: Yes, we have been very, very careful to ensure that

people who should not be leaving any of our closure facilities are able to access the intensive services on another campus. And that's been happening as we've been reducing populations at places like Finger Lakes, Taconic -- which have already closed -- Brooklyn.

And we do believe that -- and we have been ensuring that we have adequate capacity. If we find that we do not, we will certainly -- the result will not be to say, well, people have to move. We will make adjustments if we need to because we will be sure that the people who need those services

will get those services on a campus.

ASSEMBLYMAN CROUCH: There is also the possibility of -- I understand there's quite a lot of space or room up at the old State Hospital campus, which is again a state facility. But, you know, if you're looking at at least shutting the door on this one facility, you have to have room for some of these people, rather than put them in community homes.

I really question about some of them that are out there, because I know there's been some sex offenders out there and a lot of people have concerns about that and whether they're getting the appropriate monitoring or not.

But I think you maybe have some options still in that area if the beds aren't available at CIT or at Sunmount. But we'll have to continue this conversation at another time.

DEPUTY COMMISSIONER DeSANTO: Okay, thank you. Be happy to.

CHAIRMAN FARRELL: Thank you very much.

DEPUTY COMMISSIONER DeSANTO: Thank you.

CHAIRMAN FARRELL: Thank you.

Next, Arlene González-Sánchez, commissioner, New York State Office of Alcoholism and Substance Abuse Services. This is the 10:30 meeting.

Good afternoon.

COMMISSIONER GONZALEZ-SANCHEZ: Good afternoon. Thank you, and good afternoon, Senator DeFrancisco -- I know he's here somewhere --

CHAIRMAN FARRELL: He's here in spirit.

COMMISSIONER GONZALEZ-SANCHEZ: -- Assemblyman Farrell, Senator Amedore, Assemblywoman Rosenthal, and distinguished members of the Senate and Assembly committees. My name is Arlene González-Sánchez, and I'm the commissioner of the New York State Office of Alcoholism and

Substance Abuse Services, one of the nation's largest addiction treatment systems, serving

nearly 240,000 individuals each year.

I am pleased to be here today to discuss Governor Cuomo's 2015-2016 Executive Budget proposal as it relates to the mission of OASAS. But first, I would like to briefly highlight some accomplishments we've made during the last year, under the Governor's leadership, and with continued commitment and support from this Legislature.

A key priority has been implementing the historic laws recently passed to address the heroin and opioid crisis in New York State. We successfully launched Governor Cuomo's Combat Heroin and Prescription Opioid public awareness and education campaign, and we have provided anti-overdose naloxone trainings to more than 41,000 people throughout the state, resulting in more than 1,200 lives being saved.

Furthermore, to improve access to medication-assisted treatment in areas of need across the state, we have opened two new Opioid Treatment Programs, one in Buffalo and one in Plattsburgh, and we anticipate opening

two additional Opioid Treatment Programs in Albany and Peekskill in the coming months.

Additionally, to address the need for

more residential treatment services for young adults with heroin and opioid addiction, we've opened a 24-bed Intensive Residential Program for young adults in Staten Island.

We also began implementation of steps to transition our system to managed care. To ensure the readiness of all of our stakeholders, we have conducted numerous trainings across the state. We have also developed a provider readiness self-assessment tool to help identify areas where providers need additional technical assistance and additional training.

So as you can see, we have accomplished a great deal. Now I would like to move to the Governor's Executive Budget proposal as it pertains to OASAS.

Overall, the Executive Budget proposal allows OASAS to continue its support of our prevention, treatment, and recovery system of care. It includes an increase of

$22.5 million from last year's budget, for a total of $600 million in overall funding for OASAS. Now, that includes $115.3 million for state operations and $471.7 million for Aid to Localities.

More specifically, the budget provides $344 million for treatment, $84 million in continued support for our prevention providers, and $45 million for recovery

services. There is also a $1.9 million annualized investment for additional community-based services. Now, while this will be achieved through a planned 5 percent reduction in capacity at our OASAS-operated Addiction Treatment Centers, it will have minimal impact on our operations.

In addition, there is a $5.8 million increase to support compensation increases for direct care, support and clinical workers at all community-based programs that receive OASAS funds.

The Executive Budget proposal also includes $5 million from the state's BNP Paribas lawsuit settlement and $2.8 million

in continued funding to address the heroin and prescription opioid epidemic.

The Executive Budget proposal will also allow OASAS to fund Round 4 of the New York/New York III housing initiative, creating 80 additional units of permanent housing for chronically homeless families where the head of household has a substance abuse disorder.

In addition, there is funding available to address challenges our providers are currently facing. First, there is $2.3 million to stabilize our Residential Rehabilitation Services for Youth programs, which are an essential part of our continuum

of care for adolescents. Second, there is funding included to address the negative impact on our residential treatment providers resulting from federal changes in food stamp eligibility criteria.

The Executive Budget proposal also maintains the commitment to our five-year capital plan and increases funding from $55 million to $64 million. This increase

will support both new bed development in areas of need as well as other patient-centered and recovery-oriented projects, including the OASAS residential redesign initiative.

In fact, two such capital projects are already underway to address the need for residential treatment programs for young adults in Niagara and Suffolk counties. We are working with the provider in Niagara County, and we hope to open that program in a temporary space while we build a permanent location.

And finally, our Executive Budget commitment will be supplemented by a new $8 million federal grant recently awarded to OASAS. We will use the grant to support up to 10 community coalitions in their efforts to prevent heroin and prescription opioid addiction among adolescents and young adults.

As always, our objective remains

focused on ensuring the delivery of a comprehensive, patient-centered system of care designed to improve the lives of all

New Yorkers, and Governor Cuomo's Executive Budget proposal supports our efforts.

I want to thank you for the opportunity to present the Governor's Executive Budget proposal, and I welcome your questions and comments.

CHAIRMAN FARRELL: Thank you very much, Commissioner.

First to question, Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Hi, Commissioner. Thank you so much for your testimony. This is my first official hearing as the new chair of the Assembly Committee on Alcoholism and Substance Abuse, and so I'm very happy that we get to work together.

I have some initial questions. The additional $5 million for opiate abuse prevention and treatment programs, can you go into some detail about where the services would be located and how OASAS will determine the need for additional services within a particular community? As well as addressing the time frame for implementing these

programs.

COMMISSIONER GONZALEZ-SANCHEZ: Okay, so the $5 million will be used to expand on needed treatment services if that may be the case. It would be used also to continue our campaign moving forward, the heroin campaign of awareness and education. It could also be used to develop, you know, prevention support services in the community.

ASSEMBLYWOMAN ROSENTHAL: Okay, so I see that nothing is lined out in the budget to indicate where each dollar is going. Is that available?

COMMISSIONER GONZALEZ-SANCHEZ: No, because what we're doing is we will do an assessment of where the needs are, similar to how we did it last year. Last year there was a huge cry of where it was indicated that there was a need, there were pockets of needs of treatment beds in different areas in the state -- Western New York being one, Long Island being another, Staten Island being another.

What we did, together with the local

governmental units, is got together, developed a plan, made an assessment. And where the priority for the need to address these issues were, we addressed them.

So that is how we established 25 beds in Western New York, 25 beds in Long Island, to really focus on the treatment for

substance abuse and heroin in those areas. And we will continue the same practice moving forward.

ASSEMBLYWOMAN ROSENTHAL: Okay. So you're still identifying specific locations throughout the state for some of these kinds of beds, okay.

I want to ask you about a waiting list for programs around the state. Can you tell me how many people are on waiting lists for medication-assisted treatment in the city and in upstate, and also break it down by adolescents and young adults?

COMMISSIONER GONZALEZ-SANCHEZ: Okay. I don't have the specific numbers, but I could speak to you in general terms.

We do seem to have an issue in certain

areas upstate with respect to access to medication-assisted treatment programs. And in my testimony I indicated that there are two programs that will be opened in those areas. Whether it's enough or not, that's an issue we will have to discuss moving forward.

I think one thing we need to really think about and discuss moving forward collaboratively is the issue of where we site those programs and the ability to site these programs. Yes, there may be a tremendous need, but the ability to site some of these programs becomes really, really difficult.

So while we would want to site some programs, we have a lot of NIMBYism that does not allow us to move forward with some of these programs.

So it's not as simple as it seems sometimes, just say we have waiting lists and we have needs. We are working diligently with the LGUs in various communities to try to site some of these programs, and it hasn't been easy, but we're getting there. Like I said, we are siting two in that area in

Peekskill, and I think that that will alleviate -- it won't solve the situation, but it will alleviate the situation.

ASSEMBLYWOMAN ROSENTHAL: Okay. I mean, I understand there are hundreds waiting for treatment in Syracuse, Albany, Rochester, Buffalo, Long Island, you know, the Capital Region -- I mean hundreds upon hundreds waiting for the Medicaid-assisted treatment. So is there enough funding in the budget to address these burgeoning needs?

COMMISSIONER GONZALEZ-SANCHEZ: Well, there is approximately, from all the different portions of dollars we have, close to $140 million that we're going to use for treatment, especially to address the whole heroin epidemic.

I also would like to preface that we have a total of approximately 5,000 and

change long-term intensive residential treatment slots throughout the state, in addition to 900 programs throughout the state, treatment programs that we fund. Is that enough? I couldn't sit here and say yes

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or no. I could just say that we do have the capacity. When you look at the overall capacity in the state, we do have enough, because the utilization is not there.

But at the same time, I will be straightforward with you and say that yes, there are pockets of the state that the beds are not there. And that's why we're working to identify those areas and develop programs in those areas.

ASSEMBLYWOMAN ROSENTHAL: Okay, can you tell me how many community-based prevention workers there are right now, and how many there were, let's say a decade ago?

COMMISSIONER GONZALEZ-SANCHEZ: I don't have the exact number, but I'll get it to you.

ASSEMBLYWOMAN ROSENTHAL: Okay. I mean, from what I understand, the workforce is dramatically reduced -- maybe it's half of what it was 20 years ago -- yet the problem has increased significantly in that time period. How can you as a commissioner and how can the agency address this if you do not

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have the resources available?

COMMISSIONER GONZALEZ-SANCHEZ: I'll have to get back to you and see where the numbers are.

ASSEMBLYWOMAN ROSENTHAL: Okay. I mean, it's -- I know it's a long answer, but it's just a reflection of, you know, the huge need out there.

COMMISSIONER GONZALEZ-SANCHEZ: I'm sorry?

ASSEMBLYWOMAN ROSENTHAL: I know your answer cannot be given right now in a short period, but it's a -- it's an attempt to get at how the agency is able to provide all the resources necessary if your own workforce is cut in general. In general.

The grant that you just mentioned, so do you have any specifics about where those dollars are going, the federal government grant?

COMMISSIONER GONZALEZ-SANCHEZ: There will be an RFP, and I understand that there will be, if there hasn't been already, a press release that the Governor has put out

or will put out explaining the details.

But there will be an RFP and a process, and it's to really identify 10, up to 10 community coalitions in high-need areas.

ASSEMBLYWOMAN ROSENTHAL: Okay, I

think my time has run out. And maybe I'll come back. Thank you so much.

CHAIRMAN FARRELL: Senator?

SENATOR KRUEGER: Senator Amedore.

SENATOR AMEDORE: Hello, Commissioner, how are you?

COMMISSIONER GONZALEZ-SANCHEZ: I'm doing well, thank you.

SENATOR AMEDORE: That's great. Thank you so much for coming here this afternoon and answering some of the questions and giving us your update and comments.

We all know that this is the absolute most pressing epidemic that is occurring throughout all of New York State -- not just one region or one community, but throughout so much of the state.

You talked about -- and Assemblywoman

Rosenthal asked some of the questions that I had as well, but you did mention that there are some waiting lists out there and the specifics of those are such. But, you know, knowing that Executive Budget proposal has a 5 percent reduction in OASAS in the addiction treatment center beds, and it also provides about $1.9 million in new funding to create additional community services for people with substance use disorders, given the fact that there's a heroin and opiate epidemic out there which is, like I said, wreaking havoc

everywhere, what is the rationale for downsizing OASAS addiction treatment centers?

COMMISSIONER GONZALEZ-SANCHEZ: Well, Senator, currently if you look at the utilization across the board of the addiction treatment centers, we're not at a hundred percent. So that's why I indicated that if you based on utilization, the 5 percent reduction across the board will not impact on our operation currently.

Now, the question may be why are these beds not full. And the answer may be that's

not probably the level of care that we need. And that is why we need to really focus on our continuum of care and be able to develop additional resources in the community to address this situation much more comprehensively and aggressively than what we have been.

SENATOR AMEDORE: Mm-hmm.

COMMISSIONER GONZALEZ-SANCHEZ: Remember, these are institutional beds, and institutional beds don't usually work for everyone.

And frankly, a large number of the individuals that we are treating with this heroin opioid addiction tend to be on the younger side, young adults. And young adults don't do well in long-term treatment facilities. I'm not talking about everyone,

but for the most part, that's not really the treatment of choice and a comprehensive treatment for that age.

SENATOR AMEDORE: Could you elaborate a little bit on the allocation for prevention? There's about $7.8 million in

this proposed budget.

COMMISSIONER GONZALEZ-SANCHEZ: Seven-point-eight million?

SENATOR AMEDORE: Well, $7.8 million in the Executive opiate funding.

COMMISSIONER GONZALEZ-SANCHEZ: Right. Right.

SENATOR AMEDORE: So could you --

COMMISSIONER GONZALEZ-SANCHEZ: There's two categories. There's a $5 million pot and then there's an additional 2.8, coming out to the $7.8 million for prevention.

And again, those are dollars that we're going to use to continue our efforts to address the heroin epidemic as well as other issues that we have in our system. So we're going to continue our Combat Heroin campaign, the awareness and education campaign -- that, by the way, has been really very successful just by the hits that we're getting on our website, and the mere fact of people that are actually presenting for treatment. And we want to attribute that not only to I-STOP but

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also a combination of I-STOP and the campaign.

So we're going to do that. We also have other initiatives of redesigning some of the way we deliver care in our system, especially our intensive residential programs. We're going to be using dollars to do that. We're also going to be using dollars to tighten up our care coordination on the community side with our clients to ensure that they engage in treatment and stay engaged. So those are some of the bigger areas that we're going to target, you know, these dollars for.

SENATOR AMEDORE: But do you have specific --

COMMISSIONER GONZALEZ-SANCHEZ: And, you know, bed replacement or bed enhancement may be also part of that structure.

SENATOR AMEDORE: Are there specific dollar amounts and allocations with -- from prevention and treatment?

COMMISSIONER GONZALEZ-SANCHEZ: Currently in the budget?

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SENATOR AMEDORE: Yes.

COMMISSIONER GONZALEZ-SANCHEZ: Yes. There are $84 million in our budget for prevention and treatment services.

SENATOR AMEDORE: What existing programs will be expanded with the details of that $7.8 million that we're talking about?

COMMISSIONER GONZALEZ-SANCHEZ: Right. Well, that's why I don't have a detailed plan for you, because what we're doing now is assessing, similar to how we did it last year.

We hear from folks that there are needs of, let's say, additional treatment beds in certain areas. We will now work together with the local governmental units in those areas to assess what the needs are, and then we will start an implementation plan to use these dollars.

SENATOR AMEDORE: My concern is is with this rapid growth of addiction and deaths, fatalities occurring throughout New York State. We continue sometimes to take this approach of, well, let's wait and

see. And there's millions and millions of dollars today, congratulations, with the $8.1 million federal grant that's coming in that will help combat this.

But a very detailed or aggressive approach that -- how we're going to get rid of this epidemic in New York State. I think that this wait-and-see sometimes allocation of this treatment or that prevention program -- I think we have the history, we

have this growing problem, and we need to tackle it much sooner in investing those dollars in the prevention, in the treatment, and also in those wraparound services for recovery.

Can you elaborate on the wraparound service, any wraparound services?

COMMISSIONER GONZALEZ-SANCHEZ: Yes. And first let me just comment to what you just finished saying.

We too at OASAS take this seriously. And if you see where we were last year and you see where we are today, we're not sitting on pots of money waiting to see. We have

actually aggressively implemented a lot of bed development -- which is usually difficult to do, but we have done it. Keeping in mind that it's not easy to say I'm going to expand the service here. Remember, we have community opposition everywhere we go. And yet we've been lucky that we have been able to site programs under the most difficult circumstances.

So -- and we will continue to do that, because we are also committed to making sure that we ameliorate if not end this disease, this crisis.

In terms of the wraparound, I believe in last year's budget there was dollars put in, and we continue -- there are two programs

that are up and running, and we continue to work with the Legislature to identify what will go into place. So two of the programs are up and running, and we're still working with the Legislature to identify where the other programs will go.

SENATOR AMEDORE: Commissioner, thank you. I'm out of time.

COMMISSIONER GONZALEZ-SANCHEZ: Thank you.

CHAIRMAN FARRELL: Thank you.

Assemblywoman Bichotte.

ASSEMBLYWOMAN BICHOTTE: Good afternoon, Commissioner.

COMMISSIONER GONZALEZ-SANCHEZ: Good afternoon.

ASSEMBLYWOMAN BICHOTTE: It's a pleasure seeing you after three years, I think, three or four years?

COMMISSIONER GONZALEZ-SANCHEZ: Yes.

ASSEMBLYWOMAN BICHOTTE: Thank you for being here today.

This matter is very sensitive for me, as I kind of was raised and experienced substance abuse in my household. And so, you know, I was able to witness and understand the impacts of needing facilities available for substance abusers.

So my question is, you know, the same concerns as everyone. We are closing beds

and we are increasing opiate abuse treatment centers.

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COMMISSIONER GONZALEZ-SANCHEZ: Correct.

ASSEMBLYWOMAN BICHOTTE: I have a concern in terms of is this increase in treatment centers a result of the beds or facilities being closed? So in other words, are we creating a pipeline to fill these treatment centers?

Although the increase in the budget for treatment centers is a good thing -- but it also could be bad thing. And the reason why is because the methadone treatment is not a solution, it's a harm-reduction solution, I would say.

So where is the increase coming from? Like what's providing the rationale to increase the treatment centers?

COMMISSIONER GONZALEZ-SANCHEZ: Okay, let me try to respond to the question the way I understood it.

First of all, we do not have -- I know it says a reduction, but what I indicated is if you currently go now and you look at our utilization of the beds across the state, the

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ATC beds, we are not at a hundred percent. In fact, we're probably at 80 percent. So the reduction is not going to have an impact

because they're not open and they're not being filled by any clients currently.

What we like to try to do is look at developing a continuum of care that the addiction system, unlike maybe OMH has had, we haven't had in the past. You know, tighten up our community-based supports to better address individuals in the community and get the supports they need for them to be stabilized in the community.

So when I talk about the possibility of developing treatment centers, that could be in areas where -- there are areas in the state that we have no treatment at all, that people have to travel two and three hours just to get treatment. It's not because we don't want to site them, but it's because we get a lot of opposition from the immediate community of not wanting to site programs. Okay?

So we have to be a little bit more

innovative and develop ways in which we could address this issue. Because as every single one of you has said, this goes across everyone. It has no boundaries. And so there is a need to develop specialty services or -- not specialty, different models, innovative models that will deliver comprehensive care and also be efficient. And also cost-effective, but that's not

what's driving this. It's the effectiveness of the service delivery.

And the reality is our young folks do not want to be in long-term facilities. And so they'll go in, they'll spend two days, three days, and they run right out, and then it's this vicious cycle in and out. Well, maybe we need to look at how to intervene with that and how to develop models of care that will help this individual out in the community.

Having said that, there is a cohort of individuals that do need longer-term treatment, and for those we will continue that. But that should be the exception, not

the norm.

ASSEMBLYWOMAN BICHOTTE: Mm-hmm. Right. But you could say the same thing for the treatment centers.

You know, a lot of patients come in, they get treated, and then they get addicted, then they get detoxed, and then it gets worse, you know. So there's that issue too. And that's why, you know, methadone is not necessarily a solution, it's just a harm-reduction solution.

So -- but I understand -- and we're just going to have to find, be innovative and find situations where we can help both populations, the long-term and the

short-term.

COMMISSIONER GONZALEZ-SANCHEZ: Absolutely. Absolutely.

ASSEMBLYWOMAN BICHOTTE: You mentioned about the $7.8 million increase to expand, and I take it it was a top-down, not a bottom-up approach. As you're doing your assessment, what is your outlook in terms of how many treatment centers in New York City

proper will be opening up?

COMMISSIONER GONZALEZ-SANCHEZ: Say that again, I'm sorry? There's an echo, and it's hard to hear.

ASSEMBLYWOMAN BICHOTTE: Oh, I'm sorry.

As you're doing your assessment in terms of opening up treatment centers across the State of New York, are you forecasting any increase in New York City proper, concentrated?

COMMISSIONER GONZALEZ-SANCHEZ: Again, we will work with the local governmental unit in New York City to identify whatever gaps in services they may have and address them accordingly.

ASSEMBLYWOMAN BICHOTTE: Okay. Thank you very much.

COMMISSIONER GONZALEZ-SANCHEZ: You're welcome.

CHAIRMAN FARRELL: Thank you.

Senator?

SENATOR KRUEGER: Senator Jesse Hamilton.

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SENATOR HAMILTON: Good afternoon, Commissioner González-Sánchez.

This is my first year as a Senator and my first time being the ranker of Mental Health. And I was told that OASAS and OMH was at one time one agency and then it was split up. Is that true or not?

Well, anyway, the question I have to ask you is how many of your clients have mental disabilities? What percentage of people with drug abuse problems have mental disabilities?

COMMISSIONER GONZALEZ-SANCHEZ: That's a great question, and that's a question that's asked often. And depending on who you ask, you'll get anywhere from 60 percent to 40 percent.

SENATOR HAMILTON: Hmm, 60 to 40 percent.

So the next question is do we have a collaborative relationship with OASAS and OMH? Because if you treat the drug problems, you have to deal with the mental problem in order to solve the problem. So I guess maybe

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the mental problem is the underlying problem

and the drug addiction just supplements that.

Now, I was a school board president, and I noticed that in special ed we had a lot of children who were being medicated for behavioral problems or mental problems. Is there a continuation of a percentage of those children who eventually do become dependent on drugs as they get older and age out of the system?

COMMISSIONER GONZALEZ-SANCHEZ: Is there -- I'm sorry, Senator.

SENATOR HAMILTON: Is there a correlation between children who are medicated when they're a youth and, as they age out of the system, become dependent on drugs on the street rather than drugs coming from the doctor?

COMMISSIONER GONZALEZ-SANCHEZ: I'm not sure I could sit here and say because they're medicated -- it's a medicated population that they will, you know, graduate to an addiction.

What I would say is that individuals,

young kids, adolescents who are prone because of environmental factors to, you know, drinking and drugging at an early age, do graduate to the adult having the same issues. Whether that's a factor of socioeconomic -- I don't think I could sit here and say that.

SENATOR HAMILTON: Okay, thank you.

I worked in a DA's office and I did night arraignments, and at one particular point in time they had drug treatment programs for drug dealers but not for prostitution. And I thought that was kind of weird because usually drug dealers don't do their own drugs.

And there was one woman in particular, she had a short rap sheet, and I wanted to give her a break and give her a violation rather than a misdemeanor, which means she had to go back into the system. And she had two young children. And when we came before the judge, she said, "Please, Mister, please, I have two children at home."

And I looked at my supervisor and I said, "Well, maybe I should give her a

violation." She said, "That's not your problem." Later that day I asked to contact the children, and she said, "That's still not your problem."

Is there any type of counseling for people who do have drug treatment for the children of individuals? As Assemblywoman Bichotte said, you know, you do have a lot of children in homes of drug abusers. And so the question is, do children get counseling to help them psychologically deal with what's happening at home?

COMMISSIONER GONZALEZ-SANCHEZ: Well,

certainly all of our outpatient clinics and, you know, prevention programs have the ability to counsel and deal with this particular situation.

In addition, we work very closely with the children's association, the Association for Children's Services, I should say --

SENATOR HAMILTON: Well, does your organization provide counseling for children of drug abusers? That's the question, I guess.

COMMISSIONER GONZALEZ-SANCHEZ: We do. Yes, we do.

SENATOR HAMILTON: Okay. So, second, with the prostitution -- I spoke about the young lady that was a prostitute -- do you test people who have drug problems for HIV?

COMMISSIONER GONZALEZ-SANCHEZ: I believe our programs do.

SENATOR HAMILTON: Okay. And once a person is diagnosed with HIV, do you also provide HIV medication?

COMMISSIONER GONZALEZ-SANCHEZ: Our programs do that as well.

SENATOR HAMILTON: Oh, great. Fantastic.

So I guess one other question is when you do have like drug treatment centers, a lot of times I can tell where the center is at because I see people like hanging around.

And then I notice that people are coming out of the centers and spitting out their medication into a cup and then literally selling it to someone else.

Is there any way we can stop that from

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happening, as far as giving them liquid medication rather than selling -- you know, a patient becoming a dealer, a low-level dealer, in selling medication to someone else on the street?

COMMISSIONER GONZALEZ-SANCHEZ: Well, as you know, especially our OTPs, they are supposed to watch, and they do, and there is a liquid form. And in essence, we have moved to that liquid form. And so it makes it very difficult for those individuals to not drink and spit it out.

We haven't heard that there's a tremendous issue. I know at one point there was, and it was really with the take-home medication. Because some clients are given a week, you know, dosage, and I think that that's where the issue was.

SENATOR HAMILTON: Right.

COMMISSIONER GONZALEZ-SANCHEZ: But, you know, our programs test individuals regularly, and we can tell from those tests whether they are indeed taking their medication, whether they're not taking their

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medication and still taking other drugs.

So those are some of the things that we have put in place to try to safeguard against those practices. I mean, it's a difficult thing to change altogether, but at least we're implementing safeguards to try to discourage that kind of behavior.

SENATOR HAMILTON: Thank you, Commissioner.

My last question is I know my other colleagues have spoke about the waiting lists to get into drug treatment programs. Do you prioritize individuals who are like in prostitution and also individuals who commit crimes due to drug use, as far as accelerating the intake process? Or does it just -- is it based on who signs up first?

COMMISSIONER GONZALEZ-SANCHEZ: Yeah, we don't have a central point in our office to monitor, you know, where a client goes. It's more local. And so we would hope that the priority is based on who needs the service the most. But we don't handle that in the department.

SENATOR HAMILTON: Thank you very much, Commissioner, I greatly appreciate your response.

COMMISSIONER GONZALEZ-SANCHEZ: Thank you.

CHAIRMAN FARRELL: Thank you.

Assemblywoman Gunther.

ASSEMBLYWOMAN GUNTHER: Thank you for coming today. I just have a really quick question.

Though there are programs available and beds available, you know, one of the problems I see in my office is denial from private insurance companies about inpatient stays.

Like in other words, you have to fail three times. And sometimes the bed is available, it happened with a young man that was ready for -- and, you know, it's like that moment of readiness, when that comes, when that desperation, when you hit that point, if you don't grab them, you know, that -- and it's not -- sometimes the programs are absolutely there, but it's the

denial from the private insurance company.

I mean, even our insurance company as state employees, they deny it all the time.

And I just wish we could do something about that, because there are the beds, like in Bon Secours, but we can't get them in there because they deny the treatment.

COMMISSIONER GONZALEZ-SANCHEZ: So you'll be pleased to know that OASAS has developed what we call a locator tool, Locator 3 tool, which is a level-of-care tool that we developed to ensure and to safeguard

exactly what you're saying.

This tool will have a no-fail-first policy. In other words -- and it will have an assessment, it will be an assessment to ensure that the issues on the addiction side is what's being analyzed, so that the appropriate level of care is given to the SUD population.

We are also requiring -- or not requiring. If it was up to me, I would require. We're strongly recommending that insurers use this tool across the board when

they're determining what level of care an individual with an SUD has. Those that do not want to use our tool and want to use their own tool would have to submit the tools that they're going to use to me, for me to approve.

And I will tell you directly right now, on the record, that I will not approve any tool that supports a fail-first system.

ASSEMBLYWOMAN GUNTHER: That's great. Thank you very much.

SENATOR KRUEGER: Senator Ortt.

SENATOR ORTT: Welcome, Commissioner. Good afternoon.

COMMISSIONER GONZALEZ-SANCHEZ: Thank you.

SENATOR ORTT: Just a couple of questions.

You spoke earlier on the project in Niagara County. There was $64 million set aside for those capital projects between Suffolk and Niagara. Do you know how much of that is going to the Niagara location?

COMMISSIONER GONZALEZ-SANCHEZ: Yeah,

the $64 million is for capital. That's the bulk of capital. Not all of that is going to go to Niagara --

SENATOR ORTT: No, I understand that. It would be nice, but I understand that.

COMMISSIONER GONZALEZ-SANCHEZ: I don't have the exact number, but I could get back to you if you'd like.

SENATOR ORTT: If you could get that to my office.

COMMISSIONER GONZALEZ-SANCHEZ: I think the important part is that we're going to open up a program there.

SENATOR ORTT: I agree. I do agree.

Do you know how many folks that will serve?

COMMISSIONER GONZALEZ-SANCHEZ: How many beds?

SENATOR ORTT: How many beds.

COMMISSIONER GONZALEZ-SANCHEZ: I will get that to you. It's somewhere around 25 or more. I'll get that to you.

SENATOR ORTT: Okay. And, you know, a lot of the discussion up here today has

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talked about education, prevention as it relates to individuals. And you of course mentioned that a lot of the people specifically, when we talk about heroin, drugs, you're talking about younger folks.

But of course as you know, a lot of times when the state gets involved, at that point they're usually already using. Because we're not with them all the time.

To what extent, in your opinion -- and maybe if you can back this up with some data, whether it's funding or programs -- is there education, prevention, where we're reaching parents or guardians of these children who are with them, and who usually are the first sort of line of defense to prevent young people from getting onto drugs or other substances?

COMMISSIONER GONZALEZ-SANCHEZ: Well, actually with the Governor's heroin -- you know, the Governor's Combat Heroin campaign has really strengthened and focused a lot of the family members that at one point, because of the stigma, I guess, attached, and also to

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a certain large extent, you know, denial -- not my kid -- would not come out.

If you see some of our, you know, announcements and PSAs, these are actual

family members that have come out and said, you know, this is my kid, this is what happened, I don't want this to happen to your kid.

And it's opening up -- and we're happy about this -- a whole organization around family members to come together to assist us in moving forward to try to prevent some of these horrible things from continuing to happen. So we're very happy about that.

You know, we're also in schools, and we're strengthening our prevention measures in the schools. Because you're absolutely right, you know, you don't become, you know, addicted to heroin, opiates overnight. Or you don't wake up one day and say I'm going to go straight to this. You know, there is a transition.

And I agree with you, we need to take the bull by the horns and really start

prevention at a very early age, and it's usually all the schools.

SENATOR ORTT: Thank you, Commissioner.

CHAIRMAN FARRELL: Thank you very much.

Assemblyman McDonald.

ASSEMBLYMAN McDONALD: Thank you, Commissioner, for being here. And thank you to be able to do all the work that you do.

CHAIRMAN FARRELL: Your microphone --

ASSEMBLYMAN McDONALD: There it goes. That work?

CHAIRMAN FARRELL: Yup.

COMMISSIONER GONZALEZ-SANCHEZ: Yeah.

ASSEMBLYMAN McDONALD: Well, still thank you, Commissioner, for you and the work that your agency does.

And as we all know, as you've heard from many people here, that we all know this epidemic is something we're trying to control. I always liken it to trying to catch fog. It's not that easy by any stretch of the imagination. But all the different

measures that we take could be helpful.

Just a quick comment on the bed closures. I understand the logic. It will be interesting, once the locator is up with the no-fail-first policy, to see if we start to see more people actually needing those programs.

I think part of the challenge that we heard last year during the legislative process with the package of bills that were passed is that many people I think almost gave up even trying, and therefore there's this fear that there's no opportunity to get in any programs at all.

I agree, long-term programs is not the best route to go, by any stretch of the

imagination. Which kind of leads to my overall philosophy about drug addiction, that it needs to be treated like a disease, just like hypertension, just like diabetes.

And it leads to actually following up on something Senator Amedore brought up earlier. You talked about, I think, two new programs that have been instituted. And I

don't know if I really heard exactly what those programs were. So if you could expand upon that, I'd appreciate it.

COMMISSIONER GONZALEZ-SANCHEZ: Sure. You're talking about the one in Long Island and the one in Western New York. There were -- this is the development of long-term treatment beds --

ASSEMBLYMAN McDONALD: Yup. Yup. Yup.

COMMISSIONER GONZALEZ-SANCHEZ: -- for the young adults who are having an issue with opiate and heroin addiction.

ASSEMBLYMAN McDONALD: Okay. So -- and actually going back a little bit to I think Member Rosenthal's question earlier about the $5 million being added to the budget, I think one could argue that $5 million is a good step forward but we need greater investment, particularly for treatment programs.

And what I'm more interested in is the

residential facilities are important, they play a part in the process. But I know there

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are programs out there -- we have one here in the Capital Region, the Addictions Care Center, that has some peer programs that the agency has done some mini-grants on to see how they're working. Is it too early to tell? Is that something that we can hopefully see some more permanent funding for?

Because, once again, going back to my philosophy that it's a disease state, you know, we go to the doctor for our diabetes; we don't just go once, we need to meet every three or six months, whatever it may be. This peer-support program that Addictions Care Center has demonstrated, have we found it to be successful? Is it something that we may want to continue funding throughout the State of New York?

COMMISSIONER GONZALEZ-SANCHEZ: While I am not going to speak specifically to the program, I will speak to the overall model. And yes, that is the -- that is a model that we are aggressively looking to incorporate in our system of care. Actually, in our move to

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Medicaid managed care phase 2, you know, peers will play a tremendous role. As a matter of fact, we have a couple of entities

that are already certifying some peer counselors to work with this population.

So the answer is yes. You know, it will be part of our overall system of care.

ASSEMBLYMAN McDONALD: Thank you.

Thank you.

CHAIRMAN FARRELL: Thank you.

Senator?

CHAIRMAN DeFRANCISCO: Senator Savino.

SENATOR SAVINO: Thank you.

Thank you, Commissioner. It's good to see you again.

As you know, Staten Island has been the epicenter of a lot of the problems with the heroin addiction crisis, largely in many ways because we are a community that has a high number of working families that have a good prescription drug plan, and that's really where it started. And that has led to, first, addiction to, you know, narcotics, which has now driven, with the implementation

of I-STOP -- as we knew, one of the unintended consequences of I-STOP, it was going to affect access to drugs for people. And unfortunately, as you know as an addiction specialist, trying to control the supply does nothing to control the demand. And so we're seeing huge numbers of young people now who are utilizing heroin.

We had a forum last night on

Staten Island; hundreds of families came to it because they're dealing with their teenagers who are struggling with heroin addiction.

And when we adopted some of the heroin combating laws in the past two years, one of the things that came up over and over was there has to be a coordination between addiction specialists, cooperation with doctors, and pressure on insurance companies. Because we're still dealing with the same treatment modalities that say that if you are a heroin addict, you don't need an inpatient detox; if you're an alcoholic, you do. If you're a benzodiazepine addict, you do.

But we know that when you're dealing with these young people now -- not even young people. Old people, middle-aged people, people who are on long-term workers' comp who can't get treatment or are becoming addicted to drugs -- we are now dealing with some of the most addictive drugs that have ever been produced by a pharmaceutical company, and we still are using the same old-fashioned methods of treatment.

So what I really want to know is, is there some way for your agency to take the lead in helping develop new treatment modalities so that we can really address this problem? Putting people away for 20 days at

a time and expecting them to come out and deal with their complicated, in many ways, mental illness -- we have a large MICA population now in the facilities.

So they're supposed to come out, handle their psychotropic medication, manage their sobriety and not fall back off the wagon. I think it's unreasonable for us to expect this kind of, you know, recovery from

patients who are not capable of doing that.

COMMISSIONER GONZALEZ-SANCHEZ: I agree a hundred percent with you.

SENATOR SAVINO: Good.

(Laughter.)

COMMISSIONER GONZALEZ-SANCHEZ: And I'd just like to add that we are not continuing this, you know, traditional funding of programs which I believe earlier someone asked me, well, you know, treatment versus this -- that's why we're taking our time to really do an assessment. Because obviously we need to change the way we treat. These days we can't continue, as you indicated. There will be need for your traditional long-term inpatient service. But I agree with you, we need to move on.

And so as a result we have developed the locator tool, which will be tremendous for us. And working with insurance companies in terms of making the right decision of what

level of care the individual with an SUD issue has.

But more importantly, we are also in

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the process of revamping or redesigning our whole long-term intensive residential programs to address just what you're saying. It's not an all-the-same-thing, you know. We are developing a residential redesign that will include three essential treatment elements: Stabilization, rehabilitation, and community reintegration. Okay?

So under that scenario, an individual who comes in doesn't have to go through Step 1 and spend 18 months, two years, three years to go to Step 3. They come in and, whatever level of care they need, the intensive residential providers -- which will be called something else -- will be able to deliver the appropriate patient-centered care that the individual needs at that point.

And if we are successful in getting the plan, which I think we will be, through CMS, providers will also be able to bill for some of those services, because it's not part of a residential program, it's a part of a new redesign.

So we're very, very excited about that

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system. You may have heard it is the whole,

you know, residential redesign program. But that's essentially what it is.

SENATOR SAVINO: Well, we were very pleased yesterday to see that one of our local programs on Staten Island, Camelot House, is going to receive a $2 million grant to help combat this.

But, you know, there's -- if it's happening in Staten Island, as you know, it's happening everywhere.

And this -- you know, as you pointed out earlier, addiction is a family disease. You know, I've never met an addict yet who did not come from a family with some sort of an addictive behavior in their background. That's a fact, regardless of what -- so when people say "not in my family," they're just not looking at their family close enough.

So without additional family intervention, I fear that if we only treat the isolated addict, we may actually help them in the short-term but, if they go back to the same environment -- because as we

know, people gravitate toward what they're comfortable with -- they're only going to relapse.

So I think if there's improving treatment as well as expanding family outreach and access I think is critical to trying to combat this problem.

And I thank you for your efforts.

Thank you, Commissioner.

COMMISSIONER GONZALEZ-SANCHEZ: Thank you.

CHAIRMAN FARRELL: Thank you.

Assemblyman Crouch.

ASSEMBLYMAN CROUCH: Yes. Good afternoon, Commissioner.

COMMISSIONER GONZALEZ-SANCHEZ: Good afternoon.

ASSEMBLYMAN CROUCH: A couple of questions.

One of the OASAS programs is Combat Heroin. But there's $5 million, I understand, additional new money in that funding for Combat Heroin. Some of it's going to support advertising, so it's not

going to treatment. How much of the $5 million is going towards advertising?

COMMISSIONER GONZALEZ-SANCHEZ: I don't have that figure, but I'll be more than glad to --

ASSEMBLYMAN CROUCH: Can you guesstimate a percentage or --

COMMISSIONER GONZALEZ-SANCHEZ: It's probably going to be somewhere maybe $1 million or --

ASSEMBLYMAN CROUCH: Any reason why it all couldn't go for treatment?

COMMISSIONER GONZALEZ-SANCHEZ: I'm

sorry, why all -- well, look, this campaign has proven to be really successful, in that it has raised the level of awareness. It's also a means by which we could educate a larger percentage of the overall population. So I think it's important to continue the efforts.

I think that at this point, where we have at least made some waves in the awareness and education, to stand back and let it sit will make us just go back to where

we started.

So I firmly believe that we should aggressively continue the campaign, because it's not just about the campaign, it's about making awareness and getting people comfortable in coming out and saying, you know, I have a problem, my child has a problem, my husband, whatever, and, you know, I want to talk about it. And I think that's the only way we're going to be able to combat this issue of addiction.

ASSEMBLYMAN CROUCH: Okay. One quick question. In the Executive Budget it appropriates $100,000 for the Medical Marijuana Trust Fund. What is the trust fund, what does it do?

COMMISSIONER GONZALEZ-SANCHEZ: Well, I think that's a little bit more appropriate for the Department of Health. But my

understanding from the bill is that that will take place once the actual law is in full operation. And my understanding is that it's not at this point. And that's all I can really speak to at this point.

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ASSEMBLYMAN CROUCH: Any reason why it was included in the OASAS program instead of DOH?

COMMISSIONER GONZALEZ-SANCHEZ: I'm not sure, but I will get back to you on that one.

ASSEMBLYMAN CROUCH: Okay. All right, thank you.

CHAIRMAN FARRELL: Thank you very much.

Senator?

CHAIRMAN DeFRANCISCO: I think the commercials are great. Okay? And one of the commercials has a woman with a red dress and she's talking about how she started drinking as a young teenager, then graduated to marijuana, then graduated to pills, then graduated to heroin and finds her life ruined until she got treatment.

Can you explain to me -- is that a general pattern, people moving from one to the other and graduating to a higher-level drug?

COMMISSIONER GONZALEZ-SANCHEZ: Yes.

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Um --

CHAIRMAN DeFRANCISCO: Okay. If that's the case, how could the policy of the State of New York start legalizing, first by medical marijuana and then no doubt, in a couple of years, graduate in our legislative process to lesser restrictions on the use of marijuana, as all states who started with medical have gone to? Do you think that was a wise move?

COMMISSIONER GONZALEZ-SANCHEZ: Well, let me try to put things in perspective here. The medical marijuana is not smokeable, it's oil. So again, that's far from where an individual is going to start with medical marijuana to get high.

The other piece is that the active ingredient that creates the high is not there. So the mere fact that those things are in place really deters the discussion. It's medical, it's not street marijuana.

Now, you know, street marijuana, some individuals do graduate. They start, some, with alcohol. I mean, if you look at the

data, far, far ahead, the biggest addiction piece that we have is alcohol, by far. And that's still an issue. So from there, they usually then graduate, if you want to call the word "graduate," into other types of drugs which could be street marijuana, not

medical marijuana --

CHAIRMAN DeFRANCISCO: So it's a good idea to go forward from alcohol and give another option as to how you legally can take some type of drug.

COMMISSIONER GONZALEZ-SANCHEZ: And I think those questions are more appropriate for the Department of Health. But --

CHAIRMAN DeFRANCISCO: Yeah, of course. But let me ask you one other one.

If someone, by chance, in the next year or two -- or whenever you're still commissioner -- proposes legalization of marijuana, period, what would your advice be?

COMMISSIONER GONZALEZ-SANCHEZ: I am not in a position right now to address that.

CHAIRMAN DeFRANCISCO: You're in the best position. You're the commissioner.

COMMISSIONER GONZALEZ-SANCHEZ: But all I could say is that currently what's in front of us, the medical marijuana, I have to remind folks, you know, we have the toughest and the most stringent guidelines --

CHAIRMAN DeFRANCISCO: You've answered the question. You don't have an opinion on that?

COMMISSIONER GONZALEZ-SANCHEZ: I don't at this point.

CHAIRMAN DeFRANCISCO: What other additional information would you need?

Because I'll need guidance if a bill like that goes forward, from the head of the department.

COMMISSIONER GONZALEZ-SANCHEZ: Well, let's see if a bill like that goes forward. I can't at this point --

CHAIRMAN DeFRANCISCO: Thank you.

CHAIRMAN FARRELL: It's all right, I'll sit with him in a smoky room and talk about it.

(Laughter.)

SENATOR KRUEGER: You know, I'm

jumping in to avoid having another question said.

I do carry that bill, which of course my colleague John DeFrancisco knows. And I am very happy to give him all of the research from throughout the country and other countries showing I think exactly what you were attempting to point out: There is some addiction to marijuana, a much lower rate than alcohol or tobacco.

And he wouldn't be fair in asking you the question because you're not DOH, but for the record, nobody dies of overdoses from marijuana, unlike the heroin discussions we're having here today.

Thank you.

CHAIRMAN DeFRANCISCO: So my request would be to take the ad off the air, because

we're being -- we're not fair {inaudible} to graduate from one to the other.

(Inaudible cross-talk.)

CHAIRMAN FARRELL: Thank you.

Assemblywoman Didi Barrett, please.

ASSEMBLYWOMAN BARRETT: Is this

working now? Okay.

I'm going to ask you questions similar to what I asked the Commissioner of Mental Health.

As I sit through these hearings, I have a lot of trouble with the fact that we have so many different silos in service of often the same people, the same organizations in our communities dealing with these same issues: So many people who are dealing with substance abuse are also dual diagnosis for other things, people are dealing with mental and emotional disorders and are self-medicating through drugs and alcohol.

You know, there's a lot of overlap, and I use the example also if you're a veteran who's over 65 and you're dealing with a substance abuse and also with mental health issues, you've got four different agencies that you have to deal with right there. If you've got physical issues, another one, maybe.

So what are you, at the state level and at the executive level there, doing?

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Because this is also very much a funding issue. The more different, you know, kind of full organizations we're funding, the less money there really is for programs and on the ground.

Can you talk to that a little bit, please?

COMMISSIONER GONZALEZ-SANCHEZ: Sure. Sure.

Well, first, you know, funding that we get, the various -- especially grant funding or federal fundings, you know, have to be maintained separately; they can't be commingled.

Having said that, OASAS and OMH have been working really, really diligently and collaboratively, I want to say over the past year and a half to two years, working on integrating licensure programs. So it's exactly what you're saying, looking at providers that are common to both OMH and OASAS that have two licenses that are treating a large number of cohort individuals from both sides, to minimize the number of

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audits that the provider gets, share the audits so that if one year OASAS goes in, that OMH will accept our audit as their audit.

So we are working on those initiatives.

ASSEMBLYWOMAN BARRETT: Why can't that money be commingled?

COMMISSIONER GONZALEZ-SANCHEZ: Those are federal regulations.

ASSEMBLYWOMAN BARRETT: But isn't that something that we could be looking at? Because that, you know --

COMMISSIONER GONZALEZ-SANCHEZ: We could. We just need to bring the feds into the discussion.

ASSEMBLYWOMAN BARRETT: Well, I would hope that that would be something that, you know, that the state would be interested in doing, in part to save money and in part to make the programs more effective --

COMMISSIONER GONZALEZ-SANCHEZ: Absolutely.

ASSEMBLYWOMAN BARRETT: -- and make

the funding streams, you know, more fluid.

COMMISSIONER GONZALEZ-SANCHEZ: Absolutely. But what I wanted to say is that we can't determine that. I mean, the federal government has to change the way they allocate monies to us.

ASSEMBLYWOMAN BARRETT: Do you talk to your federal representatives?

COMMISSIONER GONZALEZ-SANCHEZ: Sure. Sure. SAMHSA is one of the ones that we

speak to all the time.

ASSEMBLYWOMAN BARRETT: Uh-huh. Well, I would encourage that to be, you know, sort of on the priority list of moving forward, because I think it also will help us at budget time to be sure that we have adequate funding for the many programs in our communities that are dealing with people in multiple streams there.

So thank you.

CHAIRMAN FARRELL: Thank you.

Senator?

SENATOR KRUEGER: The Senate is done.

CHAIRMAN FARRELL: Okay. All right.

Thank you very much.

COMMISSIONER GONZALEZ-SANCHEZ: Thank you.

CHAIRMAN FARRELL: Now for the 11 o'clock --

(Laughter.)

CHAIRMAN FARRELL: -- Barbara Crosier, vice president, government relations, Cerebral Palsy Associations of New York State.

Next is going to be Michael Seereiter and Ann Hardiman. Will you come down and get close? Because we've got to start working on time, because the next committee meeting is scheduled for 1 o'clock.

CHAIRMAN DeFRANCISCO: Whenever you're

ready.
MS. CROSIER: Okay. Thank you very much.
CHAIRMAN FARRELL: Good morning -- or good afternoon.
MS. CROSIER: Good afternoon. Thank you for sticking around. And due to the hour, I'm going to be very brief. I will not

read; you have my testimony. And I've spoken with staff, and they have --
CHAIRMAN FARRELL: Pull your microphone over, you're not --
MS. CROSIER: -- they have our concerns, so I'll be very brief.
(Discussion off the record.)
MS. CROSIER: There, this one's on. I'll use this one.
I'm Barbara Crosier. I'm with Cerebral Palsy Associations of New York State. I represent all the CP centers across the state -- including Access CNY, Sullivan SDCC -- that were founded by the families of children with cerebral palsy in the 1940s and have grown to provide a wide array of services for children and adults with developmental disabilities.
In order to be brief, I just really want to make three points, three very general points. One is that New York State has a very proud history of providing supports and

services for people with developmental disabilities in the community.

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The second point is that over time, and particularly over the past few years, we've seen threats and an erosion to a lot of these supports and services and the ability to provide person-centered individualized supports.

And my third point is that New York State is better than that. We need to recommit to investing in supports and services for people with developmental disabilities and ensuring that individuals have access to the supports that they need to live a full life.

In my talking points and in my testimony, I have statistics about all the cuts that supports and services operated by not-for-profits have seen over the last four to five years. There's over $400 million in direct cuts to not-for-profits, an additional $330 million in cuts in last year's budget in investments. And these investments -- we need to continue to invest in order to meet the needs of the individuals.

I know you've all heard from the

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families across the state who -- and, Senator Krueger, you talked about the concerns of families living at home wondering what's

going to happen for my child when I am no longer able to care for my child.

And the investments need to be made in a manner that supports and understands both the individual's needs and the supports and services that are available. These can't be based on what an average person needs or the average number of hours. They need to be based on actual individuals and what their medical needs are, what their physical needs are, and what they are capable of. It has to be truly person-centered.

We appreciate greatly that the Legislature included and the Governor has supported the increase for direct support professionals last year that's in this current year's budget; it started January 1st and then again April 1st. But this increase does not begin to address the erosion that has occurred. Over the past five years, not-for-profit agencies and the direct

support professionals, who are the crux of all that we do, have seen their purchasing power eroded by over 16 percent once the impact of the Consumer Price Index is taken into account.

So we are asking that you not continue to defer the cost-of-living increase but, rather, include that in this year's budget. New York State is in a financial position

where it doesn't really make sense to put it off for another year. And that the agencies need to be able to recruit and retain qualified staff and ensure the health, safety and quality of care for individuals with developmental disabilities.

Deputy Commissioner DeSanto mentioned that they have got together an OPWDD transformation panel, and we applaud the administration for doing that. But as Acting Commissioner Delaney has said, they have quite the challenge in examining and implementing managed care, transformation of long-term-care services, looking at the needs of individuals who need further services.

And this must be done in a partnership with all stakeholders, especially those who understand the individuals and the supports and services that are needed.

Part of the OPWDD transformation agenda and the commitment to CMS includes a transition plan to close or convert institutional settings, or also called intermediate care facilities, or ICFs. The plan is really not a plan but in fact more charts of just numbers. And as New York State looks to transition people into more community-based settings and further services, we really need to have individualized services and a plan that

includes all stakeholders in the process.

Additionally, there needs to be assurances that the services are provided in a timely manner. So we really would like to thank you for your ongoing support. We're eager to redesign the system of supports and services for people with developmental disabilities. A redesign cannot be done in crisis. It can't be done without additional

funding, particularly over the last five years of cuts,

So again, thank you. And we have a proud history of supports and services. We've seen the erosion of the supports and services, and we need New York State to reinvest and look at true community individualized services, because New York is better than that.

Thank you.

CHAIRMAN FARRELL: Thank you very much.

Any question not heard? Senator.

SENATOR KRUEGER: I just wanted to thank -- I'm sorry. As you already said you knew, we're so far behind, but I want to thank you for all the work of the Cerebral Palsy Associations.

MS. CROSIER: Thank you.

CHAIRMAN FARRELL: Thank you very much.

Michael Seereiter -- I messed that up -- president and CEO, New York State Rehabilitation Association, and Ann Hardiman,

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executive director, New York State Association of Community and Residential Agencies.

MS. HARDIMAN: Good afternoon. I'm Ann Hardiman, from NYSACRA. I'm happy to be here.

CHAIRMAN FARRELL: Just one thing. Harvey Rosenthal will be next, and after that, Steven Kroll. If you come down, it cuts down the walking.

Yes.

MS. HARDIMAN: Good afternoon.

CHAIRMAN FARRELL: Good afternoon.

MS. HARDIMAN: I just wanted to highlight a couple of areas. I'm from NYSACRA. We provide services and supports to 200 provider agencies in New York State, not-for-profit providers.

The written testimony was lengthier. I'm just going to make two points. I want to thank you for the COLA, and we seek continued support on the COLA for the 75,000 direct support workers and the not-for-profit agencies that employ those persons.

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I also want to thank the State

Legislature for funding a study last year to develop recommendations for a voluntary credential for direct support professionals. We're going to be very excited to provide that report to you very soon. NYSACRA believes a credential is one way to provide a better-skilled worker with compensation that they deserve.

And then the final point I want to make is about minimum wage. We appreciate the proposed increase, but there needs to be a comparable rate increase to providers if the minimum wage goes up. It's very important since provider agencies are almost a hundred percent funded by government.

And finally, NYSACRA supports and embraces the goals of transformation, but we believe there needs to be a formalized process that's open and visible and that provides significant resources and technical assistance for that transformation.

Thank you.

MR. SEEREITER: I'm Michael Seereiter,

with the New York State Rehabilitation Association.

CHAIRMAN FARRELL: How do you pronounce it again?

MR. SEEREITER: I'm sorry?

CHAIRMAN FARRELL: Your last name.

MR. SEEREITER: See-writer.

CHAIRMAN FARRELL: Thank you.

MR. SEEREITER: Thank you.

As Ann mentioned, our Policy Perspectives document outlines a number of our priorities. I would refer you to that.

A couple of highlights from that document, including the issue of employment, which has been talked about quite a bit here today, particularly for people with developmental disabilities, I think.

As we look at the Governor's priorities and the transformative activities taking place at the Office for People With Developmental Disabilities, I think we see a bit of a disconnect there between the stated goals and where we stand. We're asking the Legislature to consider what kind of

investments it can make to support individuals, including through the OPWDD Supported Employment Program, that is indeed identified as the source of providing services and supports to individuals on the job in competitive and integrated jobs.

Likewise, we also see that there are a number of sheltered workshops and work centers around the State of New York that have been challenged to make a transformation. That is a formidable goal, a bold goal, and perhaps even an unrealistic goal, given the time frames. And one of the

areas where it would be particularly helpful, I think, would be the Legislature to identify resources to help those work centers make transformations to business models that could be more long-term sustainable.

And lastly, I would just mention this issue of not-for-profit investments. As we heard earlier through some of the questioning from you folks about the sustainability and the stability of non-for-profit providers, it seems to us that there is an opportunity

here, especially given the state's surplus, to make one-time investments that could be very helpful for not-for-profit organizations -- like members of ours -- to remain stable, to remain viable and operational for maintaining the supports and services that so many New Yorkers rely upon.

So we'll cede the rest of our time, in brevity.

MS. HARDIMAN: Can we answer any questions?

CHAIRMAN FARRELL: Thank you very much.

Senator?

CHAIRMAN DeFRANCISCO: Thank you.

MS. HARDIMAN: Thank you.

CHAIRMAN FARRELL: Harvey Rosenthal, executive director, New York Association of Psychiatric Rehabilitation Services.

MS. GILMORE: Hi, good afternoon. I'm here today impersonating my executive director, Harvey Rosenthal.

It's a pleasure to see you today. My name is Briana Gilmore. I'm the policy

director at the New York Association of Psychiatric Rehabilitation Services.

So I come with Harvey's greetings and his condolences for not being able to greet you here today. He would not be as sympathetic as I am, and I will be compassionate in my brevity. But I encourage you to look at our full testimony today, particularly in regards to investments in Medicaid redesign and community-based supports.

But today I'm just going to highlight two issues for you that are on our budget agenda this year, and those are housing and criminal justice reform. Both of these issues impact people with psychiatric disabilities in our community disproportionately, so we'd like to highlight them for you today.

For housing, we have three main issues. The first is to support rate increases for multiple types of housing providers.

You don't usually see a consumer

advocacy group coming up and testifying to the need for housing providers to have a rate increase. I assure you that we are here today advocating for that because the money afforded to housing providers directly impacts the care and the quality of the housing afforded to people in our community.

If people responsible for giving care in housing placements are not adequately supported with payment, their caseloads rise, the quality of care decreases. Housing providers are no longer able to make capital and structural investments in the property, which directly reduces the dignity and self-respect, the confidence and the well-being of people with psychiatric disabilities in different levels of housing.

There has been an investment made in the Executive Budget, but we're working together with numerous other advocacy organizations to request an $82 million investment for statewide housing at various levels to support particularly people with disabilities and in great need.

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Another housing concern that we have, of course, is with homelessness. We're experiencing record homelessness throughout the state, including 60,000 individuals in New York City, that disproportionately impacts people with psychiatric and physical

disabilities and is disproportionately now impacting families, including children.

People with disabilities are vulnerable to homelessness, especially because they experience cycles of poverty, trauma, abuse, incarceration, institutionalization. The need for new housing units is significant across the state, to say the least. The 300-bed-per-year commitment in the Executive Budget is nowhere near enough.

We're joining over 200 organizations in a campaign to call for 3,000 new units a year over 10 years in New York City and 1,000 units a year per year over five years upstate to meet the growing demand for housing, particularly for those with disabilities and for families.

UNIDENTIFIED PANEL MEMBER: What was that figure?

MS. GILMORE: Upstate, 1,000 units per year over five years.

And our last housing concern is related to adult homes. That's been addressed already on the panel today. Last year there were over 1,000 adult home residents with psychiatric disabilities identified as wanting to move out of their adult homes and into the community. Only a couple of dozen have been afforded that

opportunity. And $30 million that was in the budget last year needs to be guaranteed for those transitions this year.

The goal of the adult home New York City settlement was to move over 1500 individuals into the community by the end of 2015. We're working with other advocates, with the Executive and the agencies to try to figure out how to speed up that transition and make that possible. But we need to ensure that that money is preserved to make those community transitions likely.

So moving off of housing just to our criminal justice reforms, we've actually outlined a five-point plan for criminal justice reform to keep people with disabilities in their community and outside of jails and prisons.

For those of you familiar with the mental health community, you might have seen some articles circulating recently about the need to return to institutions, that we need to reinstitutionalize people with psychiatric disabilities. Obviously that's an outlandish proposal for those of us in the community mental health advocacy business. But for us it's also sort of joke: You can do that really easily, you just change the name on your county jail.

Jails and prisons are

disproportionately populated by people with psychiatric disabilities, and this is because of an entire range of issues that starts with the first point of contact with a police officer and somebody with a disability on the ground.

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And so our first point is diversion. We've been advocating for crisis intervention teams for a couple of years now with a coalition of other supporters statewide. Last year, we were very pleased that the Legislature made a one-time commitment of $400,000. And we've seen CIT be implemented in a really robust process in eight localities across the state. It's not just police training, it's a way for all stakeholders to sit together at the same table and figure out how, across the mental health and criminal justice system, we can keep people with disabilities out of jails and prisons.

And we have to keep our youth out of jails and prisons, so we advocate for the Governor's proposal to raise the age to the age of 18 for youthful offender status. This would keep 50,000 16- and 17-year-olds out of jails and prisons every year. Seventy percent of these youth are black and Latino; almost 60 percent of them experience emotional problems.

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We're also supporting Assemblyman Daniel O'Donnell's bill to go further and raise the age to 21, but we certainly think the Executive proposal is a big step.

When people are in jail and prison -- we've also heard from Assemblyman O'Donnell on this issue as well -- keeping people with disabilities out of solitary confinement is essential, not only for the health and the treatment needs of people with disabilities while they're in jail and prison, but the likelihood that they will leave incarceration and be able to maintain meaningful lives in the community is severely diminished if they are incarcerated by themselves in dark cells for 23 hours a day for years, sometimes decades on end.

Another important aspect of keeping people with disabilities out of jail and prison is sufficient discharge planning. So we're calling on the Legislature to implement presumptive Medicaid eligibility.

Most people who leave jails and prisons are found to be determined

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Medicaid-eligible once they leave, but for a lot of people the cycle happens so rapidly that they actually lapse in their Medicaid and, by the time they can get back into

services and needed supports, they no longer have insurance.

If a person has active insurance as soon as they leave jail or prison, they're much more likely to succeed immediately in treatment, and that really reduces recidivism.

And lastly, we're fully supportive of the Executive proposal to invest $22 million newly into the criminal justice system for treatment in jails and prisons, diversion planning, investments in assertive community treatment teams upon release, and supportive housing as well.

So housing, criminal justice, and I ask you to look at the rest of our testimony today to review our Medicaid managed care priorities as well.

Thank you for your time.

CHAIRMAN FARRELL: Thank you very much.

Senator?

CHAIRMAN DeFRANCISCO: Excuse me, I want to compliment you on your testimony, in that you understand your topic, you were able to speak from the heart, and you didn't read a six-page, single-spaced rendition of what we have in front of you. So excellent job. Thank you.

MS. GILMORE: I appreciate that,

Senator, thank you.

CHAIRMAN FARRELL: Thank you.

Steven Kroll, executive director, New York State ARC.

Next is Kelly Hansen and Robert Long. Come on down.

MR. KROLL: Thank you, Chairman Farrell. And my appreciation to the panel for listening to us at this late time.

CHAIRMAN DeFRANCISCO: You don't want to thank me too or --

MR. KROLL: And thank you, Senator DeFrancisco.

(Laughter.)

MR. KROLL: NYSARC is one of the largest providers of care for people with intellectual and developmental disabilities in the country. We make up about one-third of the DD field here in a New York.

I'm not going to use my prepared remarks, because you had an excellent dialogue with Commissioner DeSanto earlier today about many of the issues that are important to us. But what I'd like to do is just take a few moments to put a face on some of those issues.

I'm thrilled that Commissioner DeSanto said that the OPWDD is going to take this year to take a look at some of the people that are on the list that are waiting for

residential support. The challenge for us is, however, some of these people have been waiting for years. And so if we're just going to take a look at the list and not be able to move forward with helping some of the people in immediate need, we have a challenge in front of us.

The commissioner said that there's

somewhere around 6500 people on the list that are in need of housing or residential supports when we have an aging caregiver taking care of an adult child at home, and that they placed about 813 people last year. It's wonderful that we can place 800 people, but we really have to do better.

We would like to know if there's enough money in the budget. We have proposed in our testimony adding $30 million to place more people in residential settings or other supports that they need so that aging caregivers can have some relief.

And I want to just talk about some of the people we had here in the Capitol with us yesterday. We had three women, all in their sixties, who came to talk about their daughters who have lived at home with them their entire lives, and now their own health problems and their own future is -- you know, they're getting older, they can't care for them at home anymore. They've had them on

the residential support waiting list for more than 10 years.

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So is it enough for us to simply say, okay, we'll take a look at the whole list this year? On Long Island we have an 88-year-old man who is in the hospital critically ill, he's been caring for his adult child, and now the niece, who's in her sixties, is caring for the critically ill elderly man and the developmentally disabled adult child. And they don't have a placement for them.

So I applaud OPWDD for wanting to do this and for coming here today and saying that we have a project to work on this year, but I ask, number one, do we have enough money to do it? I understand that there's also an acknowledgement that we have to work on improving the Front Door. But the Front Door has to be collaborative, and it has to be collaborative with the provider community and the families.

We know that families are having a hard time navigating the Front Door. And I appreciate the commissioner said that we are committed to making it better. We'd like to

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work with the Legislature and we'd like to work with OPWDD to make that Front Door more responsive to families and more responsive to

the providers of care for people so we can make sure people can get placed quickly.

The challenge, of course, is that we've passed legislation in the past that has not become law that talks about how we can figure out what are the right ways to measure progress. We need to be able to measure progress with you. So how much progress do we make on that waiting list, how often does it happen, are we placing these people that are in really difficult circumstances?

So we'd like to work with the Legislature, we'd like to work with OPWDD and the Governor's office to figure out how we can make sure that the people that need supports and services now get them now.

I appreciate that we have to also run this out a couple of years. And OPWDD wants to see, of the people on that 11,000 list that was talked about, how many of them will be able to -- you know, do we need to provide

service for them in three years, four years, and five years? And what are the right services and combination of services for those people? But we really do want to try and address the folks that need the services now.

The second issue I want to mention briefly is the Early Intervention programs and the preschools. And that was mentioned

also in the conversation with the commissioner.

I understand that's not within the jurisdiction of OPWDD, but it's certainly something we want to talk with you and the Legislature about. Early Intervention programs have not received an increase in 20 years. Programs for the preschools have been flat-funded for six years. We have 19 NYSARC chapters that do preschools that are Early Intervention for young children with developmental disabilities that will hopefully be better able to go into kindergarten or into elementary school better prepared and help them to overcome their

developmental disabilities.

Those programs are going to close, that's what the providers have told us. The reason they can't -- they've been losing money for years, and what they've been doing is subsidizing them by transferring money from other programs that broke even or made a little profit. In the rate-rationalization environment, the idea is that we've tried to make sure that most programs' payments are close to their costs. There is no more cross-subsidy that they can transfer from one place to another.

They're telling us that if we can't help them find a way to get the preschools a

cost of business increase that they're going to have to close the preschools. It would be a tragedy to see the preschools close. One of the previous witnesses talked about how many fewer Early Intervention programs there are. What we're asking for is the same increase that's in the general education budget, about 4.8 percent, for the preschools and for the Early Intervention programs.

So I want to thank you very much for having us today. I also, as previous witnesses, would like to applaud OPWDD for bringing together the panel of experts to help them to navigate the challenges that we have. Many of us that testified here are privileged to be part of that panel of experts. But we'd also like to work with you to see if we can make progress on some of these challenges in this budget.

So thank you.

CHAIRMAN FARRELL: Thank you very much.

CHAIRMAN DeFRANCISCO: Thank you.

CHAIRMAN FARRELL: Kelly Hansen and Robert Long, New York State Conference of Local Mental Hygiene Directors.

And then John Coppola, executive director, Alcoholism and Substance Abuse Providers. Move on down, please.

And then after that, Antonio

Lasasnick. Oh, I did it again. Lasicki, yes, thank you.

Welcome.

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MS. HANSEN: All right, good afternoon. Chairman DeFrancisco, Chairman Farrell, Assemblymember Oaks, Assemblywoman Rosenthal, Chairwoman Gunther and Senator Savino, thank you very much for allowing us to present to you today on our concerns.

CHAIRMAN FARRELL: Is Mr. Long there and I don't see him, or --

MS. HANSEN: No, he's not. He's not here.

CHAIRMAN FARRELL: Oh, okay. Because you said "we."

MS. HANSEN: Yeah, I'm flying solo today, so --

CHAIRMAN FARRELL: Oh, okay.

MS. HANSEN: He's back in Syracuse.

CHAIRMAN FARRELL: I just wanted to make sure.

MS. HANSEN: Okay. No, you're not not seeing someone that no one else is seeing.

So, you know, you heard both Commissioner Gonzalez and Commissioner Sullivan refer to the LGU, the local governmental units. So for people who don't

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spend all of their time reading mental

hygiene law, that's your county mental hygiene director.

So our county DCSs are responsible for oversight of the local system for planning, for funding, and for ensuring that services are available to individuals in the community with mental illness, substance use disorder, and developmental disabilities. Our DCSs know their communities, they are very involved in the community, including also criminal justice issues and the school districts.

So while the three mental hygiene agencies are separate at the state level, they all come together locally with their county mental health commissioner.

So there's a few things I just want to talk about today briefly. And you've heard from others that we have closures, continued closures of state-operated facilities in three sectors, and how this impacts the county because we are a partner with the state in terms of oversight of the system.

So the closures that are occurring on the OASAS side to cut 25 beds, what we're looking for in the budget -- and we'll be providing you with language to consider -- is that there's no language in the budget that identifies what the money is going to be used for, and there's no proper role for the LGU

in terms of this local process.

It's critical that the county is involved in where these dollars go, because the county every year develops a local services plan that prioritizes the needs of individuals in the community. Once the state approves that plan, our partner in government, our state aid flows.

So we need that expertise at the table, and we would ask that you would consider including language in the budget that would specify the proper role for the LGU and also more language in terms of determining how that money will be spent.

On the OMH side, we're into our second year now of closures. Our county commissioners have been working

collaboratively with the Office of Mental Health. They have been working well with us, which we attribute directly to Ann Sullivan's leadership on this issue.

And what's interesting is that there's language in the Executive Budget that says you cannot -- that services must be in place in the community prior to cutting the funding and downsizing those beds. That's the only place where that language occurs.

We would recommend that you also include that in the OASAS language that puts that same priority on there.

And then also, for the OPWDD side, you know, there's some pretty significant downsizing there with 249 beds that are coming down. We are very concerned about individuals being discharged into the community without proper services available. It's a very large concern for the counties.

So again, we would ask that you include some protective language that ensures that services are available in the community prior to cutting any -- prior to shifting

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those funds into the community.

I want to talk a little bit about supported housing and what the county role is in this. And you've heard from others, you'll hear from more individuals who are testifying. But for an individual with a diagnosis of serious mental illness, the way they access housing is through the county, through our single point of access program.

And so individuals who are at highest risk, highest need, they're released from jail, which are busy places, and that's a very high risk; they're released from a psychiatric center, an inpatient hospital stay, very high risk of recidivism. So they come in through our single point of access process, and their care needs are put together in a very efficient way.

The reason that the LGUs are so

concerned with what's going on with the housing crisis is that the housing system is not stabilized enough to be able to make sure that there's housing available for our folks. We're having, statewide, a tremendous amount

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of difficulty finding appropriate housing for individuals who are high risk and, you know, need a very high level of supports that were not even envisioned when supported housing was originally put in place.

The piece that I haven't heard mentioned yet, but we might, is the problem with the reimbursement is there's no formula. There's no basis in the amount of reimbursement that reflects the cost of housing, that reflects the cost of staff, that reflects any of the costs of operating a supported housing program.

So what we're recommending is that the state move forward with a county-specific methodology that would take into account the actual costs of providing that service.

A little bit I wanted to talk to you about health home and criminal justice folks. As others have mentioned and we all know, we have a large percentage of individuals coming in and out of our jails with mental illness and substance abuses equally as high. This is a population that we as counties have been

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trying to get a handle on in terms of linkage with Medicaid for years. And because of data sharing and trying to make two separate systems talk to each other, until recently we haven't been very successful.

But our organization, the conference, has developed a pilot project in Monroe County that matches individuals who are in jail and will be reentering from jail with the county mental hygiene department to try to bridge that gap and be able to follow the person. It's basically a warm hand-off from jail back into the community. That's especially important with needed services and also with addiction. If someone is dedicated to their sobriety while they're in jail, it's very important to be with them right after their discharge or reentry back into the community.

I just want to thank you for your leadership on the heroin task force and the opiate overdose efforts that you put in place last year. I can tell you that what I hear from my members on Monday mornings when they

go into the office and they get that report of how many overdoses there were and how many reversals there were, there's a significant number of reversals. So making Narcan available has really made a difference. And we thank you, we look forward to that.

I can say the Combat Heroin campaign that the state has done is very good. If you haven't had a chance to click around on that, I would highly recommend it. They did a really good job.

And finally, you know, one of the pieces that is not always, you know, jazzy to some people, but -- you know, there's a lot of things in this budget that the counties are supportive of, as you can tell. The housing increase, there's money for jail, there's money for health home in jail. But one of the places that's sorely lacking is administrative funding to the LGUs to be able to do these programs.

So, you know, we've got a single point of access program. That's all done by county employees. We have assistant outpatient

treatment; that's Kendra's Law. That's all run by county employees. And I can tell you our counties are seeing more AOT referrals after the SAFE Act. There's a provision in the SAFE Act that requires OMH to do an assessment of anyone who's leaving prison for eligibility for AOT. We're getting more referrals. They're clinically appropriate.

These individuals are eligible for the service, but AOT is a very intensive program, it has very specific time lines in terms of when the petition is made to court, when the

evaluation is done by the psychiatrist, when you have to get back with a treatment plan. And there's a lot of follow-up and surveillance and vigilance required to be able to carry what is normally a good-sized manageable caseload of 1 to 12.

We're getting more AOTs, we need some administrative money to help with being able to continue the work and the role of the county in oversight of the system.

So I'll stop there. And if you have any questions, I would be happy to answer

them.

CHAIRMAN FARRELL: Thank you very much.

MS. HANSEN: Thank you.

CHAIRMAN FARRELL: John Coppola, executive director, Alcoholism and Substance Abuse Providers of New York State. Come on down. Once, twice, gone.

CHAIRMAN DeFRANCISCO: Thank you, John.

CHAIRMAN FARRELL: Yes.

Antonia Lasicki, executive director, Association for Community Living.

MS. LASICKI: Good afternoon.

CHAIRMAN FARRELL: Good afternoon.

MS. LASICKI: Thank you so much for the opportunity, Assemblyman Farrell, Senator DeFrancisco, Senator Krueger. And thank you

to the others who are kind of sticking it out here.

I'm going to also set aside my testimony; you can read that.

The Association for Community Living is an organization that represents about

120 nonprofit providers that provide a variety of services in the mental health system and in the other systems as well. But in particular, ACL represents the housing interests and the residential interests.

So I was watching a movie the other day, and it was a political mystery around the death penalty in Texas and the two characters, one said to the other: "But don't you care about the truth?" And the other one said: "There is no truth, there's just perspective."

So what I would like to do is answer some of the panel's questions that were put to the commissioner from the provider perspective. So I've made a list here, and I'm just going to focus on those, because these were your questions and that's what you were interested in.

So first of all, the 2 percent COLA, very much appreciated. As others have said, with the minimum-wage increases there will be pressures on that.

But in particular, the 2 percent COLA

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is targeted. And every time the state targets a COLA for nonprofit providers, it creates all kinds of problems for them. They have to give COLAs only to certain of their staff members and not to all. Some actually forgo the COLA because they cannot do that, it's not politically -- it's not viable in the organization to give raises to some people and not others.

We appreciate that the state and the Legislature would like to keep these COLAs to the lowest-level staff, but there are low-level staff people in other departments other than direct care. So you have data entry people, finance people, HR people, people who are doing all kinds of work for the nonprofit that don't get a raise because the COLA is targeted.

So we would really prefer to have less of a percentage that is given to us in a flexible manner that we can give to anybody in the organization that we need to give it to.

I understand that you want to make

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sure that the highest-level people do not get raises when times are very tough. But EO38 is the Executive Order No. 38 that keeps admin expenses below 15 percent. If an

organization is keeping admin expenses below 15 percent -- and my organizations are keeping it at 12 and 10 and 9 percent -- then I don't think there should be any real concern about the highest-level people getting too much money, because frankly their salaries are within those very low administrative expense categories. So they're highly, highly, highly efficient operator.

Supported housing rates. There was a lot of discussion about supported housing rates in particular. Assemblywoman Jaffee was asking about the quality of the apartments. Senator Savino, you were asking as well.

Here's the thing about supported housing. A provider gets a contract, and they're paid, in New York City, about $15,500 per year per bed. They have to pay rent,

they have to pay for staff, they have to pay for OTPS, they have to pay for transportation. There's a lot of costs related to running that program per bed. In Syracuse, it's $7,600 per year per year for rent, staff. We have to have 24/7 on call.

So there's a lot of responsibilities that are in supported housing guidelines, we're obligated to provide what we're obligated to provide, and yet the State

Office of Mental Health pays providers sometimes less than what its costs for the rent. I don't know how you pay for the staff, I don't know how you pay for -- so caseloads go up.

Another question Assemblywoman Jaffee asked was about caseloads. Caseloads, depending on the program that you're talking about, are quite high. The commissioner answered by saying the bridger program is 1 to 15.

The bridger program is not a very -- there's not a lot of bridger programs in the state. People are going to get their care

coordination from health homes. Health home caseloads are 40, 50, 60, 70 per staff person. Our caseloads in supported housing are 30, 40 in New York City -- a little bit better. But we're required to do 1 to 20. We're required to do 1 to 20, but we don't have money to do 1 to 20. So it's -- and I'm not quite sure what the providers are expected to do.

So as Kelly spoke, we would like a formula. I have a formula; it's in the back of my testimony. There's a formula by county that takes each one of the elements into account. It's not a cost-based approach, because a cost-based approach can be problematic for a variety of reasons. It

really just creates a budget for each individual county based on what we're required to provide. And then the providers would have to work within that budget, so it wouldn't be a cost-based approach.

The other thing that came up in the OPWDD testimony was aging parents with adult children. The same thing is happening in the

OMH system. The difference in the OMH system is we don't have a wait list. There is no way for those people to actually get on a wait list, and there's no way for them to be counted.

So as Kelly was talking about, the way that you access housing in New York State is, for the most part, through SPOA. In the city it's a little different, there's sort of two ways; one is SPOA. But in the rest of the state it's SPOA. And there's no requirement for them to maintain a wait list of every single person who applies for housing. People who are not priority populations can just be taken off the list.

So we don't really have any idea in New York State how many people need housing. And we certainly don't have any sense of who's living with aging parents. They're really often at the bottom of the list, and frankly they don't even make it to the list.

Managed care. Senator Krueger, you

talked about managed care. We're very, very, very concerned about managed care. It's

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happening very quickly. The last two years have been a whirlwind of change. So first there were health homes, everybody had to get into health home networks, some people are health home subcontractors. All of our targeted case management is folded into health homes. It's very, very -- it's pretty complicated in and of itself.

Then, soon after that, we had DSRIP. So now there's DSRIP and all of my providers have to get into DSRIP networks. First they're in health home, DSRIP, they're not -- some of them don't even quite understand what those things are, but they're moving forward as best they can. And now we're moving to managed care. So you have health homes, DSRIP, managed care -- and, five years from now, there's a whole other plan to have the DSRIPs and the PPSs run all the Medicaid money through. So it's mind-boggling levels of change.

And in the city, it's supposed to start July 1. We're not very confident that all the city providers will be ready. I do

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think people will go out of business. There will be serious cash-flow issues if the managed-care plans don't pay or deny. We've

heard from providers around the state that work with managed care now because they have different kinds of programs, maybe not Medicaid, and some managed-care companies automatically deny. It's the first response.

And the thing is, the nonprofits don't have any cash reserves. They're not going to be able to survive those denials. So if they go through three rounds of denials and they don't get paid, there's going to be some gaps in services throughout the state. It could be very -- so New York City is the experiment. We're going to watch that very closely. I hope it goes okay. But we're worried about it.

We are asking for $82 million in rate increases for 38,000 beds in the OMH system. That's a lot of beds, and it's four different types of beds. That's all in my testimony. Some of those programs have gotten 5, 6, 7 percent over 20 years. The rights are

ridiculously low. So if you look at that, you'll see.

Also, we try to come up with some ways to try to pay for what we're asking for. There's something called the state-operated community residence. My providers operate community residences. Senator DeFrancisco, you and I have talked about my report that I wrote a couple of years ago where in 2012 we

could have gotten $40 million worth of savings if we turnkeyed the state-operated community residences over to the nonprofits. That would be a -- it's probably more now.

But here's an interesting statistic. In 2008, the nonprofits were operating 4683 community residence beds -- those are the licensed congregate, highly supervised, medication supervision -- the kind of programs that people come out of a hospital right into. We were operating 4683 of the beds in 2008. We're now operating 4111, so it's decreased by about 500 beds.

The state, on the other hand, was operating 794 of those beds in 2008 and now

are operating 1060. So their numbers are going up while our numbers are going down, but they cost three times what we cost to do the same exact service. It's the same exact program. Same exact regs.

So it doesn't make any sense to me that they're continuing to expand that area of their business and decreasing ours. We can do it a lot more efficiently.

So I think that is my list. Thank you very much.

CHAIRMAN FARRELL: Thank you very much. Appreciate it.

ASSEMBLYWOMAN GUNTHER: Can I just say one thing?

CHAIRMAN FARRELL: Yes, you may.

ASSEMBLYWOMAN GUNTHER: Thank you.

In our chair letter, we put $100 million in for -- so that -- to accommodate the fact that you're not getting paid. And so rather than going and getting a loan and having to pay interest rates, that this would be a revolving loan fund so that you would have an availability of this money.

So I don't know if it's going to happen, but we did put that in the chair letter.

MS. LASICKI: Is that in anticipation of managed care, you mean?

ASSEMBLYWOMAN GUNTHER: Yes.

MS. LASICKI: For cash-flow issues?

ASSEMBLYWOMAN GUNTHER: Yup.

MS. LASICKI: Oh, we appreciate that. Thank you very much.

ASSEMBLYWOMAN GUNTHER: Yup. Yup.

Thank you.

CHAIRMAN FARRELL: Thank you very much.

Senator?

CHAIRMAN DeFRANCISCO: Thank you. Nope, we're all set.

We've been joined by Senator Martins.

CHAIRMAN FARRELL: We now have Glenn Liebman, Mental Health Association in New York State.

And then we will go back to the man we

found, John Coppola. We didn't look too hard.

MR. LIEBMAN: Good afternoon.

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CHAIRMAN FARRELL: Good afternoon.

MR. LIEBMAN: I really appreciate this opportunity very much. My name is Glenn Liebman, I'm the director of the Mental Health Association in New York State. Our organization is comprised of 30 affiliates in 52 counties across New York.

Largely what our members are are they're community-based mental health providers, but we do a lot of education, advocacy and training in the community. And I think what's -- I mean, there are a lot of things that's wonderful about this organization. But in the 11 years I've been here, it's an organization that is really comprised of folks who are looking to do not only our specific interests, but to focus on the greater good of the community as a whole. So we really work on a lot of issues that might not impact our members directly but are for the greater good of the entire mental health community and the entire public as well. It's the over 100-year-old mission of the Mental Health Association movement that

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we take very seriously.

So, you know, I want to thank you all. Over the years, you have -- you know, as I said, this is my 11th year of testifying, and you have really helped restore a lot of the budget cuts over the years. You've added new funding to programs, you've created new programs. And the bottom line is it's all about the people with mental illness. And those programs, that funding has really helped a great deal in all kinds of different arenas. So we really thank you very much.

So because of who we are, we carry a very large portfolio, as do many of our fellow advocates. And I think, you know, as we go through the list, what I'm going to do is I'm going to do things a little bit differently. Every year I testify, and every year I sort of just do kind of a brief piece on every one of the issues that we've focused on. And rather than do that, I'm going to focus on really one key issue and talk about that in greater detail.

But I just -- again, we are very

appreciative of what you did last year in terms of the cost-of-living adjustment. As Toni said, it's 2 percent for direct care staff that's going to end up being part of for clinical staff as well. We think it's really -- you know, that was a good first step. It's been over a half a dozen years

since we've gotten any COLA whatsoever. That is a disgrace that we haven't seen that money.

So we totally are in lockstep with Assemblymember Gunther and with fellow advocates in the call for making sure that we have to have a much stronger cost-of-living adjustment for the future, whether it be 4 percent across the board -- we think that makes sense.

And we're obviously in lockstep in terms of what Toni talked about with housing, what Briana talked about with criminal justice. We're totally on the same page in so many different issues.

So what I really want to do with my time is really talk about one specific issue,

and it cuts across everything. My father was a baby carriage salesman, and he was a very good salesman. He could sell a baby carriage to a 90 year-old. I mean, he was phenomenal. I don't have that gene. I'm without the salesperson gene, so I'm not as good at pitching a program as my father would be if he were sitting here.

But the number-one issue that we face in mental health and have faced forever -- across the board, not only in New York but across the country, across the world -- is the stigma associated with mental illness.

That is the 500-pound gorilla in the room. That affects everything we do. That affects public policy. Toni talked about perception. Unfortunately, the perception of people with mental illness has become the reality to so many people.

So people, when they think of people with mental illness, they think unfortunately of these crazy people, violent people who are out there who are talking to themselves, doing all these terrible things that are just

wrong.

The reality is that one in four people in the United States has a mental illness, has serious mental illness. One in four. That's 25 percent of the population. If you add family members like myself -- I'm a family member -- if you add family members, if you add close friends, we're all impacted, either directly or indirectly, by mental illness.

And we have to do something about that. We have to change and fight the stigma any way we can.

One of the incredible numbers that we often always talk about is that two out of every three people who need mental health services -- who need mental health services, who want mental health services -- don't receive those services. And the number-one

reason why is stigma. It's the stigma associated with mental illness. Again, there has to be such a sea change in how we think.

And that's why we are advocating for something -- as my father would say, a great

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deal, you can't pass up a deal like this. If you look at the last page of the testimony, what we're doing is we're talking about something that would cost taxpayers not one penny -- not one penny to taxpayers, not one penny across the state -- is a tax check-off for mental health public awareness. Add us to that box.

There are now 10 disease programs within that box. You know, we're talking about everything from Alzheimer's, appropriately -- and all of them appropriate. You know, cancer, cancer research. You know, wildlife. Everything that's there is appropriate.

What we're looking for is we're looking for a tax check-off. What we're looking for is that box. We want that box to end what we hope -- and we know it's not a panacea, we know all the issues that my colleagues have talked about are not going to change, you know, on a dime because we're going to get a public awareness tax check-off bill. But you know what? It's going to

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start something. It will really start a trend.

And hopefully to recognize that the Legislature and the administration really cares enough about mental illness that it's in the same disease state as all the other ones listed. And hopefully money will be raised that will be utilized for Office of Mental Health for a public awareness campaign around mental health issues. We think it's significant.

The world has changed; I know there was an issue with tax check-offs for many years. But in the last two years, there have been three new tax check-offs added to the income tax.

So we have great champions. Assemblywoman Gunther has been a great champion for us. She's introduced it in the Legislature every year, and it has been passed in the Assembly. In the Senate, Senator Carlucci took it up last year, he's sponsoring it again this year. Senator Ortt is on board with it, recognizing how

important it is.

And frankly, the way it got done and the reason I'm spending my time during the budget hearing talking about it, the reason it got done is because of budget, it got done in budget. So that is why we're really

hoping to be able to work with you for that little box that would cost taxpayers nothing. And it would be really something that I think would be a really helpful step in the direction of good public awareness that would end up in good public policy as well.

So I thank you very much for your time. I really appreciate it.

Any questions?

CHAIRMAN FARRELL: Thank you very much.

ASSEMBLYWOMAN GUNTHER: Wait one second, Denny.

CHAIRMAN FARRELL: Yes.

ASSEMBLYWOMAN GUNTHER: I was going to say that I'm sure there are a lot of people listening and making those phone calls to make sure that this tax check-off happens to,

you know, eliminate the stigma for mental health.

And, you know, when we look at 50 percent of our children as going to have an episode during the first 18 years of their life, it's time that we do this, it's time that we educate the public regarding mental health.

And it's time to ask newspapers to talk about connecting violence with people that have an episode of mental health. It's really -- it's been a terrible education for

the public, and we need to change that stigma.

So it's very, very important.

MR. LIEBMAN: Thank you. I really appreciate that very much.

CHAIRMAN FARRELL: Thank you.

MR. LIEBMAN: Thank you very much.

CHAIRMAN FARRELL: Senator?

CHAIRMAN DeFRANCISCO: John Coppola, as you're coming down, we have another hearing at 1 o'clock.

(Laughter.)

CHAIRMAN DeFRANCISCO: I just wanted all of you to know that as soon as we're done with this meeting and gavel out, we're pushing on. So don't run away.

CHAIRMAN FARRELL: And Mr. Abbate, if you're upstairs, please come down. Thank you.

MR. COPPOLA: Good afternoon.

CHAIRMAN FARRELL: Good afternoon.

MR. COPPOLA: I am going to really ask you to remember last year at this hearing when we testified, we expressed concern about a growing heroin crisis and we suggested that the number of people who had become addicted to prescription medications and who had sort of transitioned to heroin was causing a significant public health problem.

I think what we noted at the time was

that the Governor's budget proposal did not address that issue to the degree to which we had hoped, and asked you to help.

I looked at my testimony from last year, and almost nothing about the testimony in terms of the level of concern about the

issues is different this year. Other than to say many more families are dealing with the grief and loss of people having lost family members from overdose, and also struggling with addiction.

Where waiting lists did not exist last year in some of our residential treatment programs, they currently exist. And as your conversation with the commissioner a little bit earlier about waiting lists, I think she acknowledged that there are significant issues with waiting lists and that OASAS is working to address those.

But I'd like to just suggest you think a little bit about the possibility that you or somebody in your family has an addiction problem and you get to the point where you're ready to step in and ask for help, and somebody says to you -- and, Senator DeFrancisco, this is exactly what would happen in Syracuse -- that I want treatment for my heroin addiction and I need medication to help me, and there are 500 people waiting in line in front of me in order to access

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that help in Syracuse. There's several hundred people in front of me in Albany. There's several hundred people in front of me in Rochester.

So when somebody gets to the point of saying "I want help," I think our goal should be treatment on demand, we find some creative way to get people into treatment, engaged in treatment. And so that's a serious problem, I think, that needs to be addressed.

I want to make a suggestion about one of the places in the budget where we might be able to find some resources -- where we definitely could find some resources to deal with this.

You may be familiar with the DSRIP project, right, which essentially is premised on the following. We have the highest rate of unnecessary hospitalization in the country, the highest rate of unnecessary hospitalization. So we're wasting a lot of dollars. And who are the folks that are unnecessarily hospitalized? The operative words here is "untreated." Untreated

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addiction and untreated mental health disorders.

So when somebody's in the throes of their addiction or in the throes of their

mental health issue, they don't follow up on their healthcare and they wind up back in the hospital -- not for their mental illness, not for their addiction, but for diabetes, heart disease and other health conditions.

What we know is that when we provide case management to those folks and get them into treatment for their mental health or their addiction disorder, their use of the healthcare system drops precipitously and their healthcare gets better. So DSRIP is rooted in the whole premise of reducing unnecessary hospitalizations by 25 percent. Which would be a wonderful thing.

So the bull's-eye on the dart board of how can we do this is by getting people into treatment.

Now, if you look at the Governor's budget, there's a $1.4 billion, with a B, $1.4 billion allocation specifically for two

hospital projects and some other miscellaneous hospital projects upstate. There are boatloads of dollars in this budget for hospitals. If you simply said -- and there's zero in that $1.4 billion, zero, for community-based organizations.

If you said that we'd like to level the playing field just a little bit and we're going to take 25 percent of that $1.4 billion and suggest to the Governor that it might be

a good idea to also invest some dollars in the community-based service system which is going to deliver the results on reducing unnecessary hospitalizations, I'd like to suggest to you that that's a substantial amount of resources that could potentially be used.

So in terms of reducing waiting lists, I would really implore you, it is -- we have an inadequate system of prevention, treatment and recovery throughout the state. Inadequate. We cannot address the demand for prevention and treatment. So we need your help.

And were it not for the Senate task force last year and the hearings conducted by the Assembly, and all of you and your peers coming up with a package of legislation at the end of session last year, it's quite possible you could have gone home and we would have done next to nothing.

So I want to thank you for all that you did and say to you, once again this year, we need you to do the same thing. We're very pleased that the Senate is reactivating and has new leadership for its task force. We look forward to working with them in the communities across New York State. And we ask the Assembly to also conduct hearings.

We'd like to recommend that, you know,

the OASAS budget for local assistance, which has not been increased, it's been eroding for years -- for decades, actually -- we'd like to see a 3.2 percent increase in the OASAS Aid to Localities. And that's rooted in the Internal Revenue Service's -- the Social Security Administration's cost-of-living index for the last two years. That's where

we got the 3.2 percent.

We'd also like to suggest that the cost-of-living increase that you have in your budget -- which is now applicable to counselors and lower-level staff, it's going to expand a little bit. We're suggesting to you that like it's extraordinarily difficult to administer a program and give a 2 percent increase to some of your staff and not to all of your staff.

So I'd like to suggest that the 2 percent COLA should be generalized -- and this is not just for substance abuse disorders and mental health, it's the entire spectrum of community-based organizations.

One final point I'd like to make, and this is really critical. I think Toni Lasicki a little bit earlier pointed to some of the real challenges of shifting from a fee-for-service environment to managed care.

We have a lot of agencies that have not been able to benefit from resources to

purchase electronic health records, to
purchase electronic billing and cash

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management systems. We have been working very closely with our mental health colleagues thinking about the business infrastructure that our programs. And that needs to change and needs to be modernized.

And we think with a relatively small investment we could be creating management service organizations, independent practice associations, and other ways that organizations could band together across sectors of the behavioral health system, work together, and really economize as they try to build themselves up to be able to thrive in a managed care environment.

I want to end by saying that, you know, we have a -- you all know, and I think you have all recognized when you talked with the commissioner that there's a serious -- none of you lives in a neighborhood that's not impacted by the heroin and prescription drug crisis. And I think as the commissioner correctly pointed out, none of us is spared from the impact of alcohol, alcoholism, et cetera, in our families and in our

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communities. And more people die from that disease than all of the others put together.

So I really want to ask you to sort of

recommit yourselves to working with us and to providing support to the community-based organizations.

Just one final point. You know, when the commissioner talked a little bit about young people in treatment and not wanting to be in a long-term residential setting, I would suggest that, you know, a way to nuance that is to say that there are some young people that wouldn't want to be in some long-term residential programs. And it may very well be the case that the state-run ATCs tend to treat an adult population and are designed for an older population.

There are a variety of programs -- not enough -- there are a variety of programs across New York State that are specifically designed for young people that are currently providing lifesaving treatment to those folks. And I think if you were to visit those programs and talk to those young people

about how does it feel to be in this program, they would say to you that they're very happy to be there and they're very happy to be there for an extended period of time.

So again, I would really ask that you look at the gaps in services and work with us to address this really serious public health issue. Thank you.

CHAIRMAN FARRELL: Thank you very

much.

Ms. Rosenthal to ask a question.

ASSEMBLYWOMAN ROSENTHAL: First of all, thank you very much for your testimony. I'm the new chair of the Committee on Alcoholism and Substance Abuse, so your remarks were very enlightening to me. I have met with a few service providers who have told me the same issues.

In terms of the electronic records, the chair of Mental Health and I and others have advocated to put $20 million in the budget to help all of you upgrade to electronic recordkeeping, and hopefully we'll get a good portion of that money.

MR. COPPOLA: That's a huge need.

ASSEMBLYWOMAN ROSENTHAL: It is a huge need. And I look forward to working collaboratively with you going forward.

MR. COPPOLA: Absolutely. We're really excited to be working with you and Senator Amedore as well.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

MR. COPPOLA: Thank you.

CHAIRMAN FARRELL: Thank you.

This meeting is now adjourned to the new meeting.

(The budget hearing concluded at 2:32 p.m.)

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