

Budget Testimony 2012-2013
New York State (NYS) Office of Mental Health (OMH)
Michael Hogan, Ph.D., Commissioner

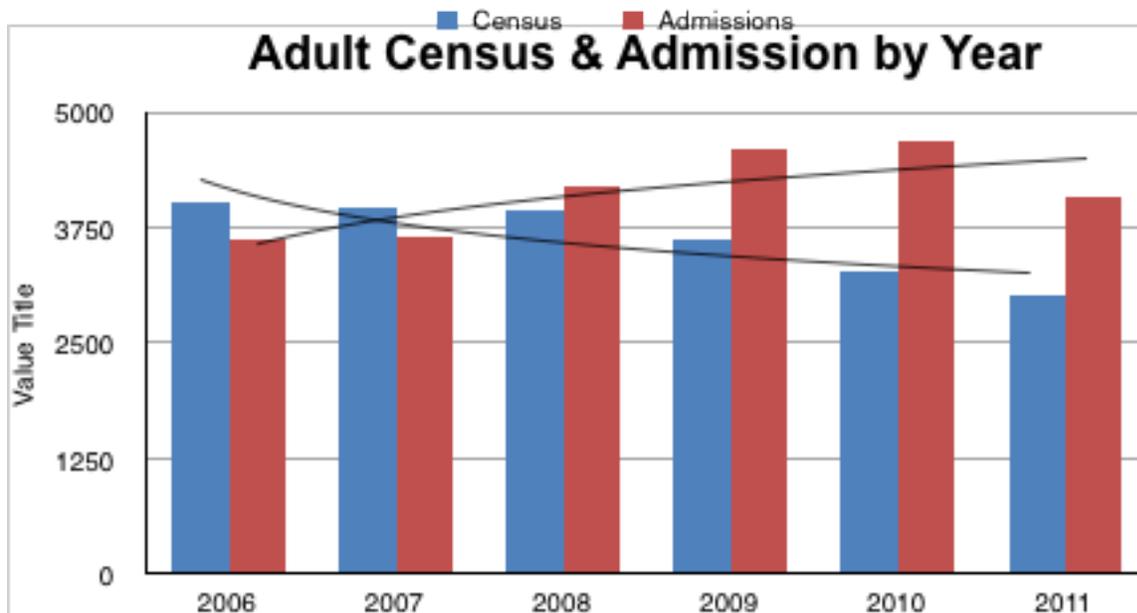
Good morning Senator DeFrancisco, Assemblyman Farrell, Chairman McDonald and Chairman Ortiz. I am Michael Hogan, Commissioner of the Office of Mental Health and I appreciate the opportunity to discuss our part of the State Fiscal Year 2012-13 Executive Budget.

In line with Governor Cuomo's directive to focus on our core mission, OMH is working to transform our system of care. Our priorities are to:

- Effectively and efficiently oversee a "safety net" of high quality community and hospital services;
- Provide people with mental illness opportunities for recovery and a productive life in NYS communities, vs. costly institutional confinement;
- Assure timely access to intensive care when it is needed, while minimizing repeated episodes of hospitalization.

Mental health problems are prevalent and troubling, with one in ten New Yorkers affected by mental illness that is serious enough to affect functioning every year. But most people with a mental illness get no care because of the lack of diagnoses to inadequate coordination with the larger health care system. OMH's most urgent responsibilities are to adults with serious and persistent mental illness, and children and youth with serious emotional disturbance. New York State has one of the world's largest and most complex mental health systems, caring for approximately 695,000 New Yorkers annually (546,000 adults and 149,000 children).

However, as illustrated in the chart below, OMH has made substantial gains since 2006 to reduce unnecessary institutional capacity, while improving the efficiency and productivity of its hospitals. Over the past 5 years OMH adult hospitals have reduced inpatient use by 25% (1,000 beds) as long stay individuals have been discharged to new community housing and support opportunities. Simultaneously, because access to hospitals is urgently important when it is needed, we were able to increase access for short or intermediate stay treatment. These changes together signal a dramatic increase in efficiency/productivity, with the number of admissions per bed up 50% in the past 5 years.



Simultaneously, people receiving unproductively long term institutionalization dropped dramatically; the number of people with hospital stays of greater than one year has dropped from 1,732 on September 30, 2007, to 1185 on September 30, 2011.

Throughout all these changes, the quality of care in OMH hospitals remains high. We are surveyed by multiple inspectors including those from The Joint Commission (TJC), which accredits over 95% of all hospitals in the United States. During 2010-11, TJC surveys were conducted in all OMH hospitals and our performance surpassed the norms in private medical centers. The proposed Executive Budget allows us to continue to provide services while improving the quality, efficiency and effectiveness of our programs.

OMH's budget also supports over 2,000 treatment and support programs that are the community side of the mental health safety net, most of which is funded by Medicaid. Mental health issues were front and center in the deliberations of the Medicaid Redesign Team (MRT) last year and working in collaboration with the Office of Alcoholism and Substance Abuse Services (OASAS) and in conjunction with local partners, we have already implemented an MRT recommendation to contract with Behavioral Health Organizations (BHO's) to review appropriateness of inpatient care and the timeliness and quality of transitions to community care. This past summer, the Behavioral Health Subcommittee of the MRT completed its report—which was accepted by the full MRT—refining directions to achieve appropriate care management of behavioral health services. OMH is working with our colleagues in the Department of Health (DOH) and OASAS to achieve this, and we are on target to implement a care management approach during SFY 2013-2014. Consistent with Governor Cuomo's

overall direction for Medicaid, we expect all behavioral health consumers and benefits to be in a care managed environment, with oversight provided by OMH, OASAS and DOH.

The Executive Budget also provides resources to continue essential community mental health services, and to expand community housing on an affordable basis. Let me highlight for you several areas where we will accelerate our work to provide opportunities for recovery and a productive life in NYS communities, vs. costly institutional confinement: First, the budget provides resources to implement an agreement to provide community supported housing and treatments for adults with mental illness who were previously institutionalized in nursing homes. Resources are also reinvested—from savings achieved this past year as we right sized our hospitals—to provide 600 supported housing opportunities for people whose hospital treatment has progressed to the point where community living is now appropriate.

Second, the budget sets us on the path to be the first state offering an effective statewide network of First Episode Psychosis teams to provide early and effective care for people with schizophrenia—often thought of as the most serious and certainly the worst cared for mental illness. Working with leading scientists—and many of the best scientists studying treatment of schizophrenia are here in NYS—we will develop an early intervention approach that offers hope and recovery instead of relapse and disability. OMH's core mission of caring for people with serious mental illness will be better and more efficiently achieved when we emphasize early and continuous recovery oriented care for people with psychotic illness, compared to the current non-system of repeated recidivist hospitalizations, life-long disability, and too-frequent homelessness and incarceration.

Finally, via a first-in-the country partnership that will soon be announced by the Social Security Administration, OMH with other state agencies serving people with disabilities will develop a statewide system providing reliable supports for people with disabilities to return to work. This Ticket To Work partnership will knit together supported employment, assistance with benefits, incentives to employers and a first-ever collaboration by all these agencies with the Department of Labor.

With these efforts we will move closer to Governor Cuomo's goal of an integrated focus on our core responsibilities, an emphasis on community instead of institutional care, and outcomes of a productive life for the people we serve.

Thank you for the opportunity to testify before you today. I would be glad to answer any questions.