Advocates for New Yorkers with Behavioral Health Conditions  
Support Regional Managed Behavioral Health Carve Out  
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A broad group of advocates for New Yorkers with psychiatric disabilities and substance use disorders, their families and behavioral health safety net providers agree that the best way to administer mental health care funding that will lower costs, protect and promote best practices in health and behavioral care services, improve outcomes, protect public dollars, and comport with Federal and State law is through the implementation of a regional behavioral care coordination model that relies on specialty managed behavioral health organizations (MBHOs).

We are equally united in firmly rejecting proposals to turn the behavioral care of Medicaid beneficiaries with disabling mental health conditions over to generic Medicaid Managed Care Plans, which do not have positive track records in other states or here in NY.

Specialty MBHOs would be charged with coordinating outpatient and inpatient behavioral health treatment and with linkage to appropriate medical care and non-Medicaid supports and housing. We support this approach because it will:

1. **Lower Costs:** *Regional Managed Behavioral Health Initiatives have demonstrated impressive performance improvements and health and behavioral healthcare savings, for example,*
   a. Pennsylvania’s Behavioral Health Choices program has generated $4 billion in savings from 1997-2007, while expanding service access, quality, innovation and integration between mental health and substance abuse treatment services and medical care and which has made critical investments in expanding housing and supports;
   b. The New York Care Coordination Project (NYCCP) has joined the efforts of county governments, providers and consumers in Erie, Monroe, Onondaga, Wyoming, Genesee, Chautauqua and Westchester counties with Beacon Health Strategies to implement a very successful “Complex Care Management program” that has shown 41% less in services’ spending compared to comparable counties while substantially reducing avoidable costly inpatient, homeless shelter and criminal justice stays. One version of this program in Westchester County saved over $1.2 million in reduced Medicaid, criminal justice and state hospital costs in 2009.
   c. Missouri CMHC Case Management Program (APS Health) has realized a savings of $311 per person per month for a total savings of over $25 million or 17%.

2. **Protect and promote best practices in health and behavioral care services:** Regional Behavioral Health Managed Networks will operate under the oversight of the appropriate NYS mental health and substance abuse treatment agencies, but should be dually authorized to become the medical home for children, youth, and adults with psychiatric disabilities and substance use needs. By allowing licensed OMH and OASAS outpatient programs to be included in the implementation of the Affordable Care Act’s Medical Home provisions, these at-risk individuals can access the health care they need while attending to their intensive, ongoing behavioral health care needs.
3. **Improve Outcomes:** Individuals with complex mental health, substance abuse and medical conditions require specialized methods of outreach, engagement, and recovery and crisis support. They access the care system far more regularly through the more engaging and familiar “behavioral health door,” not through traditional health care systems. Recent state data showed 40% of unengaged “at risk” individuals in Brooklyn and the Bronx were already followed by health plans but no evidence of care coordination or follow-up could be found leaving them at risk for more serious problems, which lead to higher costs. Health plans have no experience or successful data with engaging and serving this group, certainly not on a level comparable to New York State and City.

4. **Protect Public Dollars:** State budget cuts will hit the Medicaid system hard this year. After the cuts, Health Plans will take an average of 16% in administration and overhead and profits and likely subcontract with behavioral health organizations who will take an additional cut as well. The result: huge funding holes in New York’s safety net as dollars intended by taxpayers for patient care turn into profits for plan stockholders. Contrast this with the Pennsylvania behavioral health carve out where 90% of the state’s investment must be used for direct services, administrative feeds and profits are capped and anything extra is mandated to be reinvested.

5. **Comply with Federal and New York State Law:** When Tennessee moved to a Medicaid managed care Model, 350,000 people were lost to the system. NY State has had its share of scandals related to lack of treatment and uncoordinated care, e.g. Adult Homes. NY is legally mandated to care for the most disabled among us: it is they who will fall through the cracks, not being able to negotiate the office and illness based health plan systems.

**Conclusion:** New York State can best improve care and reduce runaway costs for Medicaid beneficiaries with chronic behavioral and physical health conditions through the implementation of regionally managed behavioral health care coordination systems. These systems can provide the most effective outreach, engagement and linkages to medical care, housing and local support and social services that will produce savings immediately through reductions in avoidable high cost inpatient stays and emergency room visits.

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