



Testimony  
of  
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Submitted to the  
Assembly Standing Committee  
on  
Alcoholism and Drug Abuse  
The Honorable Felix Ortiz, Chair

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## **Introduction**

Good morning Assembly Member Felix Ortiz and distinguished members of the Committee. Thank you for allowing me the opportunity to testify before you today on the impact of the 2009-10 State Budget on the programs of the Office of Alcoholism and Substance Abuse Services (OASAS). My name is Jason Lippman, and I am the Senior Associate for Policy and Advocacy at The Coalition of Behavioral Health Agencies (The Coalition).

## **Overview**

Right now, a number of policies and circumstances are strongly affecting the OASAS 2009-10 Budget. The economy is suffering from one of the worst recessions in recent times. This has lowered charitable and foundation giving. State revenues have taken a sharp decline and opened up a huge deficit. The State Budget has gone through a series of cuts that threaten the funding of community-based chemical dependency programs. In addition, the reimbursement system for Article 822 clinics is scheduled to begin a systematic reform next year, putting even more pressure on an already resource deprived system.

In the latest round of cuts, the OASAS 2009-10 Budget was hit with a \$19.3 million reduction to local assistance funding in the State's Deficit Reduction Plan (DRP). In the DRP, the Legislature approved cuts that will target outpatient services, residential services, crisis services, prevention services, as well as services directed to problem gambling. This will all occur at a time when substance abuse services are in the greatest demand. Individuals who have suffered a job loss, pay cut, loss of benefits, lack of health insurance, or any other circumstance brought onto them from the recession are prone to depression, anxiety and chemical dependency. Moreover,

OASAS community-based providers will have to meet the increased demand of drug treatment services from the reform of the Rockefeller Drug Laws. It is predicted that between 1,000 and 1,500 drug offenders are eligible to petition the court for resentencing, and many more will be diverted into treatment.

### **Increase the Sales Tax on Alcohol**

In addressing New York State's budget deficit, the DRP fails to adequately consider revenue enhancement opportunities like an increase to the excise tax on alcohol. If new revenue is collected from raising the tax on alcoholic beverages, it should be reinvested into OASAS community-based prevention and treatment programs. There would also be an opportunity to forgo cuts to services.

Furthermore, if consumers are forced to pay a higher price for alcoholic beverages, less alcohol might be purchased, perhaps deterring underage and problem drinking. In the best case scenario, it would prevent alcohol related illness and death, lowering public health costs (medical, incarceration, traffic accidents). The Coalition is proud to support a bill, to increase the tax on alcohol and place revenues into an alcoholism and substance abuse prevention and treatment fund, as proposed by Assembly Member Ortiz (Bill # A06738).

Of course there are many other options on the revenue side of the budget ledger that can offset the State's budget deficit and hold back on cuts to services. Some examples include tapping rainy day funds, ending the Enterprise Zone program and wasteful tax loopholes, and allowing the State to purchase pharmaceuticals in bulk. We urge the Legislature to consider these proposals.

### **Reinvest Savings from Drug Reform into Drug Treatment Programs**

OASAS was allocated \$18 million in stimulus funding from the American Recovery and Reinvestment Act (ARRA) to support drug reform programs over a two-year period beginning in the 2009-10 State Budget. With this funding, OASAS has been able to issue Request for Proposals (RFPs) and Program Supplements for providers and counties to access funding for drug reform outpatient treatment and assessment services, clinical case management (CCM) services, and re-entry permanent supportive housing for Parolees. Next year, OASAS intends to announce additional funding for drug treatment and housing services.

The Coalition is concerned about the continuity of drug reform services when the stimulus money runs out. We ask the Legislature to support the long-term funding of drug treatment programs. The Coalition also encourages the formation of an independent, nonpartisan prison closure commission to determine where State resources are being underutilized, and direct funding for prisons into OASAS community-based drug treatment programs. This idea can also be applied to the juvenile justice system, where according to the report released by the Taskforce on Transforming Juvenile Justice, the State is spending \$210,000 a year per individual youth sentenced to institutional settings. The findings in this study made front page news in the New York Times on Tuesday, December 15, 2009, which also documented physical abuse of juveniles by staff throughout the system.

### **Ensure Sufficient Reimbursement for Community-Based Providers**

The OASAS 2009-10 Budget included funding for the Article 822 clinic system to transition to a new reimbursement system based on Ambulatory Patient Groups (APG) next year. The Coalition seeks support from the Legislature to ensure that community-based providers receive adequate payments through the APG system for individual and

group counseling programs, and that reimbursement for services are weighted in accordance with provider delivery patterns. In the field, many programs occur in group settings. If groups are not reimbursed at cost, this could change the way in which providers structure deliver services, not necessarily in line with the most pressing needs of consumers.

Implementation of the APG system should include consultation, collaboration and recommendations from the provider community, especially as rates are recalibrated during the phase-in periods. In addition, we recommend that reimbursement for services be based on the provider's OASAS license, and not on the license held by an individual practitioner. This is especially important as the State resolves certain education law provisions that affect the licensing of social workers and other mental health professionals.

### **Continue the Exemption of Social Workers & Other Mental Health Professionals**

The 2009-10 Budget provided for a 1 year extension of social workers and other mental health professionals, including CASACs, from current licensing law. In the addiction field, hundreds of practitioners will not be allowed to practice in community-based clinics if the current exemption from certain professional licensing standards is allowed to sunset on June 30, 2010.

If the current exemption is allowed to sunset, there will be significant workforce problems. Agencies would be severely limited in their ability to utilize social workers, and would not be able to afford or provide for coverage under the supervision structure that must be in place under the law. Many social workers will be unauthorized to bill Medicaid. Agencies will be forced to cutback on services. In some cases, clinics will close completely, creating a large amount of consumer displacement.

This problem began when eligible practitioners were unable to take advantage of a grandfather clause that would have allowed them to continue to practice under the new licensing requirements. This was largely due to systemic issues outside of their personal control when the law went into effect. We ask the Legislature to support a 4 year extension of the exemption, so that our alliance of umbrella groups and professional associations can collaborate with the State to work out the existing issues with professional licensing standards. I thank you for your time, and am available to respond to any questions you may have.

### **About The Coalition**

The Coalition is the umbrella nonprofit, (501)(c)(3), association and public policy advocacy organization of New York's behavioral health providers, representing over 100 non-profit behavioral health agencies. Taken together, these agencies serve more than 350,000 adults and children and deliver the entire continuum of behavioral health care in every neighborhood of a diverse metropolitan New York City.

Founded in 1972, the mission of the Coalition is to coordinate the efforts of government and the private sector toward efficient delivery of quality behavioral health services to children, adults and families. The Coalition promotes policies and practices that support the development and provision of community based housing, treatment, rehabilitation, and support services to all people with mental illness and addictions disorders. Our members serve a diverse group of recipients, including the fragile elderly, people who are homeless, those who struggle with AIDS and other co-morbid health conditions, violence and other special needs. Coalition members help people with mental illness and addiction disorders to recover and lead productive lives in their communities.

The Coalition provides quality learning opportunities, technical assistance and training to staff and leadership of its member agencies and to the professional community on important issues related to rehabilitation and recovery, organizational development, best practices, quality of care, billing and regulations/contract compliance, technology and finance.