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**NEW YORK STATE SENATE FINANCE
AND
ASSEMBLY WAYS AND MEANS
COMMITTEES
MENTAL HYGIENE BUDGET HEARING**

FRIDAY, FEBRUARY 27, 2015

**New York
Association of
Alcoholism and
Substance
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**TESTIMONY BY:
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EXECUTIVE DIRECTOR**

Good Morning. My name is John Coppola. I am the Executive Director of the New York Association of Alcoholism and Substance Abuse Providers, Inc. (ASAP), the statewide association that represents the interests of substance use disorder and problem gambling prevention, treatment, and recovery support services providers from throughout New York State. Included in our membership are close to 200 agencies that provide a comprehensive continuum of services, as well as statewide and regional coalitions of programs, and a number of affiliate and individual members.

When we testified before the Senate Finance and Assembly Ways and Means Committees last year, we urged the Senate and the Assembly to take action to address New York's prescription drug and heroin addiction and overdose epidemic. We were concerned that the Governor's proposed budget did not adequately respond to the crisis. We are back this year with the same request. Last year we cited statistics from New York City and communities across New York State regarding the prevalence of addiction to prescription opiates and the increasing numbers of person addicted to heroin. We are back this year with more alarming statistics that demonstrate that the epidemic of addiction and overdose continues. Overdose deaths attributable to heroin are on the rise in rural, urban, and suburban communities. The Centers for Disease Control and Prevention, in a recent Morbidity and Mortality Weekly Report citing data from New York and 27 other states, asserted that a rapid rise in heroin overdose deaths has followed nearly 2 decades of increasing drug overdose deaths, primarily driven by opioid pain medication overdoses. The NYC Department of Health and Mental Hygiene continues to express concern about the incidents of heroin-related overdose deaths and should be applauded for their successful implementation of strategies to increase the use of life-saving naloxone. Last year, we expressed concern that New York State agencies were not doing enough and we asked you to make sure they did more. We are here to repeat that message as well.

Thank you to the Senate for the work you started with the Joint Senate Task Force on Heroin and Opioid Addiction, the 18 public forums you conducted, and the package of legislation you proposed. Thank you to the Assembly for the hearings you conducted and for the strong legislation you worked on particularly to make treatment more accessible for persons with health insurance. Thank you to the Governor for working with the Senate and Assembly to pass legislation to address this epidemic and for his support of the Combat Heroin Campaign.

Missed Opportunity

The Combat Heroin Media Campaign and legislation signed into law by Governor Cuomo created hope that resources for prevention, treatment, and recovery support services would be increased in the 2015-16 state budget proposal so that we could better address this epidemic. A flat budget proposed for the New York State Office of Alcoholism and Substance Abuse Services disappointed substance use disorders services providers.

A flat budget for OASAS *misses the opportunity* to address unacceptable waiting lists and a lack of available treatment services for youth, waiting lists and a lack of available services for young adults, waiting lists for medication assisted treatment, the need for more prevention professionals in school and community programs, the need for recovery support services, and the need for more extensive availability of naloxone and other harm reduction efforts. A flat budget for OASAS also *misses the opportunity* for a much more concerted effort to combat the heroin and

prescription epidemic AND the even greater consequences of addiction to alcohol that impact people of all ages throughout New York State.

ASAP Recommendation

We ask the Senate and Assembly to, again this year; provide the initiative and action necessary to strengthen prevention, treatment, and recovery support efforts. We ask that you provide additional funding to OASAS to support expanded staffing and capacity to provide services in every county in the State.

Missed Opportunity

A flat OASAS budget *misses the opportunity* to stop the erosion of financial support that is forcing programs to declare bankruptcy, to lose staff, and to lose ground financially year after year. Our programs have not received an adjustment to the level of OASAS funding they receive in over a decade.

ASAP Recommendation

ASAP proposes a 3.2% increase* in the OASAS aid to localities budget to address the impact of inflation on operating costs such as fuel, utilities, food, rent, health insurance and other mandatory fringe benefits. In addition, cost associated with the transition to managed care such as billing personnel, IT staff, ongoing training and maintenance of Electronic Health Records will continue into the future. Without sufficient funding, the stability of our agencies is at risk. **(This conservative increase is based on the two most recent annual social security administration inflation-related increases of 1.7% and 1.5% respectively)*

Missed Opportunity

ASAP has worked on numerous committees and taskforces to reform the way state government does business so that resources are used more strategically and better outcomes are achieved, two goals that our field can help achieve. We have supported the fantastic work done by OASAS, OMH, and DOH in designing New York's Delivery System Reform Payment Incentive Payment Program (DSRIP) and looked forward to the meaningful participation in local planning, project development, project governance, proposal development, and implementation planning this program intended. We looked forward to the increased collaboration and integration between substance use disorders services providers and primary care and the increased resources that this innovative program promised; to help reduce unnecessary hospitalizations by 25%. Because so many of the people who are unnecessarily hospitalized (80%) have an untreated substance use disorder (SUD), we anticipated a funding and implementation design that would include meaningful participation by community-based SUD services providers. The proposed budget, however, provided a "flat" level of funding for community based services providers. This was very disappointing to ASAP and a wide spectrum of community-based health and human services organizations.

New York's stated priority, and a foundational goal of DSRIP, has been to transform the healthcare system by providing access to high quality, coordinated care in every region of the State by integrating primary care services with other community-based care providers. When the proposed budget included \$1.4B in capital dollars exclusively for a small number of hospitals for development and restructuring, a huge *opportunity was missed* to support the balanced hospital –

community-based services approach that DSRIP promised. This \$1.4 billion proposal seems to directly contradict the intent of DSRIP and further entrench the existing hospital-focused delivery system. It also comes on the heels of other generous allocations that went exclusively to hospitals such as increases for the hospital workforce and \$100 million in DSRIP transition funds targeted ONLY for hospitals. Through DSRIP (planning dollars and Interim Access Assurance Funds), hospitals in 2014 alone received about \$750 million. Community based providers partnering with DSRIP hospital leads have received zero of those funds, and can expect no capital or transition funds under 2015-16 budget proposal. Incentive payments from DSRIP may not flow to community based providers for another two years.

ASAP Recommendation

ASAP asks that the Senate and Assembly, to amend the Governor's budget proposal by designating 25% of the \$1.4 billion, allocated exclusively for hospitals, to support community-based services providers and help them ready themselves for managed care, integration and collaboration with primary care.

COLA

For the final quarter of the 2014-15 New York State fiscal year, the OASAS budget included a 2% COLA for *direct care* staff such as counselors, and support staff including housekeepers, security and maintenance workers. This 2% COLA for direct care and support staff will continue in the 2015-16 budget proposed by Governor Cuomo and will be expanded to benefit other clinical staff such as social workers and psychologists. The proposed COLA, however, will only benefit 60% of the staff working in prevention, treatment, and recovery support programs. The uneven distribution of this COLA causes challenges related to morale and employee retention, placing our programs in a difficult position.

ASAP Recommendation

ASAP asks that the Senate and Assembly extend the COLA to all staff supported by OASAS funding in prevention, treatment, and recovery support programs. A broad application of the 2% COLA would help support our staff who are so dedicated and provide such valuable services.

Workforce Challenges

The sunset of exemptions to the social work licensing statute and increased continuing education requirements for social workers (and the lack of reciprocity with OASAS-required continuing education) are two areas where we need intervention from the Senate, Assembly, and Governor with the New York State Education Department.

- Hundreds of lay-offs, a workforce crisis, and a crippling budget burden could result for treatment programs, if the sunset is allowed to progress.
- Unnecessary duplication of expenses and redundancy in recertification requirements is an unfortunate consequence of the failure of SED to accept a reasonable reciprocity proposal from OASAS related to continuing education credits. SED should be required to collaborate with OASAS and develop a reciprocity agreement that works for social workers with their CASAC.

ASAP Recommendation

We ask that the exemption from social work scope of practice requirements be made permanent for persons working in OASAS regulated programs. We also ask that OASAS approved continuing education required for CASACs recertification is accepted by SED for continuing social work credits where a LMSW or LCSW is also a CASAC. This will help to reduce duplicative expenses and redundancy for social workers with their CASAC.

ASAP also advocates for such staff retention initiatives as tuition assistance, student loan forgiveness, and resources for training and staff development for people who work in programs regulated by OASAS.

Managed Care

The success of the transition to managed care will depend on the financial, organizational and technological adjustments programs are able to make as they move away from a fee-for-service environment. This transition will be a significant challenge for all substance use disorders programs that provide services that will be reimbursed by Medicaid and/or commercial insurance. To facilitate the transition, **ASAP recommends:**

- Extending the APG rates through 2020 to provide some financial stability
- Strong insistence from DFS that all managed care contracts use the APG rates as a minimum rate
- Strong insistence from DFS that a standardized assessment instrument is used to ensure access to the needed level of care for the appropriate duration
- Requiring standardization, to the extent possible, of contracts, billing, authorizations, claims, documentation and appeals processes to minimize administrative burden
- Funding for SUD services providers to purchase and/ or upgrade electronic health records and billing/revenue cycle management software
- Funding to support business and services delivery transformation such as development of management services organizations, independent practice associations

Problem Gambling Prevention, Treatment, and Recovery Services

As New York moves forward with the development of new casino gambling venues, a statewide continuum of problem gambling services that includes a public awareness campaign, primary prevention, early intervention and treatment, recovery support, and other needed services must be put in place in every county.

Approximately one million New Yorkers currently have a gambling problem, a problem that will only grow as casinos are established. Projected funding from newly installed video gaming portals is not a significant enough investment to combat this serious problem.

ASAP Recommendation

One percent of the revenue generated from all new gambling venues should be set aside and dedicated exclusively to the implementation of a comprehensive continuum of problem gambling prevention, community education, treatment, and recovery support services available in every county. This comprehensive continuum should be designed in the context of a problem gambling comprehensive plan developed by OASAS in consultation with services providers.

These are times of amazing transformation in the way services are delivered. If programs like DSRIP are implemented as they were designed, to include meaningful participation from SUD services providers in all aspects of planning, governance, and implementation; they will be successful. Our services delivery community is a vital partner to achieving better population health, better use of resources, and better program outcomes. In order to do our part, we need to be properly funded and given the flexibility to develop our business and service delivery models in a manner that is most likely to succeed. Please work with us to make that possible.

Thank you for your commitment to community service and to the work you do on the proposed budget and other important legislative matters. We are committed to working with you and pledge our continued effort to ensure that your communities receive the best possible substance use disorder and problem gambling prevention, treatment, and recovery services.

Thank you.