



October 8, 2024

The Honorable Kathy Hochul
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

RE: Children's Behavioral Health Crisis

Dear Governor Hochul:

We write to you on behalf of the Campaign for Healthy Minds Healthy Kids (HMHK) to respectfully request a **\$195M Medicaid rate investment to reform the children's community- based outpatient behavioral health system in the SFY 2026 Executive Budget.**

This funding is needed to stabilize the outpatient community-based continuum of services and build desperately service and clinical capacity. Longer term, our Campaign is seeking a multi-year commitment of an additional \$800M to address profound unmet need; as 80% of New York children are failing to receive necessary front line community based services - Children and Family Treatment and Support Services (CFTSS), Home and Community Based Services (HCBS), Article 31 Clinic services, and Article 32-822 Clinic services - according to a soon to be released study conducted by HMHK and Health Management Associates.

Make no mistake, our Campaign is deeply appreciative of your Administration's leadership in addressing the behavioral health crisis facing children, youth, and families. We applaud your reforms of commercial insurance, targeted investments made in acute care, startup funds and rate increase for School Based Mental Health Clinics, investments in Youth ACT, Home-Based Crisis Intervention, as well as important workforce investments and the multi-year Cost of Living Adjustment (COLA).

These investments have been necessary, but they also come on the heels of decades of disinvestment in children's community-based outpatient services, which function as the front line and bedrock of the behavioral healthcare system. Frighteningly, families throughout the state continue to face waitlists in the hundreds or more, are forced to wait months or even years for services they desperately need today. Children continue to cycle in and out of emergency rooms and hospitals, and suicide remains a leading cause of death for children. It is also troubling, that a growing number of providers are de-certifying from certain services altogether because Medicaid payments are not keeping pace the actual cost of providing care, further destabilizing the community-based outpatient system.

To better understand the magnitude of need that goes unaddressed across the state, our Campaign engaged Health Management Associates (HMA) to undertake an in-depth needs assessment for the population of children on Medicaid and Child Health Plus. The analysis examined prevalence of behavioral health needs and utilization for CFTSS, HCBS, Article 31 and Article 32-822 services. Largely using available state data, the findings yield a staggering level of unmet need across New York State – that is, the number of young people identified to need a service(s) but are not actually receiving those services(s). The data indicates approximately 80% of children in the state go without the behavioral health services they need; with analysis offering granular specificity by service type and region.

It is urgent that we build upon the initial steps your administration has advanced, to boldly invest in the community-based outpatient continuum now. This could be achieved by a prompt \$195 million investment to reform Medicaid rates for Article 31, Article 32-822, CFTSS, and HCBS.

These rigorously developed recommendations include adjusting outpatient rates to keep pace with inflation, enabling the children's clinic rates to reflect the complexity of serving children and families, increasing pay for providers who coordinate with a growing array of care managers, and increasing funding for CFTSS and HCBS to address the gap between anticipated volume and actual number of children served. **This investment would result in an adding 1,300 clinicians to the workforce and serve 26,000 more New York children** in the first year. Ultimately, this investment would stabilize the workforce, better serve clients, and stave off further decertification from services.

We are hopeful, with this downpayment in place, that your Administration craft a multi-year plan to invest an additional \$800 million to address the estimated 80% of unmet need in the community-based outpatient system. A phased in approach would allow the system time to build capacity, namely through the hiring of additional clinicians and professionals needed to combat unmet need and serve children and youth with timely quality care. We recognize the need to direct resources proportionately towards the regions and communities with the highest levels of need. This approach compliments the implementation of the 1115 Medicaid Waiver, which will lead to the referral of many more young people and families to HRSN services, including Enhanced HRSN services. This investment will indeed help ensure that there is the capacity needed to serve these Medicaid members and importantly produce far stronger immediate and long-term health outcomes.

Again, the targeted actions your Administration has taken to improve children's behavioral health access are laudable, but more is needed to catch up from decades of disinvestment and to meet a crisis level of demand. We see our recommendations as an opportunity to partner with your office in order to build on your investments and achieve a comprehensive continuum of care for children and families. Thank you for your attention to this urgent request and we welcome an opportunity to meet with your staff to discuss further.

Sincerely,

Jennifer March
Executive Director, Citizens' Committee for Children



Alice Bufkin
Associate Executive Director of Policy, Citizens' Committee for Children



On behalf of the Healthy Minds, Healthy Kids Campaign



cc: Kathryn Garcia, Director of State Operations
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