

November 14, 2024

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

Dear Governor Hochul:

We write to you as advocates seeking to ensure that every New York child receives the behavioral health services they need. To achieve this goal, we respectfully request a **\$195 million 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 needed service and clinical capacity. Longer term, we are seeking a multi-year commitment of an additional \$800 million to address profound unmet need reflected in the fact that approximately 72% of New York children covered by Medicaid do not 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 HMK and Health Management Associates.

Make no mistake, we are 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 a 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 are significant, but they 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 for youth. Frighteningly, families throughout the state continue to face waitlists in the hundreds or more. They 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 young people. Also, it is troubling that a growing number of providers are de-certifying from providing certain services altogether because Medicaid payments are not keeping pace with 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, the Campaign for Healthy Minds, Healthy Kids (HMK) engaged Health Management Associates (HMA) to undertake an in-depth needs assessment, analyzing outpatient behavioral health needs and utilization for the population of children on Medicaid and Child Health Plus. The study examined Article 31 clinics (clinical mental health services) and Article 32-822 clinics (clinical

substance use disorder services). The study also examined home and community-based outpatient services, specifically Home and Community Based Services (HCBS), and Children and Family Treatment and Support Services (CFTSS), which includes services such as therapy, rehabilitation services, and family and youth peer support.

Largely using available state data, the findings reveal a staggering level of unmet need across New York State – that is, the number of young people identified to need a service(s) but who are not receiving those services(s). The data indicates approximately 72% of New York children covered by Medicaid are not getting access to the outpatient 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 the actual number of children served. **This investment would result in the addition of 1,300 clinicians to the workforce and would 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 closures of programs.

We are hopeful that, with this down payment in place, your Administration crafts a multi-year plan to invest an additional \$800 million to address the estimated 72% 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 complements 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 produce far stronger immediate and long-term health outcomes.

Again, the targeted actions your Administration already 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 the current crisis level of demand. We see our recommendations as an opportunity to partner with your office 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.

Respectfully submitted by the undersigned:

Statewide/Regional Organizations, Associations, and Coalitions

Advocates for Children of New York
Alliance for Quality Education
BIPOC PEEEEEEK
CASA of New York State
Change Impact
Children's Defense Fund-New York
Citizens' Committee for Children
Families Together in New York State
Healthy Minds, Healthy Kids Campaign
InUnity Alliance
Lawyers For Children
Legal Action Center
Long Island Families Together
Mental Health America
New York State Council for Community Behavioral Healthcare
NYASP (New York Association of School Psychologists)
NYC Family Policy Project
NYS Coalition for Children's Behavioral Health
Schuyler Center for Analysis and Advocacy
Silberman School of Social Work at Hunter College
The Alliance for Rights and Recovery
The Children's Agenda
Westchester Children's Association

Direct Service Provider Organizations

Access: Supports for Living Inc.
Arc Wayne
ASCEND Mental Wellness
AspireHope NY
Association for Community Living
Astor Services
Behavioral Health Services North
BestSelf Behavioral Health
Bikur Cholim Inc.
Bleuler Psychotherapy Center
Cardinal McCloskey Community Services
Catholic Charities Family and Community Services
Catholic Charities of Broome County
Catholic Charities, Diocese of Brooklyn & Queens
Child and Family Services of Erie County
Children's Home of Poughkeepsie
CHJC
Christopher Rose Community Empowerment Campaign

Community Missions
Coordinated Behavioral Care
Eprine
Families First in Essex County, Inc.
Families on the Move of NYC, Inc.
Family & Children's Association (FCA)
FAMILY OF WOODSTOCK INC
Family Resource Network, Inc
Family Service League
Family Service Society, Inc.
Family Ties of Westchester, Inc.
Finger Lakes Community Health
Forestdale
Gateway Longview
Greater Mental Health of New York
Green Chimneys
Greystone Programs, Inc.
Gunn
Hillside Family of Agencies
Human Development Services of Westchester, Inc. (HDSW)
JCCA
Liberty Resources, Inc.
Long Island Consultation Center
Mental Health Advocates of Western New York
Mental Health Association in Tompkins County
Mental Health Association in Ulster County Inc.
Metropolitan Center for Mental Health, Inc.
MHA of Dutchess County
New Directions Youth and Family Services
Nohawk Opportunities inc
North Shore Child and Family Guidance Center
Northern Rivers Family Service
NYS Citizen Review Panels for Child Protective Services
Pathways, Inc.
Pinnacle Community Services
Rehabilitation Support Services, Inc.
RiseWell Community Services
Rising Ground, Inc.
Seamen's Society for Children and Families
Spectrum Health & Human Services
The Child Center of NY
The Family Counseling Center
The Jewish Board of Family & Children's Services
The Neighborhood Center
Together for Youth (formally Berkshire Farm Center)
Toomey Residential and Community Services

Trinity Alliance of the Capital Region
United Way of the Dutchess-Orange Region
Vanderheyden
Welllife Network