

# INCLUDE THE COLA TIED TO THE CONSUMER PRICE INDEX-U (CPI) AT 8.5% (JULY 2022) AND \$500M INVESTMENT FOR RATE INCREASES DUE TO DECADES OF UNDERFUNDING IN THE SFY 2023-24 EXECUTIVE BUDGET PROPOSAL FOR THE BEHAVIORAL HEALTH SECTOR



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## THE PROBLEM:

We thank the administration and legislature for their support of the mental health and substance use disorder community-based sector in the enacted SFY 2022-23 state budget. The recognition of the workforce crisis suffered by community behavioral health agencies across the state is appreciated. However, even with these investments the mental health and substance use disorder sector continues to face dire challenges in hiring and retaining a qualified workforce.

## CHALLENGES:

### WORKFORCE RETENTION:

- According to a survey conducted by this group in October 2022, even with the influx of state funding over the past year behavioral health agencies continue to have a revolving door of staff. The new hire number is almost identical to the number of people that left.

### ACCESS:

Behavioral health providers are reducing intakes, implementing waitlists, and closing programs due to the workforce shortage.

- According to the Commonwealth Fund, [more than one-third of adults report](#) having a mental health condition or substance use disorder, but [less than half of adults receive treatment](#) for their condition because of provider shortages, high out-of-pocket costs, and [gaps in coverage and reimbursement](#) for behavioral health services.

### INCREASED DEMAND:

Demand for mental health and substance use disorder services is at an all-time high, especially post-pandemic, and New Yorkers continue to suffer under the mental stress and economic hardship brought on by the COVID-19 pandemic.

- The percentage of U.S. adults who reported receiving any treatment for their mental health over the past 12 months rose from 19.2% in 2019 to 20.3% in 2020 and then to 21.6% in 2021, according to a report released Wednesday by the Centers for Disease Control and Prevention's National Center for Health Statistics. September 7, 2022

### SUSTAINABILITY AND INFLATION:

Community based behavioral health organizations are suffocating under the weight of increased costs for energy, transportation, maintenance, food, required technology changes, and more.

According to the Consumer Price Index Summary, 10/13/22:

- Increases in the shelter, food, and medical care indexes were the largest of many contributors to the monthly seasonally adjusted all items increase.

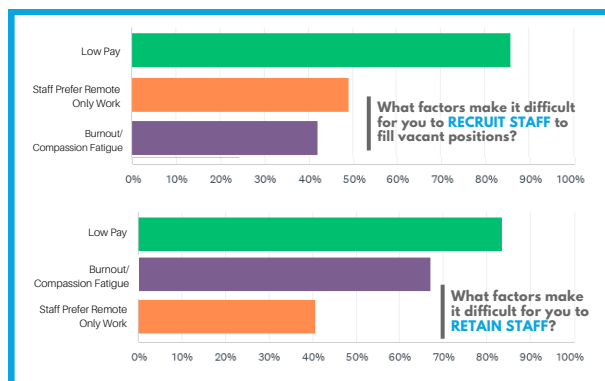
## RECOMMENDATION:

### COLA

It is imperative that the SFY 2023-24 state budget continue to include the COLA to meet the statutory obligation of the State. As your partners in community service, we urge Governor Hochul to once again include the COLA tied to the Consumer Price Index-U (CPI) at 8.5% (July 2022) in the SFY 2023-24 Executive budget proposal.

### INVEST \$500 MILLION RATE INCREASES FOR MENTAL HEALTH AND SUBSTANCE USE DISORDERS

Include \$500 million rate increase for unrestricted flexible funding to make up for decades of underfunding for the mental health and substance use disorder workforce, services and supports. This funding would be available to Medicaid and contract providers in the adult and children behavioral health sector.



- Children and families are experiencing waitlists, and they are significantly more likely to go to the emergency department and to be hospitalized for mental health reasons since the start of the pandemic.
- Unfortunately, **only about 20% of children with mental, emotional, or behavioral disorders receive care from a specialized mental health care provider.**
- Epidemiological data now show [alarming rates of behavioral health needs among school-age youth.](#)
- There was a **47% increase in opioid overdose deaths** from 2019 to 2021 for all of NYS (excluding NYC).
- NYC experienced an 82% increase in overdose deaths from 2019 to 2021. In just one quarter of 2021, NYC experienced more overdose deaths than in all of 2011. In NYC, there were [1,956 overdose deaths through Q3 2021, 1,517 for the same period in 2020, and 1,072 for the same period in 2019.](#) These are all overdose deaths, although the vast majority are opioid (88% for Q3 2021).
- The index for all items less food and energy (which includes shelter, medical care, motor vehicle insurance, new vehicles, household furnishings and operations, and education) rose 0.6% in September, as it did in August.
- According to NYS DFS, health insurance rates will grow by an average of 7.6% in 2022 for small group market, which cover employers with up to 100 employees (dfs.ny.gov).