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Thank you Senator DeFrancisco, Assemblyman Farrell, Senator Carlucci and Assemblywoman Gunther and other members of the Legislature for inviting the Office of Mental Health (OMH) here today to present testimony.

As you know, this is a time of great change. Several changes are occurring simultaneously in health and behavioral health care, on both the state and federal level, which are driving health and mental health systems to realign and transform. These include: the Affordable Care Act (ACA), the Olmstead Decision also known as the "Most Integrated Setting Ruling" driving the need to rebalance the system from institutional to community-based services and the transition to Medicaid managed care.

The Governor's budget addresses these challenges and opportunities created by these changes in three key ways: first in supporting the transformation to Regional Centers of Excellence (RCEs) that shift the focus of care from institutional settings to community-based care; second in supporting real integration of medical and mental health care as behavioral health services are included in managed care; and in promoting true recovery and wellness through the Health and Recovery Plan (HARP) services and the significant expansion of supported housing.

Addressing the Imbalance – The Redesign of our Mental Health System Through the Regional Centers of Excellence (RCEs)

Institutionalizing individuals with mental illness for long periods of time after they have been stabilized hinders their return to their community. The most therapeutic method of treating **any** illness is to address the problem before it requires hospitalization. While inpatient hospitalization may be critically important for an individual, it should be utilized only when absolutely necessary.

Not only have studies proven that community care is desirable over institutional care, but the law requires it – the Americans with Disabilities Act and the United States Supreme Court's *Olmstead* decision requires that individuals be placed in the least restrictive setting appropriate to meet their needs. Unnecessary use of costly inpatient services diverts precious health care dollars from preventive and community-based services that allow them to lead productive lives. So how do we, as a state, design a system which reduces the longstanding focus on institutionally-based care and develops a comprehensive care system which serves our recipients better?

In this year's Executive Budget, reinvestment of $44 million is dedicated to the expansion and development of state and voluntary operated community-based resources in areas impacted by the appropriate downsizing of inpatient beds. These community services include crisis/respite beds, home and community-based waiver services slots, supported housing, mental health urgent care centers, mobile engagement teams, first episode psychosis teams, peer operated recovery centers, family resource centers, evidence-based family support services, in-home services for families in crisis, suicide prevention services and family concierge services. The ideas for these services came out of the deliberations by local stakeholders, consumers, family members, local officials, and many others who comprised the OMH Regional Advisory Teams for the Regional Centers of Excellence.

In order to be sure that institutional beds can be safely and effectively reduced, $25 million in "Pre-Investment" is available in the Budget to put these critical services in place as the beds are being downsized.

As we reinvest in community based services, we will create a system of care that embeds evidence-based clinical practices, offers individualized patient-centered care, ensures the effective coordination of care, and empowers individual and family participation. This reinvestment into community-based services will facilitate early and better access to care and serve 3,000 more individuals with mental illness in the community. In short, we will move closer to a system of mental health care that emphasizes prevention, wellness and recovery.

The Cornerstones of Recovery: Housing and Employment

New York State has made great strides in developing housing for individuals with mental illness. OMH has almost 38,000 housing units that can be accessed by individuals with mental illness. Despite these advances, there remains a great need for safe, affordable housing for individuals with mental illness.

The Governor's Budget this year recognizes the critical importance of housing by providing a targeted rental stipend increase of $550 annually for downstate supported housing units located in Westchester, New York City and Long Island and new resources for residential units, including 200 units enabling individuals to move out of nursing homes, 500 units for individuals moving from adult homes, and 300 pipeline beds for NY/NY III Housing.

Employment is also a key ingredient to recovery and helps individuals participate in and contribute to their community. Under Governor Cuomo, several State agencies including the Department of Labor and OMH created the New York Employment Services System (NYESS) which is tied to the 'Ticket to Work' initiative. NYESS is the first statewide Employment Network in the United States. NYESS creates a real time network of providers working with multiple state agencies using a single, real-time employment data/case management system. NYESS helps provide access for people with disabilities to employment supports, and coordinates these supports so New Yorkers with disabilities have the opportunity to work, pay taxes, and achieve economic self-sufficiency.

Health Disparities and Transition to Managed Care

The Budget also includes $120 million to integrate medical and mental health care. These dollars will: fund system readiness activities for the transition of all Medicaid funded behavioral health services into managed care; enhance clinic reimbursement to support integration of behavioral and physical healthcare on site in primary care clinics; preserve critical access to behavioral health inpatient and outpatient services in certain geographic areas at risk; establish enhanced Health Home reimbursement for individuals receiving care management under court-ordered Assisted Outpatient Treatment (AOT); and provide funding for new home and community-based services included in HARPs, including rehabilitation, peer supports, habilitation, respite, non-medical transport, family support, employment centers, education and support for self-directed care. These quality of life services enable individuals to achieve real and effective recovery.

We have the opportunity to redesign the system of care for mental illness so that it reflects the needs of individuals, their families and loved ones. Despite the many challenges we face in this redesign, the Office of Mental Health staff is looking forward to working with you, your staff, and the mental health community of stakeholders to make mental health services in New York State the finest in the nation.

Thank you again for this opportunity to testify before you today. I would be glad to answer any questions that you may have.