

New York City Council

Christine C. Quinn, Speaker

Finance Division

Preston Niblack, Director

Jeffrey Rodus, First Deputy Director

**Hearing on the Mayor's Fiscal Year 2012 Preliminary Budget &
the Fiscal Year 2011 Preliminary Mayor's Management Report**

Department of Health and Mental Hygiene

March 28, 2011

**Committee on Mental Health, Mental Retardation, Alcoholism,
Drug Abuse & Disability Services**

Hon. G. Oliver Koppell, Chair

Joint with Subcommittee on Drug Abuse

Hon. Ruben Wills, Chair

Latonia McKinney, Deputy Director, Finance Division

Pamela Corbett, Legislative Financial Analyst

Summary and Highlights

Department of Mental Hygiene						
<i>Dollars in thousands</i>						
	2009	2010	2011	2011	2012	Difference*
	Actual	Actual	Adopted	Feb Plan	Feb Plan	2012 vs. 2011
Division of Mental Hygiene						
Personal Services	\$2,100	\$2,243	\$5,641	\$2,948	\$3,683	(\$1,959)
Other than Personal Services	730,051	737,729	684,729	692,140	684,512	(217)
Sub-Total	\$732,151	\$739,971	\$690,370	\$695,088	\$688,194	(\$2,176)
Public Health						
Personal Services**	\$396,825	\$409,537	\$384,452	\$407,041	\$376,767	(\$7,685)
Other than Personal Services**	583,229	535,943	524,539	573,432	477,937	(46,602)
Sub-Total	\$980,054	\$945,480	\$908,991	\$980,472	\$854,704	(\$54,287)
Table Total	\$1,712,205	\$1,685,452	\$1,599,361	\$1,675,560	\$1,542,898	(\$56,463)

*The difference of Fiscal 2011 Adopted compared to Fiscal 2012 Preliminary Plan funding.

The Department of Health and Mental Hygiene's (DOHMH) Fiscal 2012 Preliminary budget includes \$1.54 billion in spending, of which \$578 million is funded with City tax-levy (CTL) dollars. The Department's overall operating budget for Fiscal 2012 has decreased by \$56 million, or 3.5 percent, compared to the operating budget at Adoption last year. This reduction is the result of a number of Programs to Eliminate the Gap (PEGs) proposed by the Department to meet its spending targets while offsetting planned spending increases for collective bargaining agreements and technical adjustments.

The Fiscal 2012 Preliminary budget of approximately \$690 million in funding for Mental Hygiene related services is only \$2 million less than the Adopted Fiscal 2011 amount and represents 45 percent of overall Department spending for Fiscal 2012. While only four percent of the Department's total reduction in Fiscal 2012 funding targets Mental Hygiene related programming, proposed reductions to mental health, mental retardation and alcoholism services account for 20 percent of the total planned decrease in City spending by the Department. The City Charter mandates that any planned reductions in City spending (PEGs) by the DOHMH to mental health, mental retardation and alcoholism services must not have a greater percentage decrease in City funds than the total planned reductions in spending on the Department's public health related services.

Fiscal 2012 Preliminary Plan Highlights

Mental Hygiene – Early Intervention

- **Early Intervention Service Coordination.** The Department proposes reducing funding for EI Service Coordination by \$244,000 in Fiscal 2012 and in the outyears by performing some service coordination functions in house by existing staff rather than through contracted providers. **(See Page 11 for more details.)**
- **Early Intervention Administration Revenue Maximization.** The Department has identified additional revenue for EI administration valued at \$750,000 for Fiscal 2011 by aligning its FMS budget with the State Administration Grant. Additional revenue has been received in excess of budgeted revenue since 2008. **(See Page 11 for more details.)**

Mental Hygiene – Mental Health Services

- **Correctional Health – Medicaid.** The Department will claim additional Medicaid reimbursements for Correctional Health staff in the amount of \$1.6 million for Fiscal 2011 and in the outyears. DOHMH Correctional Health Services Discharge Planning staff work to prescreen all “Brad H” inmates and detainees for Medicaid eligibility and identify and resubmit closed Medicaid cases to HRA for reactivation. **(See Page 14 for more details.)**
- **Reduced Pass-through funding to HHC for Mental Health services.** The Department proposes reducing its pass-through (intra-city) funding to HHC for mental health supportive services by \$1 million in Fiscal 2011 and \$2 million in Fiscal 2012. Specifically, these reductions will be achieved through reductions to the Department’s Mental Health Subsidy and related administrative support. **(See Page 14 for more details.)**
- **Reduced Intra-City Agreements for Mental Hygiene.** The Department proposes to reduce its pass-through (intra-city) funding to DHS, HRA and CUNY for mental health services by \$1 million in Fiscal 2012 and in the outyears. **(See Page 15 for more details.)**
- **Elimination of WTC Mental Health Benefit Program.** The Department will reduce its budget by \$853,000 in Fiscal 2012 and in the outyears through eliminating funding to the City’s Mental Health and Substance Abuse Benefit Program for people affected by 9/11. This program began in 2008 and ended in January 2011, as scheduled. **(See Page 15 for more details.)**
- **Reductions in Mental Hygiene Contracted Services – Mental Health Providers.** The Department will achieve a savings of \$390,000 in Fiscal 2011 and \$2.5 million in Fiscal 2012 through across the board cuts to bridger programs (transition management services), psychosocial clubs, recreation programs and adult respite programs. **(See Page 15 for more details.)**
- **PS Underspending and Efficiencies – Mental Hygiene Management services.** The Department identified savings of \$589,000 in Fiscal 2011 and \$257,000 in Fiscal 2012 in PS accruals in Mental Hygiene Management Services. **(See Page 15 for more details.)**

Mental Hygiene – Development Disabilities

- **Reduced Pass-through funding to HHC for MR/DD services.** The Department proposes reducing its pass-through (intra-city) funding to HHC for MR/DD services by \$395,000 in in Fiscal 2011 and \$617,000 in Fiscal 2012. Specifically, these reductions will be achieved through closing HHC’s Morrisania MR/DD Clinic. **(See Pages 18 for more details.)**
- **Reductions in Mental Hygiene Contracted Services – DD Clinics.** The Department will achieve a savings of \$232,000 in Fiscal 2011 and \$1.4 million in Fiscal 2012 through eliminating the City subsidy to Article 16 DD clinics. **(See Pages 18-19 for more details.)**

Mental Hygiene – Chemical Dependency

- **Reduced Pass-through funding to HHC for Alcohol and Substance Abuse services.** The Department proposes reducing its pass-through (intra-city) funding to HHC for alcohol and substance abuse services by \$675,000 in in Fiscal 2011 and \$957,000 in Fiscal 2012 targeted cuts to related HHC programming. **(See Page 21 for more details.)**
- **Reductions in Mental Hygiene Contracted Services – Alcohol and Substance Abuse.** The Department will achieve a savings of \$610,000 in Fiscal 2011 and \$831,000 in Fiscal 2012 through across the board cuts to targeted contracts for medically supervised outpatient programs, outpatient rehab services, scholarship programs and childcare at Women in Need Clinic. **(See Page 22 for more details.)**

State Highlights

A number of proposed State Fiscal Year 2011-2012 Executive Budget actions will have an impact on the Department’s mental hygiene portfolio, in particular. They are outlined below. It should be noted, however, as with all other budget actions incorporated into the 2011-2012 Executive Budget, these estimates are subject to change prior to State budget adoption.

- **Early Intervention (EI).** The proposed State Fiscal Year 2011-2012 Executive Budget contains a number of proposals related to the Division’s Early Intervention (EI) program, including recommendations to: (1) reduce EI provider rates by 10 percent; (2) maximize commercial insurance for EI; (3) bill EI services in 15 minute increments; (4) recover EI State overpayments for medical transportation; (5) restructure EI billing practices; (6) modify EI service coordination rates to use capitation; and (7) revise EI rates to update wage equalization and transportation factors. **(See Pages 11-12 for more details.)**
- **Elimination of General Public Health Work Optional services.** The State Executive Budget proposes limiting Article 6 reimbursement for the General Public Health Work program to basic services. While the reimbursement rate will hold at 36 percent, reimbursement for all optional services will be discontinued. Within the Department’s scope of mental hygiene services, this state budget action is expected to impact EI Administration by \$3.8 million. **(See Page 12 for more details.)**
- **Mental Hygiene aid to localities.** The State Executive Budget proposed to reduce aid to localities within the following state mental hygiene agencies: (1) OASAS, a statewide reduction of \$454 million; (2) OMH, a statewide reduction of \$1.3 billion; and (3) OPWDD, a statewide reduction of \$2.3 billion. The DOHMH expects to sustain a proportionate reduction. **(Additional details are not available at this time.)**
- **NY/NYIII Supported Housing.** NY/NYIII funding was not cut; rather there is an increase in HASA units:

NY/NY III	2010-11 Units	2011-12 Units	Change
NY/NY III Youth Beds (OCFS)	2,137	2,137	0
NY/NY III HIV/AIDS (HASA Units)	625	1,875	1,250
NY/NY III SDOH (AIDS Institute)	6,188	6,188	0
Total Units	8,950	10,200	1,250

See Page (23) for more details.

- **State Medicaid Redesign.** In early CY 2011, Governor Cuomo nominated a team of 27 health care stakeholders, known as the Medicaid Redesign Team (MRT), to find ways to reduce costs in the amount of \$2.85 billion in the State's Medicaid program for the upcoming 2011-12 fiscal year and by \$4.6 billion for Fiscal Year 2012-2013. The Fiscal 2011-12 target has since been reduced to \$2.3 billion. Based on the MRT recommendations, the State Fiscal 2011-12 Executive Budget proposes approximately \$2.3 billion in reduced State Medicaid spending through a combination of (a) implementing across-the-board rate reductions, (b) eliminating statutory cost drivers (mainly, eliminating trend factor payments to health care institutions and health management organizations, which is an annual cost increase to reflect increased costs of providing care), (c) maximizing the value of federal funds, (d) implementing programmatic and structural reforms and (e) working with key stakeholders of the health care industry to devise other cost containment initiatives.
 - This redesign package is still in draft form as specific details regarding these actions are still being developed. Consequently, while DOHMH's budget for the current fiscal year and in the outyears will be significantly affected by State Medicaid cuts, impact estimates to DOH are currently unavailable and will likely become available for the upcoming Executive Budget Hearing Report on the Department of Health.

Department of Health and Mental Hygiene

The Department of Health and Mental Hygiene (DOHMH) protects and promotes the health and mental well-being of all New Yorkers. The Department provides mental health services; mental retardation and developmental disability services; alcohol and drug use services; and Early Intervention services to developmentally delayed infants and toddlers. DOHMH's community-based services include: District Public Health Offices; five borough-based Early Intervention offices; four year round immunization walk-in clinics; nine TB/chest centers; nine STD clinics; HIV prevention and control services; health services at more than 1,250 schools; and health and mental hygiene services in the City's correctional facilities. DOHMH has programs to prevent and control chronic diseases such as heart disease, diabetes, asthma and cancer. The Department has also made reducing tobacco-related illnesses a priority. DOHMH generates community health profiles; issues birth and death certificates; conducts health and safety inspections to enforce the City Health Code; and protects public safety through immediate response to emergent public health threats.

The New York City Department of Health and Mental Hygiene, Division of Mental Hygiene (Division or DMH), under the City Charter and in accordance with State Mental Hygiene Law, is responsible for administering, planning, contracting, monitoring, and evaluating early intervention services for children under three years old who have a developmental delay or disability, and community mental health, mental retardation, and chemical dependency services within the City of New York. In addition, DMH plans and collaborates with other City agencies to provide a variety of uniquely targeted programs, including those for individuals who are homeless or who have co-occurring disorders.

Key Public Services Areas

- Promote health and mental hygiene, prevent and reduce alcohol and drug dependence, and reduce health disparities among New York City communities.
- Facilitate access to high-quality health and mental hygiene (mental health, developmental disabilities, and alcohol and drug use) services.
- Improve environmental health and safety.
- Provide high quality and timely services to the public.

Critical Objectives

- Reduce smoking and the illness and death caused by tobacco use.
- Improve overall health through scientific research and evidence-based initiatives.
- Prevent and control childhood diseases.
- Reduce new cases of HIV/AIDS, tuberculosis, sexually transmitted diseases and other preventable diseases.
- Facilitate access to quality mental health, Early Intervention, developmental disability, and alcohol and drug use services.
- Prevent lead poisoning.
- Promote the safety of child care programs.
- Promote the safety of commercial food establishments.
- Reduce rat infestation through inspection, notification and baiting.
- Reduce risks to human health from unwanted and abandoned animals.
- Provide birth and death certificates to the public quickly and efficiently.

SOURCE: Preliminary Mayor's Management Report

Division of Mental Hygiene Spending

<i>Dollars in thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb Plan	2012 Feb Plan	Difference* 2011 vs. 2010
Spending**						
Personal Services						
Fulltime Salaried	\$1,907	\$1,966	\$5,641	\$2,948	\$3,683	(\$1,959)
Other Salaried & Unsalariated	131	200	0	0	0	0
Overtime	11	18	0	0	0	0
Additional Gross Pay	50	57	0	0	0	0
Fringe	1	1	0	0	0	0
Subtotal, PS	\$2,100	\$2,243	\$5,641	\$2,948	\$3,683	(\$1,959)
Other than Personal Services						
Supplies and Materials	\$546	\$514	\$1,578	\$912	\$1,958	\$380
Social Services	47,234	45,132	44,269	42,933	35,153	(9,116)
Property and Equipment	96	421	347	656	347	0
Other Services and Charges	4,320	4,003	8,078	4,330	7,048	(1,030)
Contractual Services	677,855	687,658	630,457	643,308	640,006	9,548
Subtotal, OTPS	\$730,051	\$737,729	\$684,729	\$692,140	\$684,512	(\$217)
TOTAL	\$732,151	\$739,971	\$690,370	\$695,088	\$688,194	(\$2,176)
Funding						
City Funds	NA	NA	\$157,929	\$149,480	\$144,055	(\$13,874)
<i>Memo: Council Funds</i>	NA	NA	31,114	NA	NA	(31,114)
State	NA	NA	278,977	285,422	287,458	8,481
Federal - Other	NA	NA	20,887	24,899	20,068	(819)
Other Categorical	NA	NA	232,577	233,151	236,613	4,036
Intra-City	NA	NA	191	2,553	191	0
TOTAL	\$732,151	\$739,971	\$690,561	\$695,503	\$688,385	(\$2,176)

*The difference of Fiscal 2011 Adopted compared to Fiscal 2012 Preliminary Plan funding.

**Mental Hygiene estimates include spending for Early Intervention, Mental Health, Development Disabilities and Chemical Dependency.

The Department proposes to spend approximately \$690,000 on mental hygiene related services in Fiscal 2012, which represents 46 percent of the Department's overall budget. These services are administered through four separate program areas within the Department: (a) Early Intervention; (b) Mental Health Services; (c) Development Disability; and (d) Chemical Dependency Services.

A majority of this spending will be dedicated toward Early Intervention services, which accounts of 66 percent of the proposed Mental Hygiene funding for Fiscal 2012. The Department's Early Intervention program originated from federal legislation and is largely funded by outside sources, with State and federal contributions representing 77 percent of EI funding. Unlike the proposed budgets for the other three Mental Hygiene related program areas, the Fiscal 2012 Preliminary budget actually proposes an increase in spending on Early Intervention services. This spending increase of \$4.4 million accounts for a decrease in City spending by \$3.6 million, which is entirely offset by an additional \$8 million in combined State and federal funding.

According to the Fiscal 2012 Preliminary Budget, the three remaining program areas will each experience a reduction in funding, with City spending on these programs in Fiscal 2012 falling by \$10.3 million from the Fiscal 2011 Adopted amount. Spending on Mental Health Services will be reduced by \$3.2 million, with \$12 million in planned reduced City tax levy (CTL) contributions being largely offset by an additional \$9.5 million in State funding. The Fiscal 2012 Preliminary budget for Developmental Disability proposes a \$2.9

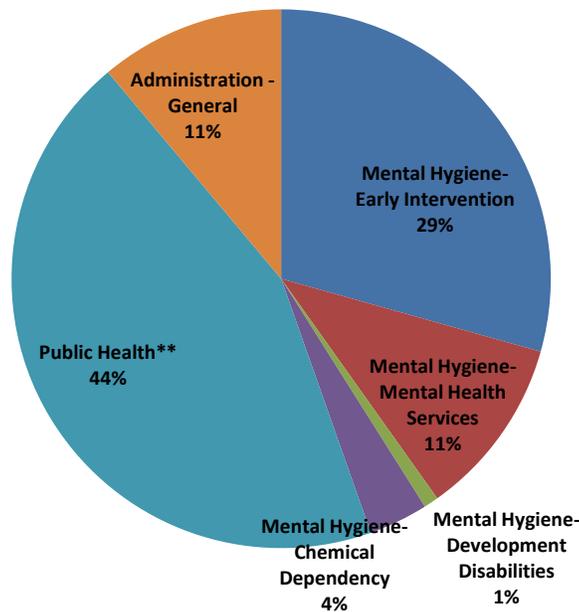
million cut in funding, reflecting reduced contributions by the City and the State in the amount of \$1.1 million and \$1.8 million, respectively. Funding for Chemical Dependency services is reduced by \$506,000, with a \$3.3 million decrease in State funding mostly offset by increased City contributions of \$2.8 million.

Mental Hygiene (MHy) Spending by Program Area

	2009	2010	2011	2011	2012	Difference*
<i>Dollars in thousands</i>	Actual	Actual	Adopted	Feb Plan	Feb Plan	2012 vs. 2011
MHy – Early Intervention	\$467,313	\$494,152	\$448,609	\$453,062	\$453,041	\$4,432
MHy – Mental Health Services	178,433	172,853	169,989	175,055	166,738	(3,251)
MHy – Development Disabilities	27,870	18,212	16,380	14,543	13,529	(2,851)
MHy – Chemical Dependency	58,536	54,755	55,393	52,428	54,887	(506)
Public Health**	778,700	748,436	711,727	768,446	683,460	(84,986)
Administration - General	201,354	197,044	197,264	212,026	171,244	(40,782)
TOTAL	\$1,712,205	\$1,685,452	\$1,599,361	\$1,675,560	\$1,542,898	(\$132,662)
Funding						
City Funds	\$0	\$0	\$630,629	\$607,536	\$578,212	(\$23,113)
<i>Memo: Council Funds</i>	NA	NA	31,114	NA	NA	(31,114)
State	0	0	443,845	462,330	442,265	(20,065)
Federal - Other	0	0	262,538	329,542	257,527	(72,015)
Other Categorical	0	0	253,706	264,318	264,148	(1,170)
Intra-City	0	0	8,643	11,835	746	(11,089)
TOTAL	\$1,712,205	\$1,685,452	\$1,599,361	\$1,675,560	\$1,542,898	(\$132,662)

*The difference of Fiscal 2011 Adopted compared to Fiscal 2012 Preliminary Plan funding.

Fiscal 2012 DOHMH Budget by Program Area



Fiscal 2011 City Council Funding

City Council funding provides approximately \$31 million, or two percent of the Department's annual City-funds operating budget. This includes \$28 million in initiative funding (\$7 million for mental health services and \$20 million for public health services) and Council Member items that total approximately \$4 million, which is funding for a combination of public and mental health services. Just as with Public Health, the City Council has been a champion of mental health services, adding tens of millions in funding over the last several years to support autism awareness, alcoholism/substance abuse services, geriatric mental health services, as well as a wide range of mental health-related services.

FY 2011 Council Changes at Adoption	
<i>Dollars in Thousands</i>	
Council Mental Hygiene Initiatives	
Alcoholism/Substance Abuse - Voluntary Sector	\$335
Autism Awareness	1,250
Children Under Five Initiative	1,250
Geriatric Mental Health Services	2,000
HHC Kings County Hospital Developmental Evaluation Clinics PEG Restoration	400
HHC Mental Health Funding PEG Restoration	800
Mental Health Contracts	450
Suicide Prevention Hotline	247
Young Adult Institute and Workshop, Inc.	400
Council Public Health Initiatives	20,093
Local Initiatives	3,889
TOTAL	\$31,114

Fiscal 2012 Preliminary Contracts Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

Category	Number	Budgeted	Pct of Agency Total	Pct of City Total
Contractual Services General	54	\$19,303,513	2.0%	3.8%
Telecommunications Maintenance	28	76,882	0.0%	0.2%
Maintenance and Repair & Motor Vehicle Equipment	18	256,304	0.0%	1.8%
Maintenance and Repair General	96	1,582,520	0.2%	1.6%
Office Equipment Maintenance	101	184,054	0.0%	1.3%
Data Processing Equipment	38	668,081	0.1%	0.5%
Printing Contracts	89	2,121,751	0.2%	6.4%
Security Services	3	151,077	0.0%	0.2%
Temporary Services	54	1,372,698	0.1%	3.8%
Cleaning Services	41	359,612	0.0%	1.8%
AIDS Services	45	133,370,778	14.0%	47.5%
Mental Hygiene Services	471	638,764,508	66.8%	100.0%
Hospitals Contracts	3	122,400,831	12.8%	99.8%
Special Clinical Services	1	7,158,741	0.7%	100.0%
Economic Development	11	331,815	0.0%	7.5%
Training Program City Employees	30	637,816	0.1%	4.5%
Maintenance & Operation of Infrastructure	81	632,654	0.1%	0.5%
Professional Services - Accounting and Auditing	3	1,144,991	0.1%	4.6%
Professional Services - Computer Services	12	2,343,891	0.2%	1.8%
Professional Services Other	134	22,877,762	2.4%	17.9%
Preliminary Budget	1,313	955,740,279	100.0%	N/A

Program Areas

Mental Hygiene – Early Intervention (EI)

The Early Intervention Program is part of a national effort initiated by Congress in 1986 through the passage of the Individuals with Disabilities Education Act. The law created an entitlement to a wide range of rehabilitative services for infants and toddlers from birth through age two. On September 17, 1992, Governor Mario Cuomo signed the Early Intervention Bill (Chapter 428 of the Laws of 1992). This landmark legislation requires localities to offer early intervention services to infants and toddlers with developmental disabilities or delays. The DOHMH is the lead City agency; the New York State Department of Health coordinates the statewide network of services.

Early Intervention (EI) budget for Fiscal 2012 is \$453 million which is \$4.4 million more than the Fiscal 2011 Adopted Budget. The EI budget comprises 29 percent of overall Department spending. Reduced City funding from the Fiscal 2011 Adopted Budget to the Fiscal 2012 Preliminary Budget is entirely offset by the increased revenue in Medicaid and State reimbursement generated by continued growth in EI program enrollment.

<i>Dollars in thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb Plan	2012 Feb Plan	Difference* 2012 vs. 2011
Spending						
Personal Services						
Fulltime Salaried	\$868	\$864	\$1,239	\$1,239	\$1,239	\$0
Other Salaried & Unsalared	129	195	0	0	0	0
Overtime	1	2	0	0	0	0
Additional Gross Pay	39	44	0	0	0	0
Fringe	1	1	0	0	0	0
Subtotal, PS	\$1,037	\$1,105	\$1,239	\$1,239	\$1,239	\$0
Other than Personal Services						
Supplies and Materials	\$452	\$449	\$1,507	\$748	\$1,507	\$0
Social Services	0	1,318	92	0	92	0
Property and Equipment	51	395	347	656	347	0
Other Services and Charges	1,636	1,705	3,475	1,969	1,896	(1,580)
Contractual Services	464,137	489,179	441,948	448,451	447,960	6,012
Subtotal, OTPS	\$466,276	\$493,046	\$447,370	\$451,823	\$451,803	\$4,432
TOTAL	\$467,313	\$494,152	\$448,609	\$453,062	\$453,041	\$4,432
Funding						
City Funds	NA	NA	104,288	101,649	100,671	(3,617)
State	NA	NA	109,673	111,562	113,687	4,014
Federal - Other	NA	NA	2,071	6,716	2,071	0
Other Categorical	NA	NA	232,577	233,135	236,613	4,036
Intra-City	NA	NA	0	0	0	0
TOTAL	\$467,313	\$494,152	\$448,609	\$453,062	\$453,041	\$4,432

*The difference of Fiscal 2011 Adopted compared to Fiscal 2012 Preliminary Plan funding.

Programmatic Review

The DOHMH is the lead City agency for local Early Intervention services, while the New York State Department of Health coordinates the statewide network of services. Early Intervention is a comprehensive interagency program that supports infants and children with developmental delays in their efforts to realize their full potential. It reduces the likelihood of delays among at-risk children, assists and empowers families to meet their child's and their own needs, and entitles children, regardless of race, ethnicity or income, to services through the program.

Fiscal 2012 Preliminary Budget Actions

- **Early Intervention Service Coordination.** The Department proposes reducing funding for EI Service Coordination by \$244,000 in Fiscal 2012 and in the outyears, by performing some service coordination functions in house using agency staff rather than through contracted providers. This project involves moving staff from one role into another, losing their current responsibilities to take on new ones. The functions previously held by these select staff will be assumed by other individuals in those units.
- **Early Intervention Administration Revenue Maximization.** The Department has identified additional revenue for EI administration valued at \$750,000 for Fiscal 2011 by aligning its FMS budget with the State Administration Grant. Additional revenue has been received in excess of budgeted revenue since 2008.

State Budget Actions

- **Early Intervention.** The Fiscal 2011-2012 State Executive Budget contains a number of proposals related to the Division's Early Intervention program
 - Rate Reductions of 10 Percent for EI. The proposes to reduce EI service payments across the board to all providers by 10 percent in an effort to reduce State expenditures. Likewise, DOHMH roughly estimates a savings to the City in the amount of \$10 million.
 - Maximize Commercial Insurance Reimbursement for EI. The State proposes to require all commercial insurance companies to pay "legitimate claims" for EI services. According to the State, private insurance companies currently only pay about \$13 million, or two percent, of total gross program costs, despite the fact that 40 percent of children receiving EI services are already covered by these companies. DOHMH estimates a potential savings to the City in the amount of \$10 to \$13 million.
 - Bill EI Services in 15-Minute Increments. The State budget proposes replacing variable unit increment rates to 15-minute increment rates for basic and extended services. Currently basic services last for up to 59 minutes whereas a visit lasting at least 60 minutes is considered to be extended. An impact estimate for this proposal to the City was not available at the time this report was published.
 - Recover Early Intervention Overpayment for Medical Transportation. The State proposes to recoup \$6.2 million in State Medicaid overpayments for transportation costs to localities, including New York City. The State can expect to recoup between \$1 million and \$1.2 million in New York City overpayments.

- Restructure Early Intervention Billing Practices. The State proposes to require EI providers receiving more than \$500,000 in annual Medicaid revenue to directly seek non-municipal third party revenue, including federal Medicaid reimbursement and private insurance (for those providers serving Medicaid/Medicare dual-eligibles). According to DOHMH, this proposal is not expected to have a substantial financial impact to the City.
- Modify Early Intervention Service Coordination Rates to Use Capitation. The State proposes to use capitated rates to replace the current billing methodology. Capitated rates are a payment method for health care services whereby the physician, hospital, or other health care provider is paid a contracted rate for each member assigned, referred to as "per-member-per-month" rate, regardless of the number or nature of services provided. These contractual rates are usually adjusted for age, gender, illness, and regional differences. In this particular scenario, service coordination would be paid at a single rate per event or per month regardless of the actual time spent on case management. According to DOHMH, this proposal is not expected to have a substantial financial impact to the City.
- Revise EI Rates to Update Wage Equalization and Transportation Factors. The State proposes to revise rates for home- and community-based providers to reflect updated wage equalization factors that account for salary differences across the State. According to DOHMH, this proposal is not expected to have a substantial financial impact to the City.
- **Elimination of General Public Health Work Optional Services.** The State Executive Budget proposes limiting Article 6 reimbursement for the General Public Health Work program to basic services. While the reimbursement rate will remain at 36 percent, reimbursement for all optional services will be discontinued. Based on the Department’s current spending budget, the impact of these cuts to DOHMH services totals \$23 million annually. Within the Department’s scope of mental hygiene services, this State budget action is expected to impact EI administration by \$3.8 million.

Performance Measures

	FY 08	FY 09	FY 10	FY 11 4-Month Actual	Target FY 12
Children with Initial Early Intervention Program service plans – end of year (000) (CY)	15.8	17.7	16.9	20.1	*
Children authorized for Early Intervention services during the year (000) (CY)	31.5	32.7	34.9	NA	*

The number of children authorized for Early Intervention services has grown by seven percent since Calendar Year (CY) 2009. Likewise, during the first few months of Calendar Year 2010, there were over 20,000 Early Intervention Program, showing a 14 percent increase from the previous calendar year.

Mental Hygiene – Mental Health Services

The Division of Mental Hygiene Services is responsible for administering contracting actions related to mental health services for adults, adolescents and children. The Division's responsibilities include analyzing issues and problems related to adult and children's services and collaborating with the staff of other City and State agencies. The Division monitors the operations of the Adult Single Point of Access (SPOA) for case management and Assertive Community Treatment (ACT) services, coordinates case management and ACT programs, and administers the Assisted Outpatient Treatment (AOT) program. The Division also monitors the operations of the Children's Single Point of Access (CSPOA) for intensive services, which includes the Children's Home and Community-based Waiver Program, case management programs, family-based treatment programs and community residences.

The Mental Health Services budget for Fiscal 2012 is \$167 million which is \$3.3 million less than the Fiscal 2011 Adopted Budget. The decrease is mainly attributed to the Fiscal 2012 PEG Program and slight reductions in federal aid.

	2009	2010	2011	2011	2012	Difference*
<i>Dollars in thousands</i>	Actual	Actual	Adopted	Feb Plan	Feb Plan	2012 vs. 2011
Spending						
Personal Services						
Fulltime Salaried	\$759	\$868	\$4,237	\$1,531	\$2,279	(\$1,959)
Other Salaried & Unsalariied	2	5	0	0	0	0
Overtime	10	17	0	0	0	0
Additional Gross Pay	11	13	0	0	0	0
Fringe	0	0	0	0	0	0
Subtotal, PS	\$783	\$903	\$4,237	\$1,531	\$2,279	(\$1,959)
Other than Personal Services						
Supplies and Materials	\$10	\$50	\$70	\$119	\$450	\$380
Social Services	32,828	31,632	32,509	32,235	24,648	(7,860)
Property and Equipment	34	21	0	0	0	0
Other Services and Charges	2,402	1,955	4,425	2,222	5,017	592
Contractual Services	142,376	138,293	128,747	138,948	134,343	5,596
Subtotal, OTPS	\$177,650	\$171,949	\$165,751	\$173,524	\$164,459	(\$1,292)
TOTAL	\$178,433	\$172,853	\$169,989	\$175,055	\$166,738	(\$3,251)
Funding						
City Funds	NA	NA	26,691	20,759	14,764	(11,927)
State	NA	NA	124,482	133,976	133,976	9,494
Federal - Other	NA	NA	18,816	18,183	17,997	(819)
Other Categorical	NA	NA	0	0	0	0
Intra-City	NA	NA	0	2,137	0	0
TOTAL	\$178,433	\$172,853	\$169,989	\$175,055	\$166,738	(\$3,251)

*The difference of Fiscal 2011 Adopted compared to Fiscal 2012 Preliminary Plan funding.

Programmatic Review

Take Care New York

The New York City Department of Health and Mental Hygiene's "Take Care New York" (TCNY) Initiative is a public health policy that prioritizes actions to help individuals, health care providers and New York City as a whole to improve health. Depression has been identified as one of the key areas for intervention because it is prevalent, has a substantial disease burden, and is often undetected and untreated despite the availability of effective treatment. Appropriate care is seldom achieved due to the fact that depression care has lacked a measure of performance, faced systems barriers, issues of stigma and cultural bias, and inadequate funding for services. Primary care physicians are the initial point of service for the health care needs of most Americans and, thus, need to play a key role in ensuring that appropriate screening, treating, and monitoring of depression is available to those who need it.

Through the TCNY Depression Initiative, entitled "Get Help for Depression", DMH's Depression Team:

- Assists primary care clinicians, through training and technical assistance, to implement depression screening and management in primary care practice;
- Informs New Yorkers through a citywide public education campaign to speak with their doctor about a simple test for depression;
- Addresses depression among high risk groups. Interventions will be targeted toward the elderly, college students, pregnant women/new mothers, and individuals living in the District Public Health Office regions identified as the areas of highest need in New York City; and
- Established Office of Care Management to assist primary care practices with telephonic follow-up of patients diagnosed with depression.

NYC Care Monitoring Initiative

The Care Monitoring Initiative (CMI) monitors mental health services for consumers in New York City. Developed jointly by DOHMH and NYS Office of Mental Health (OMH), CMI works directly with mental health providers to improve care by identifying individual consumer's patterns of service use, especially those indicating gaps in services, suggesting the need for prompt intervention.

Fiscal 2012 Preliminary Budget Actions

- **Correctional Health – Medicaid.** The Department will claim additional Medicaid reimbursements for Correctional Health staff in the amount of \$1.6 million for Fiscal 2011 and in the outyears. DOHMH provides discharge services for certain "Brad H" (e.g., mentally ill) inmates in the custody of NYC Department of Corrections. DOHMH Correctional Health Services Discharge Planning staff work to prescreen all "Brad H" inmates and detainees for Medicaid eligibility and identify and resubmit closed Medicaid cases to the City's Human Resources Administration (HRA) for reactivation. This funding shift will have no impact on providers.
- **Reduced pass-through funding to HHC for Mental Health services.** The Department proposes reducing its intra-city funding to the City's Health and Hospitals Corporation (HHC) for mental health supportive services by \$1 million in Fiscal 2011 and \$2 million in Fiscal 2012. Specifically, these reductions will be achieved through reductions to the Department's Mental Health Subsidy and related administrative support.

- Reduced Intra-City Agreements for Mental Hygiene.** The Department proposes to reduce its pass-through (intra-city) funding to DHS, HRA and CUNY for mental health services by \$1 million in Fiscal 2012 and in the outyears. CUNY will absorb 54 percent of this cut while DHS absorbs 42 percent of the total reduction. The reduced amount to HRA only represents four percent of this overall proposed cut. This reduction is expected to impact DHS’ healthy homes awareness training, resulting in fewer in-person training and outreach events. DOHMH and HPD have worked to create innovative and cost-effective strategies to deliver information via increase online training opportunities to help offset this reduction.
- Elimination of WTC Mental Health Benefit Program.** The Department will reduce its budget by \$853,000 in Fiscal 2012 and in the outyears through eliminating funding to the City’s Mental Health and Substance Abuse Benefit Program for people affected by 9/11. This program began in 2008 and ended in January 2011, as scheduled. Participants were informed of the end date when they enrolled and were reminded with six months’ prior notice to allow for transitioning to alternate treatment, if needed. Participants can continue to see their current providers; however, the City will no longer reimburse for out-of-pocket costs. According to the Department, most participants should be eligible to receive free mental health services at one of three federally funded Centers of Excellence, which in recent years, have begun offering integrated, specialized care for 9/11-affected people.
- PS Underspending and Efficiencies – Mental Health services.** The Department identified savings of nearly \$589,000 in Fiscal 2011 and nearly \$257,000 in Fiscal 2012 in PS accruals.
- Reductions in Mental Hygiene Contracted Services to Mental Health providers.** The Department will achieve a total savings of \$538,000 in Fiscal 2011 and \$2.5 million in Fiscal 2012 through proposing the following reductions:

Provider Name	Program Unit Site Name	FY11 cut* (CTL)	FY12 cut* (CTL)
PSCH, INC. (Kingsborough Psychiatric Center)	Transitional Bridger - Brooklyn	(\$47,276)	(\$141,829)
Institute for Community Living, Inc.	Adult Respite Program	(\$90,922)	(\$272,765)
Ohel Children's Home and Family Service, Inc.	Kadimah Psychosocial Club	\$0	(\$7,578)
Federation Employment and Guidance Service, Inc.	Riveredge Community House Bridger	(\$47,276)	(\$119,854)
Sky Light Center, Inc.	Consolidation of Recreation Program into Clubhouse	(\$5,000)	(\$22,873)
The Mental Health Association of New York City	Open House	(\$7,309)	(\$21,927)
The Mental Health Association of New York City	Goddard-Riverside Community Center Psychosocial Club	(\$14,155)	(\$42,466)
Lutheran Medical Center	CSS Psychosocial Club	(\$99,624)	(\$298,872)
Jamaica Service Program for Older Adults, Inc.	Friendship Center	\$0	(\$443,343)
NYSARC, Inc.	Job Correction Center	(\$38,586)	(\$115,757)
Unallocated - 62% of the value of CSP	Unallocated Funds	\$0	(\$160,728)
Unallocated Funds	Unallocated Funds from Exec11 PEG	\$0	(\$807,000)
To Be Determined	Unallocated Funds	(\$40,329)	\$0
Unallocated - Manhattan Counseling	Unallocated Funds	\$0	(\$30,000)
TOTAL, MENTAL HEALTH PROVIDERS		(\$390,477)	(\$2,484,992)

*Reflects proposed reductions in City spending only.

These reductions reflect across the board cuts to bridger programs (transition management services), psychosocial clubs, recreation programs and adult respite programs. The Department

regards these programs as peripheral to its overall mission, when compared to the direct services it administers.

Council Initiatives and Funding

The Council provided funding for the following initiatives in the Mental Health Services program area for Fiscal 2011. As Council funding is renegotiated annually and allocated on a one-time basis, the following funding is not included in the Fiscal 2012 Preliminary Budget.

Mental Health Services	
<i>Dollars in Thousands</i>	
Children-Under Five Initiative	\$1,250
Geriatric Mental Health Services	2,000
Mental Health Contracts	450
Suicide Prevention Hotline	247
Subtotal	\$3,947

The Council restored \$1.25 million to community-based outpatient mental health clinics to provide mental health treatment for children age five and under, \$2 million to strengthen the infrastructure of existing mental health services for seniors including those delivered in non-traditional settings, \$450,000 for a myriad of mental health services and \$247,000 to provide support to those individuals and groups who are in crisis, have lost someone to suicide and/or have thoughts of suicide.

Performance Measures

	FY 08	FY 09	FY 10	FY 11 4-Month Actual	Target FY 12
Individuals in assisted outpatient mental health treatment program	1,061	1,274	1,344	1,387	*
Calls to LifeNet (000)	88.4	94.5	97.2	32.0	*
Units of supportive housing available to persons with severe mental illness diagnosis (000)	15.3	15.9	17.3	16.6	17.7

Calls to LifeNet have increased by 10 percent from Fiscal 2008. Many experts in the field have linked depression with anxieties stemming from economic crises.

Mental Hygiene – Development Disabilities

The Division of Mental Hygiene Services is responsible for a wide range of functions to the estimated 160,000 residents of New York City who have developmental disabilities. These disabilities include mental retardation, cerebral palsy, autism, epilepsy and a variety of neurological impairments. The Division is the City’s official local government unit working with the New York State Office of Mental Retardation and Developmental Disabilities (OMR/DD). State Mental Hygiene Law and the City Charter give the Division responsibility for developing the Local Government Plan and overseeing programs in contract with the DMH.

The Development Disabilities program budget for Fiscal 2012 is \$13.5 million which is \$3 million less than the Fiscal 2011 Adopted Budget. The change in funding from the Fiscal 2011 Adopted Budget to the Fiscal 2012 Preliminary Budget is a combination of reductions to City funding in order to close the City’s budget gap as well as State aid reductions.

<i>Dollars in thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb Plan	2012 Feb Plan	Difference* 2012 vs. 2011
Spending						
Other than Personal Services						
Supplies and Materials	\$0	\$10	\$0	\$0	\$0	\$0
Social Services	2,906	1,017	621	226	0	(621)
Property and Equipment	0	0	0	0	0	0
Other Services and Charges	150	150	158	135	135	(22)
Contractual Services	24,813	17,035	15,601	14,182	13,393	(2,208)
Subtotal, OTPS	\$27,870	\$18,212	\$16,380	\$14,543	\$13,529	(\$2,851)
TOTAL	\$27,870	\$18,212	\$16,380	\$14,543	\$13,529	(\$2,851)
Funding						
City Funds	NA	NA	5,229	5,109	4,134	(1,095)
State	NA	NA	11,151	9,434	9,394	(1,756)
Federal - Other	NA	NA	0	0	0	0
Other Categorical	NA	NA	0	0	0	0
Intra-City	NA	NA	0	0	0	0
TOTAL	\$27,870	\$18,212	\$16,380	\$14,543	\$13,529	(\$2,851)

*The difference of Fiscal 2011 Adopted compared to Fiscal 2012 Preliminary Plan funding.

Programmatic Review

The New York State Mental Hygiene Law requires the local government unit to "direct and administer a comprehensive local planning process for its area, consistent with established statewide goals and objectives." In New York City, this process involves the collection and processing of data to assess the needs of the developmental disabilities population and determine the services required to meet those needs. The local plan is developed on an annual basis at a borough level with the participation of consumers, advocates, providers and City and State agencies.

Program development opportunities are determined through the system analysis, needs assessment, and priorities developed in collaboration with Federation MR/DD Councils, New York State Office of Mental Retardation and Developmental Disabilities (OMRDD) and other advocates in preparation of the annual

Local Government Plan. Plans are implemented through requests for proposals, collaborative proposal review, and spending plan development.

The Division contracts with 50 voluntary agencies for 115 programs, serving approximately 38,000 individuals with developmental disabilities and their families. In addition, the Division funds six specialty diagnostic and treatment clinics for children with developmental disabilities, operated in four boroughs by the Health and Hospitals Corporation. These programs serve people of all ages and cover a broad range of service types including clinical diagnosis and treatment, home care, continuing adult special education, work readiness, and transitional employment.

Fiscal 2012 Preliminary Budget Actions

- Reduced Pass-through Funding to HHC for MR/DD services.** The Department proposes reducing its pass-through (intra-city) funding to HHC for MR/DD services by \$395,000 in in Fiscal 2011 and \$617,000 in Fiscal 2012. Specifically, the Department proposes to achieve these savings through closing HHC’s Morrisania MR/DD Clinic, which serves approximately 340 patients annually. These displaced patients would have to travel out of borough to receive treatment at any of the other three HHC developmental evaluation clinics (DEC): (1) HHC’s Queens Hospital Center; (2) Renaissance Healthcare DT&C (Manhattan); and (3) Kings County Hospital Center. Note: the viability of these alternative HHC DEC locations is dependent upon whether the Council will continue to restore funding (\$1.2 million) for these same three DEC sites that were restored by Council last year.
- Reductions in Mental Hygiene Contracted Services – DD Clinics.** The Department would achieve a savings of \$232,000 in Fiscal 2011 and \$1.4 million in Fiscal 2012 through proposing the following reductions:

Provider Name	Program Unit Site Name	FY11 cut* (CTL)	FY12 cut* (CTL)
Albert Einstein College of Medicine/Yeshiva University	Rose F. Kennedy Center CERC (Clinic)	\$0	(\$532,253)
The Epilepsy Institute	Outpatient Clinic	\$0	(\$184,197)
Staten Island Mental Health Society, Inc.	Elizabeth W. Pouch Center for Special People (Clinic)	\$0	(\$321,741)
Eden II School for Autistic Children, Inc.	Adult Day Training	\$0	(\$128,278)
Unallocated funding	Unallocated Funding	(\$231,912)	(\$250,000)
TOTAL, MENTAL HEALTH PROVIDERS		(\$231,912)	(\$1,416,469)

* Reflects proposed reductions in City spending only.

Originally, the Department had proposed a 30 percent across the board reduction to the first three providers listed above for Fiscal 2011; however, the Council restored Fiscal 2011 City funding to those three providers in the amount of \$432,000. The Department is proposing to completely eliminate its subsidy to the City’s Article 16 DD clinics in Fiscal 2012. According to the Department, there are 13 remaining Article 16 DD Clinics in New York City with the four providers listed in the above table serving as the last remaining local DD clinics currently receiving a City subsidy. These clinics operate at a loss and the subsidy was intended to temporarily help cover the funding shortfall sustained by these clinics. The Department argues that the subsidy is miniscule in comparison to the revenue generated by the clinics’ other funding streams.

However, several of the above-listed clinics have indicated that their operations would be adversely affected by these proposed cuts. They claim that this subsidy (net-deficit funding) was created to support the care of individuals that would otherwise have no access to these critical health services

because private insurance or Medicaid either does not fund these services or only partially funds services.

Should the Fiscal 2012 cut to the DD clinic subsidy go into effect, CERC estimates that (a) more than 1,800 clients who do not have Medicaid or other forms of payment would be turned away; (b) its Special Care Dentistry Program would close; and (c) it could lose its \$1.5 million federal grant.

The Epilepsy Institute (EI) reports that these proposed cuts will put a critical strain on the organization's services and finances and imperil the only resource in the City that specializes in the comprehensive service needs of those suffering from epilepsy. More specifically, EI estimates that it will have to reduce the number of clinic visits by 25 percent. In addition, a number of these staff members serving these clinics are bilingual, with the proposed cuts expected to severely curtail EI's ability to serve the City's Spanish speaking population.

Council Initiatives and Funding

The Council provided funding for the following initiatives in the Development Disabilities program area in Fiscal 2011. As Council funding is renegotiated annually and allocated on a one-time basis, the following funding is not included in the Fiscal 2012 Preliminary Budget.

Development Disabilities	
<i>Dollars in Thousands</i>	
Autism Awareness	\$1,250
HHC Kings County Hospital Developmental Evaluation Clinics PEG Restoration	400
HHC Mental Health Funding PEG Restoration	800
Young Adult Institute and Workshop, Inc. (YAI)	400
Subtotal	\$2,850

The Council restored \$1.25 million to provide wraparound services to autistic children in after-school, summer programs and during school holidays and \$400,000 for services to developmentally disabled adults with the Young Adult institute. The Council also restored a proposed Fiscal 2011 reduction of \$800,000 for two HHC mental retardation/developmental disability programs at Queens Hospital and Renaissance (in Harlem) and \$400,000 to allow for the HHC's Kings County Hospital Development Evaluation Clinic to remain open.

Mental Hygiene – Chemical Dependency

The Office of Chemical Dependency Services under the City Charter and in accordance with State Mental Hygiene Law is responsible for planning, contracting, monitoring, and evaluating community mental health, mental retardation and chemical dependency services within the City of New York. The Office plans and collaborates with other City agencies to provide a variety of specially targeted programs including those for individuals who are homeless or who have co-occurring chemical dependency and mental health or developmental disorders.

The Chemical Dependency program budget for Fiscal 2012 is \$54.9 million which is \$506,000 less than the Fiscal 2011 Adopted Budget. The change in funding from the Fiscal 2011 Adopted Budget to the Fiscal 2012 Preliminary Budget is mainly attributed to reductions in State funding, which is partially offset by an increase in City funds.

<i>Dollars in thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb Plan	2012 Feb Plan	Difference* 2012 vs. 2011
Spending						
Personal Services						
Fulltime Salaried	\$280	\$234	\$165	\$178	\$165	\$0
Subtotal, PS	\$280	\$234	\$165	\$178	\$165	\$0
Other than Personal Services						
Supplies and Materials	\$84	\$6	\$0	\$46	\$0	\$0
Social Services	11,500	11,165	11,047	10,472	10,413	(635)
Property and Equipment	11	6	0	0	0	0
Other Services and Charges	131	193	20	4	0	(20)
Contractual Services	46,528	43,151	44,161	41,727	44,309	148
Subtotal, OTPS	\$58,255	\$54,521	\$55,228	\$52,249	\$54,721	(\$506)
TOTAL	\$58,535	\$54,755	\$55,393	\$52,428	\$54,887	(\$506)
Funding						
City Funds	NA	NA	21,721	21,963	24,486	2,765
State	NA	NA	33,672	30,450	30,401	(3,271)
Federal - Other	NA	NA	0	0	0	0
Other Categorical	NA	NA	0	15	0	0
Intra-City	NA	NA	191	416	191	0
TOTAL	\$58,535	\$54,755	\$55,393	\$52,428	\$54,887	(\$506)

*The difference of Fiscal 2011 Adopted compared to Fiscal 2012 Preliminary Plan funding.

Programmatic Review

The New York/New York III (NY/NY III) Supportive Housing agreement of 2005 created 9,000 new units of supportive housing in New York City over ten years. These units, along with the more than 3,000 additional units currently in development, will fulfill the City's commitment to create 12,000 units of supportive housing in New York City. Supportive housing combines permanent, affordable housing with services to assist people with chemical dependency who are homeless or at risk of becoming homeless, achieve housing stability and independence in the community.

Under the NY/NY III agreement, the City and State will have invested close to \$1 billion in capital funding and over \$150 million annually for services and operating expenses. The NY/NY III housing is offered through two models: (1) "congregate" or single-site buildings where there will be a number of NY/NY III

units mixed in with other single or family units for low-income tenants from the community; and (2) “scattered-site,” in which individual apartments are rented from existing market housing throughout the City. Whereas the prior two New York/New York agreements produced housing solely for homeless single adults with mental illness, the new pact targets a broader range of individuals to better reflect the homeless population on city streets and in shelters today.

Another featured initiative under the Chemical Dependency program area is the use of buprenorphine, which is used to treat people for opioid addiction in helping them return to work and lead productive lives. Certified physicians are now able to prescribe buprenorphine to treat heroin and other forms of opioid dependence. Compared to methadone, buprenorphine has a lower risk for abuse and dependence and fewer side effects.

Fiscal 2012 Preliminary Budget Actions

- **Reduced Pass-through Funding to HHC for Alcohol and Substance Abuse services.** The Department proposes reducing its pass-through (intra-city) funding to HHC for alcohol and substance abuse services by \$610,000 in in Fiscal 2011 and \$830,000 in Fiscal 2012. Specifically, these savings would be achieved through the following reductions:

Program	Proposed FY11 Cut	Proposed FY12 Cut
HHC Alcohol and Drug Programs		
Kings County/Bedford Stuyvesant - Community Residence Halfway House	\$0	(\$5,381)
Cumberland Diagnostic and Treatment Center - Clinic Rehab	0	(8,384)
Woodhull Medical Center - MSOP	0	(8,676)
Kings County Hospital - Combined Clinic/Rehab Module	-0	(12,039)
Bellevue Hospital Center - MSOP Clinic w/ Rehab Module	0	(13,364)
Elmhurst Hospital - MSOP	0	(17,483)
Coney Island Hospital - Combined Clinic/Rehab Module	0	(23,671)
Jacobi Hospital Center - Combined Clinic/Rehab	(37,493)	(37,493)
Queens Hospital - Combined Clinic/Rehab/DWI Module	(37,493)	(37,493)
Harlem Hospital - MSOP Clinic/Rehab	(153,197)	(153,197)
Lincoln Hospital and Mental Health Center - MSOP	(157,000)	(157,000)
HHC Central Office - Motivational Incentives	(225,000)	(225,000)
Unallocated Funds from Exec 11 PEG	0	(131,501)
TOTAL, ALCOHOL AND DRUGS	(\$610,183)	(\$830,682)

- Reductions in Mental Hygiene Contracted Services – Alcohol and Substance Abuse.** The Department will achieve a savings of \$675,000 in Fiscal 2011 and \$957,000 in City spending for Fiscal 2012 through across the board cuts to targeted contracts for medically supervised outpatient programs, outpatient rehab services, scholarship programs and childcare at the Women in Need Clinic:

Provider Name	Program Unit Site Name	FY11 cut* (CTL)	FY12 cut* (CTL)
The Alcoholism Council/Fellowship Center of New York, Inc.	Support Services Educational	\$0	(\$48,841)
Greenwich House, Inc.	Medically Supervised Outpatient	(\$19,911)	(\$22,463)
St. Luke's-Roosevelt Hospital Center	Outpatient Rehabilitation Services	(\$8,179)	(\$9,227)
St. Luke's-Roosevelt Hospital Center	Medically Supervised Outpatient / Adult	(\$31,874)	(\$35,959)
Bowery Residents' Committee, Inc.	Medically Supervised Outpatient	(\$28,877)	(\$32,579)
South Bronx Mental Health Council, Inc.	Medically Supervised Outpatient	(\$16,041)	(\$18,097)
South Bronx Mental Health Council, Inc.	Outpatient Rehabilitation Services	(\$33,565)	(\$37,868)
The Child Center of NY, Inc.	Medically Supervised Outpatient / Asian	(\$29,835)	(\$33,660)
The Child Center of NY, Inc.	Medically Supervised Outpatient / Family and Youth	(\$33,150)	(\$37,400)
Long Island Jewish Medical Center	Medically Supervised Outpatient	(\$100,818)	(\$113,743)
New Spirit II, Inc.	Medically Supervised Outpatient	(\$15,245)	(\$17,199)
Hamilton Madison House, Inc.	Medically Supervised Outpatient	(\$29,414)	(\$33,184)
Staten Island Mental Health Society, Inc.	Medically Supervised Outpatient / Adolescent	(\$26,390)	(\$29,773)
Women in Need, Inc.	Medically Supervised Outpatient / Bronx Clinic	(\$14,816)	(\$16,715)
Women in Need, Inc.	Medically Supervised Outpatient / Manhattan Clinic	(\$113,747)	(\$113,747)
Women in Need, Inc.	Enhanced Medically Supervised Outpatient / Manhattan	(\$61,512)	(\$61,512)
Inwood Community Service	Medically Supervised Outpatient	(\$27,733)	(\$31,288)
Catholic Charities Neighborhood Services, Inc.	Outpatient Rehabilitation Services	(\$12,718)	(\$14,348)
Catholic Charities Neighborhood Services, Inc.	Medically Supervised Outpatient	(\$22,674)	(\$25,581)
Mental Health Providers of Western Queens, Inc.	Medically Supervised Outpatient	(\$48,929)	(\$55,201)
Unallocated Funds	Unallocated Funds from Exec11: PEG	\$0	(\$168,409)
TOTAL, ALCOHOL AND SUBSTANCE ABUSE TREATMENT & PREVENTION PROVIDERS		(\$675,428)	(\$956,794)

* Reflects proposed reductions in City spending only.

State Budget Actions

- **NY/NY III Supported Housing.** The State does not propose any cuts to the NY/NYIII funding and there is an increase in HASA units. HASA is an agency within HRA that services people living with HIV/AIDS.

NY/NY III	2010-11 Units	2011-12 Units	Change
NY/NY III Youth Beds (OCFS)	2,137	2,137	0
NY/NY III HIV/AIDS (HASA Units)	625	1,875	1,250
NY/NY III SDOH (AIDS Institute)	6,188	6,188	0
Total Units	8,950	10,200	1,250

Council Initiatives and Funding

In Fiscal 2011 the Council provided \$335,000 for a range of alcoholism and substance abuse prevention and treatment programs operated by community-based organizations. As Council funding is renegotiated annually and allocated on a one-time basis, the following funding is not included in the Fiscal 2012 Preliminary Budget.

Chemical Dependency	
<i>Dollars in Thousands</i>	
Alcoholism/Substance Abuse - Voluntary Sector	\$335

Performance Measures

	FY 08	FY 09	FY 10	FY 11 4-Month Actual	Target FY 12
New Buprenorphine Patients	4,177	6,733	7,006	NA	7,600
Deaths from Unintentional Drug Overdose	849	736	698	NA	*
Alcohol-attributable mortality (CY)	1,680	1,702	1,675	NA	*

The number of supportive housing units available to persons with severe mental illness exceeded its Fiscal 2010 target by 6.1 percent. Performance was affected by a greater number of new programs coming online in Fiscal 2010 than expected.

In Calendar 2009, deaths from unintentional drug overdose declined for the third consecutive year and alcohol-attributable mortality declined slightly compared to the prior year.

Administration - General

This program area includes the Commissioner's office and all other agency-wide administrative services, including management information and analysis, management planning, finance, personnel, labor relations, general services, data processing, general counsel, public information and operations site support, which includes security and custodial services.

General Administration program budget for Fiscal 2012 is \$171 million which is \$26 million less than the Fiscal 2011 Adopted Budget. This budget represents 13 percent in overall Department spending. The change in funding from the Fiscal 2011 Adopted Budget to the Fiscal 2012 Preliminary Budget is a combination of reductions to City funding in order to close the City's budget gap as well as State aid reductions.

<i>Dollars in thousands</i>	2009 Actual	2010 Actual	2011 Adopted	2011 Feb Plan	2012 Feb Plan	Difference* 2012 vs. 2011
Spending						
Personal Services						
Fulltime Salaried	\$82,887	\$86,793	\$83,864	\$85,551	\$85,094	\$1,230
Other Salaried & Unsalariated	5,235	5,473	5,881	6,150	5,827	(54)
Overtime	2,531	2,572	872	1,022	872	0
Additional Gross Pay	2,684	3,208	2,088	2,268	2,088	0
Fringe	263	231	68	304	68	0
Amounts to be Scheduled	0	0	2,631	1,631	2,631	0
Other	(31)	(49)	0	0	0	0
Subtotal, PS	\$0	\$0	\$0	\$0	\$0	\$0
Other than Personal Services						
Supplies and Materials	\$6,638	\$3,849	\$4,747	\$5,142	\$4,694	(\$53)
Property and Equipment	3,786	619	757	1,330	757	0
Other Services and Charges	47,345	48,163	63,580	69,310	64,101	521
Contractual Services	49,654	45,635	32,708	39,250	5,044	(27,664)
Fixed and Misc Charges	363	551	68	68	68	0
Subtotal, OTPS	\$107,785	\$98,816	\$101,860	\$115,100	\$74,665	(\$27,195)
TOTAL	\$201,354	\$197,044	\$197,264	\$212,026	\$171,244	(\$26,020)
Funding						
City Funds	NA	NA	\$113,214	\$118,232	\$96,447	(\$16,767)
State	NA	NA	72,103	74,939	62,850	(9,253)
Federal - Other	NA	NA	8,909	15,469	8,909	0
Other Categorical	NA	NA	2,847	2,970	2,847	0
Intra-City	NA	NA	191	416	191	0
TOTAL	\$201,354	\$197,044	\$197,264	\$212,026	\$171,244	(\$26,020)

*The difference of Fiscal 2011 Adopted compared to Fiscal 2012 Preliminary Plan funding.

Fiscal 2012 Preliminary Budget Actions

- **Reduction to City Council Funding.** The Department proposed to eliminate \$422,000 in projected historical City Council underspending for Fiscal 2011. Including the State match, the total reduced amount in spending would be \$525,000.
- **Central Administration Layoffs.** The Department proposes layoffs of eight staff in Central Administration and Executive Office functions that will reduce spending by \$233,000 in Fiscal 2011 and \$701,000 in Fiscal 2012. These proposed layoffs are from the following Central Administration units/division: (a) Facilities Planning and Management, (b) Human Resources and Labor Relations, (c) Communications, (d) Take Care New York and (e) Intergovernmental Affairs. The work would be absorbed by remaining staff with no impact to direct services.
- **Central Administration PS Efficiencies.** Central Administration and the Executive Office would achieve PS efficiencies in the amount of \$474,000 in Fiscal 2011 and \$75,000 in Fiscal 2012 through accruals and attrition. Functions from attritted positions would be absorbed by remaining staff.
- **PS Underspending and Efficiencies – Health Administration.** The Department identified one-time savings of \$350,000 in Fiscal 2011 in PS underspending and efficiencies.
- **Agency Relocation.** The DOHMH would consolidate its operations by relocating to a new location, 2 Gotham Center in Long Island City, Queens. The Agency is planning to move in April 2011. The Agency has identified a new need of \$1 million in additional funding for Fiscal 2011 and Fiscal 2012.

Agency Resources

	FY 08	FY 09	FY 10	FY 11 4-Month Actual	Target FY 12
Revenues (\$ millions)	\$129.5	\$65.3	\$69.2	\$24.0	\$80.2
Expenditures (\$ millions)	\$1,518.5	\$1,646.3	\$1,619.9	\$1,006.2	\$1,483.6
Personnel	6,070	6,073	5,578	5,445	5,358
Overtime paid (\$000)	\$5,509	\$6,216	\$7,772	\$1,449	*
Capital commitments (\$ millions)	\$52.7	\$51.1	\$50.5	\$114.4	\$58.0
Human services contract budget (\$ millions)	\$800.6	\$947.8	\$934.4	\$274.1	\$901.7
Work Experience Program (WEP) participants assigned	192	188	293	175	*

Appendix A: Budget Actions in the November and February Plans

<i>Dollars in thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2011 Plan	\$630,629	\$968,732	\$1,599,361	\$614,736	\$950,238	\$1,564,974
Program to Eliminate the Gap (PEGs)						
Agencywide Reductions and Layoffs	(\$2,286)	(\$1,108)	(\$3,394)	(\$4,843)	(\$2,047)	(\$6,890)
Central Admin - PS Efficiencies & Layoffs	(488)	(219)	(707)	(562)	(214)	(776)
City Council Reduction	(422)	(103)	(524)	0	0	0
Correctional Health - Medicaid & Reductions	(2,624)	(113)	(2,737)	(3,665)	(228)	(3,893)
Early Intervention - Administration Revenue Maximization	(750)	750	0	0	0	0
Early Intervention - Service Coordination	0	0	0	(244)	0	(244)
Intra-cities with HHC	(2,274)	(108)	(2,382)	(3,960)	(202)	(4,162)
Intra-city Agreements for Mental Hygiene	(462)	0	(462)	(1,014)	0	(1,014)
Intra-city with DEP	(20)	(11)	(31)	(20)	(11)	(31)
Intra-city with HPD	(18)	(10)	(28)	(18)	(10)	(28)
Mental Hygiene Contracted Services	(1,446)	0	(1,446)	(4,858)	0	(4,858)
OCME Revenue and Reductions	(1,474)	(85)	(1,559)	(2,241)	(433)	(2,674)
PS Underspending & Efficiencies	(2,765)	(1,156)	(3,921)	(257)	(0)	(257)
Public Health Lab Reductions & Layoffs	(258)	(131)	(389)	(794)	(322)	(1,116)
School Based Health Centers	0	0	0	(182)	(103)	(285)
School Health Medicaid Revenue	(6,430)	6,430	0	(8,211)	8,211	0
TB Direct Clinical Care & Layoffs	(247)	(136)	(383)	(993)	(415)	(1,408)
WTC MH Benefit Program Excess Funding	0	0	0	(853)	0	(853)
Total, PEGs	(\$21,963)	\$4,001	(\$17,962)	(\$32,715)	\$4,228	(\$28,487)
New Needs						
2 Gotham Move	\$716	\$284	\$1,000	\$672	\$266	\$938
DOHMH License Processing	511	39	550	511	39	550
Nurse Family Partnership	0	0	0	1,000	0	1,000
Total, New Needs	\$1,227	\$323	\$1,550	\$2,183	\$305	\$2,488
Other Adjustments						
Nov Plan						
2 Gotham Move	\$2,255	\$984	\$3,239	\$1,495	\$653	\$2,148
Brain Tumor Foundation, The	(2)	1	(2)	0	0	0
Central Admin - Reductions & Layoffs	68	(0)	68	150	(0)	150
Correctional Hlth - Reductions & Shifts	471	0	471	507	1	508
Environmental Health - Red. & Layoffs	141	0	141	401	(0)	401
Friends of Firefighters, Inc.	4	0	4	0	0	0
HHC Child Health Transfer	0	0	0	(2,763)	0	(2,763)
HHC HIV Transfer	(1,235)	0	(1,235)	(1,197)	0	(1,197)

<i>Dollars in thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
HHC Outpatient Medication	(\$141)	\$0	(\$141)	(\$819)	(\$0)	(\$819)
HHC/Harlem Realignment	0	(0)	0	0	0	0
HPDP - Reductions and Layoffs	61	(1)	60	287	1	288
Integrated Payment System	38	15	53	43	17	60
Mental Hygiene - PS Efficiencies	33	0	33	66	(0)	66
Mental Hygiene Funding Shifts	0	315	316	0	393	393
Mental Hygiene Realignment	0	0	0	0	0	0
NFP CTL/Transfer	(600)	0	(600)	0	0	0
NFP Matching Funds	600	0	600	0	0	0
OCME Attrition	138	0	138	172	0	172
OCME Grant Revenue Offset	78	0	78	31	0	31
OCME Layoffs	0	0	0	114	0	114
OCME PS Furloughs	0	0	0	45	(0)	45
Program Efficiencies & Layoffs	112	0	112	515	0	515
Program Surplus Take-Down	(2,092)	(1,177)	(3,269)	0	0	0
PS Accruals and Reductions	33	0	33	41	0	41
PS Underspending	525	0	525	0	0	0
Public Health Labs	40	(0)	40	66	(0)	66
Public Health Labs - Layoffs	(13)	(0)	(13)	156	0	156
Reverse Transfer to DCJS	(973)	973	0	(960)	960	0
Samaritans of New York, Inc.	4	(1)	4	0	0	0
TB Direct Clinical Care & Layoffs	6	0	6	256	(0)	256
Miscellaneous - Nov Plan	0	74,043	74,043	0	71,943	71,943
Nov Plan Subtotal	(\$449)	\$78,943	\$78,494	(\$1,392)	\$78,198	\$76,806
Prelim Plan						
AOT Functional Transfer	(\$334)	\$0	(\$334)	(\$1,336)	\$0	(\$1,336)
Article 6 Realignment	(1,651)	1,517	(134)	(1,651)	1,269	(382)
CEO: Expand Access to Healthy Foods	0	0	0	182	103	285
Early Intervention - State Budget SFY11-12	0	0	0	(2,000)	0	(2,000)
Intra-City Technical Adjustment	76	0	76	76	0	76
OCME Budget Adjustment	0	1	1	129	102	231
Miscellaneous - Jan Plan	0	10,719	10,719	0	(326)	(\$326)
Prelim Plan Subtotal	(\$1,908)	\$16,026	\$14,118	(\$4,599)	\$5,377	\$778
Total, Other Adjustments	(\$2,356)	\$94,969	\$92,613	(\$5,991)	\$83,575	\$77,584
Agency Budget as of February 2012 Plan	\$607,536	\$1,068,025	\$1,675,561	\$578,213	\$964,686	\$1,542,899

*Continuation from the previous page