



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 2011 Preliminary Budget

Department of Health and Mental Hygiene

March 11, 2010

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

Hon. G. Oliver Koppell, Chair

Joint with Subcommittee on Drug Abuse

Hon. Fernando Cabrera, Chair

Latonia McKinney, Deputy Director, Finance Division

Rocco D'Angelo, Supervising Legislative Financial Analyst

Summary and Highlights

Department of Health and Mental Hygiene

Dollars in Thousands

| | 2008 Actual | 2009 Actual | 2010 Adopted | 2010 Preliminary | 2011 Preliminary | Difference, 2010 – 2011* |
|-----------------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|-----------------------------|
| Division of Mental Hygiene | | | | | | |
| Personal Services | \$1,422 | \$2,100 | \$5,190 | \$5,333 | \$6,690 | \$1,500 |
| Other than Personal Services | 614,195 | 730,051 | 698,199 | 689,978 | 706,361 | 8,161 |
| Sub-Total | \$615,616 | \$732,151 | \$703,389 | \$695,311 | \$713,050 | \$9,661 |
| Public Health | | | | | | |
| Personal Services | \$367,625 | \$396,825 | \$400,679 | \$421,682 | \$396,833 | (\$3,846) |
| Other than Personal Services | 603,680 | 583,229 | 543,095 | 590,586 | 499,098 | (43,997) |
| Sub-Total | \$971,305 | \$980,054 | \$943,774 | \$1,012,268 | \$895,931 | (\$47,843) |
| Table Total | \$1,586,921 | \$1,712,205 | \$1,647,163 | \$1,707,578 | \$1,608,981 | (\$38,182) |

*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 January Plan funding.

The Department of Health and Mental Hygiene's Fiscal 2011 Preliminary operating budget includes \$1.6 billion in spending, of which \$610 million is funded by City tax-levy. The Department's overall operating budget for Fiscal 2011 has decreased by \$38 million, or two 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) enacted by the Department to meet its spending targets offset by increases for collective bargaining agreements and technical adjustments.

Thirty percent of the Department's reduction in funding totaling \$48 million came out of the public health programming. While there have been reductions to City, State and federal funding under the Division of Mental Hygiene these reductions have been off-set by Medicaid and State re-imbursements in the program area of Early Intervention, creating a net increase of approximately \$10 million from the Fiscal 2010 Adopted Budget to the Fiscal 2011 Preliminary Budget.

Fiscal 2011 Preliminary Plan Highlights

- Reduction to Mental Hygiene Contracts.** The Division proposes a reduction in City funding of \$2.2 million in Fiscal 2010 and \$6.4 million in Fiscal 2011 and in the outyears through reduction and funding shifts of mental health, substance abuse and mental retardation/developmental disability contracts for programs that are closed, closing, underperforming, underutilized or have other revenue sources. **See page (9) for more details on the reduction to Mental Health Services; See page (12) for more details on the reduction to Developmental Disabilities Services; and See page (14) for more details on the reduction to Chemical Dependency Services.**
- Reduction to Low Performing HHC Programs.** The Division proposes a reduction in City funding of \$214,000 in Fiscal 2010 and \$753,000 in Fiscal 2011 and in the outyears to its funding to the Health and Hospitals Corporation (HHC) for programs that report low levels of service or that can be provided more cost effectively by other programs. **See page (9) for more details on the reduction to Mental Health Services; and See page (14) for more details on the reduction to Chemical Dependency Services.**

- **Closure of an Alcohol-Drug Counselor and Certification Training Program.** The Division proposes eliminating City funding of \$102,000 in Fiscal 2011 and in the outyears through the closure of an alcohol and drug counselor certification training program at the City University of New York (CUNY). **See Page (14) for more details.**
- **City Council – Contracts.** The Division proposes a reduction in City funding of \$1 million in Fiscal 2010 by reducing City Council contracts by four percent across the board, which will affect both Council funded public health and mental hygiene initiatives. **See Page (17) for more details.**
- **Administrative Layoffs.** The Division proposes a reduction in City funding of \$247,000 in Fiscal 2011, \$294,000 in Fiscal 2012, \$301,000 in Fiscal 2012 and \$310,000 in Fiscal 2014 by eliminating nine administrative positions (five full-time and four part-time) through layoffs throughout administrative divisions. **See Page (17) for more details.**
- **Administrative Efficiencies.** The Division proposes a reduction in City funding of \$1.2 million in Fiscal 2010, \$1.8 million in Fiscal 2011 and \$1.9 million in Fiscal 2012 and in the outyears by reducing the agency's OTPS budget and eliminating 24 vacant positions (23 part-time and one full-time). **See Page (17) for more details.**

State Highlights

The proposed State Fiscal Year 2010-2011 Executive Budget contains a number of proposals related to the Division's Early Intervention (EI) program. While the Division supports a provision that would make private insurers pay their fair share for these services, there is concern regarding a new fee on parents starting at 251% of the federal poverty level (\$27,000 a year). The Division has concerns about implementing this, and plan to work with the State to ensure that this does not create barriers for the families most in need. **See Page (6) for more details.**

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 1,275 schools; and health and mental health 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.

Key Public Services Areas

- Promote health and mental health, 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.
- Promote health initiatives and improve overall health based on significant evidence-based health findings.
- 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, mental retardation, 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 abatement of breeding conditions.
- Reduce risks to human health from unwanted and abandoned animals.
- Provide birth and death certificates to the public quickly and efficiently.

SOURCE: Mayor's Management Report

Department of Health and Mental Hygiene Financial Summary

Dollars in Thousands

| | 2008 Actual | 2009 Actual | 2010 Adopted | 2010 Nov. Plan | 2011 Nov. Plan | Difference* 2010–2011 |
|---|------------------------|------------------------|-------------------------|---------------------------|---------------------------|----------------------------------|
| Budget by Program Area | | | | | | |
| Mental Hygiene – Early Intervention | \$367,810 | \$467,313 | \$447,892 | \$447,594 | \$467,603 | \$19,711 |
| Mental Hygiene – Mental Health Services | 168,880 | \$178,433 | \$172,309 | \$172,649 | \$170,711 | (\$1,598) |
| Mental Hygiene – Development Disabilities | 28,649 | 27,870 | 25,040 | 19,023 | 16,887 | (8,153) |
| Mental Hygiene – Chemical Dependency | 50,277 | 58,536 | 58,148 | 56,045 | 57,850 | (298) |
| Public Health | 745,529 | 775,313 | 755,382 | 813,046 | 732,773 | (22,609) |
| Administration - General | 225,776 | 204,741 | 188,392 | 199,221 | 163,158 | (25,234) |
| TOTAL | \$1,586,921 | \$1,712,205 | \$1,647,163 | \$1,707,578 | \$1,608,981 | (\$38,182) |
| Funding | | | | | | |
| City Funds | NA | NA | \$645,646 | \$638,271 | \$610,381 | (\$35,265) |
| <i>Memo: Council Funds</i> | NA | NA | 37,496 | 36,228 | 0 | (\$36,228)** |
| Other Categorical | NA | NA | 250,938 | 258,841 | 263,155 | 12,217 |
| State | NA | NA | 479,138 | 476,213 | 461,281 | (17,856) |
| Federal – Other | NA | NA | 266,238 | 326,055 | 271,230 | 4,992 |
| Intra-City | NA | NA | 5,202 | 8,199 | 2,933 | (2,269) |
| TOTAL | \$1,586,921 | \$1,712,205 | \$1,647,163 | \$1,707,578 | \$1,608,981 | (\$38,182) |

*The difference of Fiscal 2010 Adopted compared to Fiscal 2011 November Plan funding.

** The difference of Fiscal 2010 Adopted compared to Fiscal 2010 November Plan funding.

City Council funding provides approximately 2.1 percent of the Department’s annual City-funds operating budget. This includes the Initiative funding below totaling \$8 million in mental hygiene services and Council Member items which total approximately \$37 million. Just like in Public Health, the City Council has been a champion of mental health services, adding more than \$48 million in funding over the last several years, providing support for autism awareness, alcoholism/substance abuse services, geriatric mental health services, as well as a wide range of mental health-related services.

FY 2010 Council Changes at Adoption

Dollars in Thousands

| | |
|---|----------------|
| Alcoholism/Substance Abuse - Voluntary Sector | \$550 |
| Autism Awareness | 1,500 |
| Children Under Five Initiative | 1,600 |
| Geriatric Mental Health Services | 2,400 |
| HHC Mental Health Funding PEG Restoration | 800 |
| Mental Health Contracts | 975 |
| Young Adult Institute and Workshop, Inc. | 400 |
| TOTAL | \$8,225 |

Program Area

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.

The Mental Hygiene – Early Intervention (EI) budget for Fiscal 2011 is \$467.6 million which is \$19.7 million more than the Fiscal 2010 Adopted Budget and \$20 million more than the Fiscal 2010 January Budget (modified). The change in funding from the Fiscal 2010 Adopted Budget to the Fiscal 2011 Preliminary Budget is due to an increase in the number of children enrolled in the EI program as seen in the performance measure listed below, which leads to increased revenue for Medicaid and State reimbursement.

| <i>Dollars in Thousands</i> | 2008 Actual | 2009 Actual | 2010 Adopted | 2010 January | 2011 January | Difference 2011 vs. 2010 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------|
| Spending | | | | | | |
| Personal Services | | | | | | |
| Fulltime Salaried | \$731 | \$868 | \$2,141 | \$2,141 | \$2,141 | \$0 |
| Other Salaried and Unsalariated | 73 | 129 | 146 | 146 | 146 | 0 |
| Overtime | 5 | 1 | 0 | 0 | 0 | 0 |
| Additional Gross Pay & Fringe | 46 | 39 | 0 | 0 | 0 | 0 |
| Fringe Benefits | 1 | 1 | 0 | 0 | 0 | 0 |
| Subtotal, PS | \$857 | \$1,037 | \$2,287 | \$2,287 | \$2,287 | \$0 |
| Other than Personal Services | | | | | | |
| Supplies and Materials | \$295 | \$452 | \$396 | \$453 | \$396 | \$0 |
| Social Services | 4,491 | 0 | 221 | 221 | 221 | 0 |
| Property and Equipment | 367 | 51 | 195 | 506 | 346 | 151 |
| Other Services and Charges | 1,551 | 1,636 | 7,014 | 5,843 | 4,917 | (2,097) |
| Contractual Services | 360,248 | 464,137 | 437,779 | 438,285 | 459,436 | 21,656 |
| Subtotal, OTPS | \$366,953 | \$466,276 | \$445,605 | \$445,307 | \$465,315 | \$19,711 |
| TOTAL | \$367,810 | \$467,313 | \$447,892 | \$447,594 | \$467,603 | \$19,711 |
| Funding | | | | | | |
| City Funds | NA | NA | \$104,153 | \$104,046 | \$107,470 | \$3,318 |
| State | NA | NA | 105,656 | 105,464 | 116,043 | 10,387 |
| Other Categorical | NA | NA | 236,075 | 236,075 | 242,026 | 5,951 |
| Federal - Other | NA | NA | 2,008 | 2,008 | 2,063 | 55 |
| TOTAL | \$367,810 | \$467,313 | \$447,892 | \$447,594 | \$467,603 | \$19,711 |

Programmatic Review

The New York City Department of Health and Mental Hygiene is the lead City agency for 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.

State Budget Actions

The proposed State Fiscal Year 2010-2011 Executive Budget contains a number of proposals related to the Division's Early Intervention (EI) program:

- **Private Insurance/Medical Necessity:** The Division supports the Governor's proposal to require private insurers to pay for EI Services. Localities disproportionately bear the burden for Early Intervention. In New York City, over one-third of children in EI have some form of private insurance, but the City historically has had just 2% of program expenditures reimbursed by private insurers. This proposal would help the City secure between \$10 to \$14 million more in private insurance reimbursement annually. (*NOTE: City's financial plan already assumes a \$10 million increase in private insurance reimbursement, so the net budget savings is likely to be relatively small*). Even with this change, private insurers will be paying only 4% of the City's total EI costs, even though they cover more than one-third of EI children.
- **Parent Payment.** As in previous years, the Governor's budget includes a provision for parents to pay for EI services based on family income. The proposed threshold would affect families whose income threshold was 251 percent of Federal Poverty Level (\$27,000 per year per family).

Proposed parent payments would net limited revenue for municipalities because it will be reduced by the additional administrative burden of collecting income information from 20,000 children in the City. At least 12 other States currently charge parent fees including New Jersey and Connecticut.

- **Direct Provider Billing.** Early Intervention providers who receive \$500,000 or more in Medicaid for EI services must bill Medicaid and/or commercial insurers for dually insured children (six percent of children in the City). This proposal would affect approximately 80 providers statewide, most of them in New York City, which are responsible for 68 percent of the expenditures in the State.

This proposal adds an additional administrative burden to local health departments to review billing practices of providers to ensure revenue maximization. Failure of providers to bill appropriately and/or fully could increase State and City non-insurance reimbursed EI costs.

Performance Measures

| | FY 07 | FY 08 | FY 09 | FY 10 4-Month Actual | Target FY 11 |
|---|-------|-------|-------|----------------------------|-----------------|
| Children with Early Intervention Program service plans – end of year (000) (CY 04-08) | 17.2 | 15.8 | 17.7 | 20.2 | * |
| Children authorized for Early Intervention therapeutic and educational services during the year (000) (CY 04- 08) | 33.1 | 31.5 | 32.7 | NA | * |

At the end of Calendar 2008, the number of children with Early Intervention service plans was 12 percent higher than at the end of Calendar 2007 due to increases in referrals. The percent of referred children found eligible and authorized for services remained stable.

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 Hygiene – Mental Health Services budget for Fiscal 2011 is \$170.7 million which is \$1.6 million less than the Fiscal 2010 Adopted Budget and \$2 million less than the Fiscal 2010 January Budget (modified). The change in funding from the Fiscal 2010 Adopted Budget to the Fiscal 2011 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.

| | 2008 | 2009 | 2010 | 2010 | 2011 | Difference |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Dollars in thousands</i> | Actual | Actual | Adopted | January | January | 2011 vs. 2010 |
| Spending | | | | | | |
| Personal Services | | | | | | |
| Fulltime Salaried | \$341 | \$759 | \$2,903 | \$2,803 | \$4,237 | \$1,335 |
| Other Salaried and Unsalariied | 0 | 2 | 0 | 0 | 0 | 0 |
| Overtime | 15 | 10 | 0 | 0 | 0 | 0 |
| Additional Gross Pay & Fringe | 8 | 11 | 0 | 0 | 0 | 0 |
| Subtotal, PS | \$364 | \$783 | \$2,903 | \$2,803 | \$4,237 | \$1,335 |
| Other than Personal Services | | | | | | |
| Supplies and Materials | \$0 | \$10 | \$70 | \$56 | \$70 | \$0 |
| Social Services | 33,172 | 32,828 | 32,729 | 32,030 | 31,219 | (1,510) |
| Property and Equipment | 6 | 34 | 0 | 0 | 0 | 0 |
| Other Services and Charges | 1,524 | 2,402 | 4,398 | 2,594 | 4,437 | 38 |
| Contractual Services | 133,814 | 142,376 | 132,209 | 135,166 | 130,747 | (1,461) |
| Subtotal, OTPS | \$168,515 | \$177,650 | \$169,406 | \$169,846 | \$166,473 | (\$2,933) |
| TOTAL | \$168,880 | \$178,433 | \$172,309 | \$172,649 | \$170,711 | (\$1,598) |
| Funding | | | | | | |
| City Funds | NA | NA | \$28,931 | \$29,266 | \$27,417 | (\$1,514) |
| State | NA | NA | 125,343 | 124,479 | 124,479 | (865) |
| Federal - Other | NA | NA | 18,035 | 18,878 | 18,815 | 780 |
| Intra-City | NA | NA | 0 | 26 | 0 | 0 |
| TOTAL | \$168,880 | \$178,433 | \$172,309 | \$172,649 | \$170,711 | (\$1,598) |

Programmatic Review

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 encountered fiscal challenges. 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", the Division of Mental Hygiene'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 city-wide 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;
- Established Office of Care Management to assist primary care practices with telephonic follow-up of patients diagnosed with depression.

The Division's goals are to make depression screening and management standard practice in all primary care settings in New York City and increased the rate of New Yorkers in treatment for depression by 10 percent as of 2008.

Fiscal 2011 Preliminary Budget Actions

- **Reduction to Mental Hygiene Contracts.** The Division proposes a reduction in City funding of \$2.2 million in Fiscal 2010 and \$6.4 million in Fiscal 2011 and in the outyears through reduction and funding shifts to mental health, substance abuse and mental retardation/developmental disability contracts for programs that are closed, closing, underperforming, underutilized or have other revenue sources.

Of the total City reduction to Mental Hygiene Contracts to providers, \$1.4 million (63 percent of the total reduction) in Fiscal 2010 and \$2.6 million in Fiscal 2011 and in the outyears (42 percent of the total reduction) will affect contracts in the Mental Health Services program area. At the time of this briefing the Division had not provided information on how it will specifically accomplish this reduction.

- **Reduction to Low Performing HHC Programs.** The Division proposes a reduction in City funding of \$214,000 in Fiscal 2010 and \$753,000 in Fiscal 2011 and in the outyears to funding to the Health and Hospitals Corporation (HHC) for programs that report low levels of service or can be provided more cost effectively by other programs.

Of the total City reduction to Mental Hygiene Contracts to HHC \$400,000 in Fiscal 2011 and in the outyears or 53 percent, will be cut from the Mental Health Services program area. HHC anticipates that this reduction will cause the elimination of its Independence Support Center (ISC) program at Gouverneur, which will potentially result in 150 individuals, that are homeless and seriously mentally ill, not receiving housing, mental health assessments in a drop-in setting and care coordination. In addition many of these individuals have co-occurring substance abuse problems and potentially burden emergency rooms as well.

HHC also anticipates a reduction in mental health clinic subsidy, which will reduce direct patient care. The subsidy covers the losses at each of the clinics, therefore, this loss will result in a loss of over 500 sessions per year and roughly care for over 50 people not be covered.

Council Initiatives and Funding

The Council provided funding for the following initiatives in the Mental Health Services program area for Fiscal 2010. Please note that the following funding is not included in the Fiscal 2011 Preliminary Budget.

| Mental Health Services | |
|----------------------------------|----------------|
| <i>Dollars in Thousands</i> | |
| Children-Under Five Initiative | \$1,600 |
| Geriatric Mental Health Services | 2,400 |
| Mental Health Contracts | 975 |
| Subtotal | \$4,975 |

The Council restored \$1.6 million to community-based outpatient mental health clinics to provide mental health treatment for children age five and under, \$2.4 million to strengthen the infrastructure of existing mental health services for seniors including those delivered in non-traditional settings and \$975,000 for a myriad of mental health services.

Performance Measures

| | FY 07 | FY 08 | FY 09 | FY 10 4-Month Actual | Target FY 11 |
|---|-------|-------|-------|----------------------------|-----------------|
| Individuals in assisted outpatient mental health treatment program | 1,099 | 1,061 | 1,274 | 1,287 | * |
| Units of supportive housing available to persons with severe mental illness diagnosis (000) | 14.5 | 15.3 | 15.9 | 16.0 | 16.3 |

The number of active Assisted Outpatient Treatment (AOT) mental health cases increased by 20.1 percent from Fiscal 2008 to Fiscal 2009. Two factors affecting this increase were enhanced monitoring to ensure appropriate pursuit/renewal of AOT orders, and expanded outreach to encourage greater use of AOT by hospital inpatient psychiatric units.

Mental Hygiene – Development Disabilities

The Division of Mental Hygiene Services is responsible for a wide range of functions in the area of services 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 (OMRDD). The Division contracts with 50 voluntary agencies (community-based organizations) for 115 programs, serving approximately 38,000 individuals with developmental disabilities and their families.

The Mental Hygiene – Development Disabilities budget for Fiscal 2011 is \$17 million which is \$8 million less than the Fiscal 2010 Adopted Budget. The change in funding from the Fiscal 2010 Adopted Budget to the Fiscal 2011 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> | 2008 Actual | 2009 Actual | 2010 Adopted | 2010 January | 2011 January | Difference 2011 vs. 2010 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------|
| Spending | | | | | | |
| Other than Personal Services | | | | | | |
| Social Services | \$2,869 | \$2,906 | \$1,771 | \$947 | \$547 | (\$1,225) |
| Other Services and Charges | 154 | 150 | 158 | 158 | 158 | 0 |
| Contractual Services | 25,627 | 24,813 | 23,111 | 17,919 | 16,182 | (6,929) |
| TOTAL | \$28,649 | \$27,870 | \$25,040 | \$19,023 | \$16,887 | (\$8,153) |
| Funding | | | | | | |
| City Funds | NA | NA | \$8,706 | \$7,832 | \$5,736 | (\$2,970) |
| State | NA | NA | 16,334 | 11,191 | 11,151 | (5,183) |
| TOTAL | \$28,649 | \$27,870 | \$25,040 | \$19,023 | \$16,887 | (\$8,153) |

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 2011 Preliminary Budget Actions

- **Reduction to Mental Hygiene Contracts.** The Division proposes a reduction in City funding of \$2.2 million in Fiscal 2010 and \$6.4 million in Fiscal 2011 and in the outyears through reduction and funding shifts to mental health, substance abuse and mental retardation/developmental disability contracts for programs that are closed, closing, underperforming, underutilized or have other revenue sources.

Of the total City reduction to Mental Hygiene Contracts \$250,000 (11 percent of the total reduction) in Fiscal 2010 and \$1.1 million in Fiscal 2011 and in the outyears (17 percent of the total reduction) will affect contracts in the Developmental Disabilities Services program area. At the time of this briefing the Division had not provided information on how it will specifically accomplish this reduction.

Council Initiatives and Funding

The Council provided funding for the following initiatives in the Development Disabilities program area for Fiscal 2010. Please note that the following funding is not included in the Fiscal 2011 Preliminary Budget.

| Development Disabilities | |
|--|----------------|
| <i>Dollars in Thousands</i> | |
| Autism Awareness | \$1,500 |
| Young Adult Institute and Workshop, Inc. (YAI) | 400 |
| HHC Mental Health Funding PEG Restoration | 800 |
| Subtotal | \$2,700 |

The Council restored \$1.5 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. The Council also restored a Fiscal 2010 proposed reduction of \$800,000 for two HHC mental retardation/developmental disability programs at Queens Hospital and Renaissance (in Harlem).

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.

| <i>Dollars in Thousands</i> | 2008 | 2009 | 2010 | 2010 | 2011 | Difference |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | Actual | Actual | Adopted | January | January | 2011 vs. 2010 |
| Spending | | | | | | |
| Personal Services | | | | | | |
| Fulltime Salaried | \$200 | \$280 | \$0 | \$243 | \$165 | \$165 |
| Subtotal, PS | \$200 | \$280 | \$0 | \$243 | \$165 | \$165 |
| Other than Personal Services | | | | | | |
| Supplies and Materials | \$43 | \$84 | \$0 | \$6 | \$0 | \$0 |
| Social Services | 12,622 | 11,500 | 12,191 | 11,199 | 10,747 | (1,444) |
| Property and Equipment | 0 | 11 | 0 | 15 | 0 | 0 |
| Other Services and Charges | 191 | 131 | 1,122 | 208 | 20 | (1,102) |
| Contractual Services | 37,221 | 46,528 | 44,836 | 44,374 | 46,919 | 2,083 |
| Subtotal, OTPS | \$50,077 | \$58,255 | \$58,148 | \$55,802 | \$57,685 | (\$463) |
| TOTAL | \$50,277 | \$58,535 | \$58,148 | \$56,045 | \$57,850 | (\$298) |
| Funding | | | | | | |
| City Funds | NA | NA | \$22,481 | \$20,518 | \$22,456 | (\$25) |
| State | NA | NA | 34,667 | 35,443 | 35,394 | 727 |
| Other Categorical | NA | NA | 0 | 83 | 0 | 0 |
| Federal - Other | NA | NA | 0 | (1,000) | (1,000) | (1,000) |
| TOTAL | \$50,277 | \$58,535 | \$57,148 | \$55,045 | \$56,850 | (\$298) |

Programmatic Review

The New York/New York 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 and helps people 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 provided in 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.

A featured initiative under the Chemical Dependency program area is the use of Burprenorphine, 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 burprenorphine to treat heroin and other forms of opioid dependence. Compared to methadone, burprenorphine has a lower risk for abuse and dependence and fewer side effects.

Fiscal 2011 Preliminary Budget Actions

- **Reduction to Mental Hygiene Contracts.** The Division proposes a reduction in City funding of \$2.2 million in Fiscal 2010 and \$6.4 million in Fiscal 2011 and in the outyears through reduction and funding shifts to mental health, substance abuse and mental retardation/developmental disability contracts for programs that are closed, closing, underperforming, underutilized or have other revenue sources.

Of the total City reduction to Mental Hygiene Contracts \$548,358 million (25 percent of the total reduction) in Fiscal 2010 and \$2.6 million in Fiscal 2011 and in the outyears (41 percent of the total reduction) will affect contracts in the Chemical Dependency program area. At the time of this briefing the Division had not provided information on how it will specifically accomplish this reduction.

- **Reduction to Low Performing HHC Programs.** The Division proposes a reduction in City funding of \$214,000 in Fiscal 2010 and \$753,000 in Fiscal 2011 and in they outyears to its funding to the Health and Hospitals Corporation (HHC) for programs that report low levels of service or that can be provided more cost effectively by other programs.

Of the total City reduction to Mental Hygiene Contracts to HHC, a 100 percent of the Fiscal 2010 cut in the amount of \$213,808 and 47 percent of the cut in the amount of 353,045 in Fiscal 2011 and in the outyears will affect the Chemical Dependency program area. HHC anticipates that this reduction would decrease the ability to provide care to the un-insured and under-insured individuals requiring out-patient chemical dependency services. It is anticipated that this reduction in funding will result in 1,336 less visits at Harlem Hospital.

- **Closure of an Alcohol-Drug Counselor and Certification Training Program.** The Division proposes eliminating City funding of \$102,000 in Fiscal 2011 and in the outyears through the closure of an alcohol and drug counselor certification training program at the City University of New York (CUNY).

Council Initiatives and Funding

In Fiscal 2010 the Council provided \$550,000 for a range of alcoholism and substance abuse prevention and treatment programs operated by community-based organizations.

| | |
|---|-------|
| Chemical Dependency | |
| <i>Dollars in Thousands</i> | |
| Alcoholism/Substance Abuse - Voluntary Sector | \$550 |

Performance Measures

| | FY 07 | FY 08 | FY 09 | FY 10 4-Month Actual | Target FY 11 |
|---|-------|-------|-------|----------------------------|-----------------|
| Number of individuals filling a Buprenorphine prescription (CY 06-08) | 2,880 | 4,177 | 6,733 | 2,450 | 7,600 |
| Deaths due to drug abuse (CY 04-08) (Preliminary) | 979 | 849 | 737 | NA | * |
| Alcohol-attributable mortality (CY 04-08) | 1,563 | 1,680 | 1,702 | NA | * |

Buprenorphine prescriptions continue to be on the rise as the Division continues to promote the use over methadone as is seen by the anticipated 82 percent increase in individuals filling a Buprenorphine prescription from Fiscal 2008 to target Fiscal 2011 number.

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.

The Administration – General budget for Fiscal 2011 is \$163 million which is \$25 million less than the Fiscal 2010 Adopted Budget and \$36 million less than the Fiscal 2010 January Budget (modified). The change in funding from the Fiscal 2010 Adopted Budget to the Fiscal 2011 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> | 2008 Actual | 2009 Actual | 2010 Adopted | 2010 January | 2011 January | Difference 2011 vs. 2010 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------|
| Spending | | | | | | |
| Personal Services | | | | | | |
| Fulltime Salaried | \$75,036 | \$86,242 | \$83,590 | \$89,566 | \$84,588 | \$998 |
| Other Salaried and Unsalariated | 5,145 | 5,235 | 6,719 | 7,134 | 5,982 | (738) |
| Overtime | 2,175 | 2,531 | 872 | 872 | 872 | 0 |
| Additional Gross Pay & Fringe | 2,656 | 2,684 | 2,086 | 2,105 | 2,086 | 0 |
| Amounts to be scheduled & other | 0 | 0 | 2,631 | 1,309 | 2,631 | 0 |
| Fringe Benefits | 219 | 263 | 68 | 304 | 68 | 0 |
| Subtotal, PS | \$85,230 | \$96,955 | \$95,966 | \$101,290 | \$96,226 | \$261 |
| Other than Personal Services | | | | | | |
| Supplies and Materials | \$6,673 | \$6,638 | \$5,895 | \$4,349 | \$4,559 | (\$1,336) |
| Social Services | 6,154 | 0 | 0 | 0 | 0 | 0 |
| Property and Equipment | 2,861 | 3,786 | 508 | 624 | 751 | 244 |
| Other Services and Charges | 49,560 | 47,345 | 44,388 | 46,815 | 56,377 | 11,989 |
| Contractual Services | 75,243 | 49,654 | 41,567 | 46,075 | 5,175 | (36,392) |
| Fixed and Misc Charges | 54 | 363 | 68 | 68 | 68 | 0 |
| Subtotal, OTPS | \$140,545 | \$107,785 | \$92,426 | \$97,931 | \$66,931 | (\$25,495) |
| TOTAL | \$225,776 | \$204,741 | \$188,392 | \$199,221 | \$163,158 | (\$25,234) |
| Funding | | | | | | |
| City Funds | NA | NA | \$104,768 | \$107,267 | \$87,844 | (\$16,924) |
| State | NA | NA | 69,592 | 73,570 | 63,367 | (6,225) |
| Other Categorical | NA | NA | 2,881 | 2,901 | 2,847 | (35) |
| Federal - Other | NA | NA | 8,960 | 13,147 | 8,909 | (50) |
| Intra-City | NA | NA | 2,191 | 2,336 | 191 | (2,000) |
| TOTAL | \$225,776 | \$204,741 | \$188,392 | \$199,221 | \$163,158 | (\$25,234) |

Fiscal 2011 Preliminary Budget Actions

- **City Council – Contracts.** The Division proposes a reduction in City funding of \$1 million in Fiscal 2010 by reducing City Council contracts by four percent across the board, which will affect both Council funded public health and mental hygiene initiatives.
- **Administrative Layoffs.** The Division proposes a reduction in City funding of \$247,000 in Fiscal 2011, \$294,000 in Fiscal 2012, \$301,000 in Fiscal 2012 and \$310,000 in Fiscal 2014 by eliminating nine administrative positions (five full-time and four part-time) through layoffs throughout administrative divisions. **The Department has not submitted the list of lay-offs to the Department of Citywide Administrative Services (DCAS) and the Office of Labor Relations (OLR) for verification, therefore, the Department cannot provide Council finance at this time with a detailed list of positions that are proposed for termination in advance of official notice going to the representing unions.**
- **Administrative Efficiencies.** The Division proposes a reduction in City funding of \$1.2 million in Fiscal 2010, \$1.8 million in Fiscal 2011 and \$1.9 million in Fiscal 2012 and in the outyears by reducing the agency's OTPS budget and eliminating 24 vacant positions (23 part-time and one full-time).