

**JOINT
NEW YORK STATE SENATE FINANCE
AND
ASSEMBLY WAYS AND MEANS COMMITTEES
MENTAL HYGIENE BUDGET HEARING**

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**TESTIMONY BY:
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Thank you for the opportunity to provide testimony this morning. My name is John Coppola and I am the Executive Director of the New York Association of Alcoholism & Substance Abuse Providers (ASAP), a statewide association that represents the interests of the continuum of substance use disorders services across New York State. We are happy to present our testimony today with the Coalition for Behavioral Health. Together our organizations represent more than 250 agencies that provide a comprehensive continuum of services across New York State, 15 statewide and regional coalitions of programs, and a number of affiliate and individual members.

For the past eight years before this Joint Senate Finance and Assembly Ways and Means Budget Hearing, ASAP has expressed great concern about the worsening public health crisis related to prescription opioids, heroin, and, more recently, fentanyl. We pointed to the continuing upward trajectory of overdose deaths, the increasing number of individuals seeking treatment for addiction, and the unimaginable grief and stress experienced by so many families throughout New York State. We expressed frustration year after year that, in spite of our advocacy efforts urging the Governor, the Senate, and the Assembly to significantly increase resources for substance use disorder prevention, treatment, recovery support, and harm reduction services, New York State's budget has not contained the resources needed to adequately address this public health crisis. We urged the Senate to work with the Assembly to increase funding in the 2019-20 State budget and reiterated our plea that "dramatic action is needed." Unfortunately, following the pattern from previous years, the 2019-20 enacted State budget did not include a significant increase in resources. Current year funding did not even allow our service providers to keep pace with inflation. Dramatic action was not taken.

During our testimony last year, we stated that: “Without the strength of significant new resources and a dedicated commitment to support the substance use disorders workforce, this public health emergency will continue to escalate in New York State, setting new records and impacting more and more families.” We are all alarmed that, as addiction to opioids continues to increase, even as overdose deaths decline slightly, deaths related to alcohol have doubled in the last decade and programs are seeing increased demand for services resulting from a resurgence in methamphetamine, cocaine, and other drug use. Our epidemic of addiction and substance use disorders continues to worsen.

The magnitude of our response to this public health crisis has not matched the magnitude of the crisis itself. Year after year, prevention, treatment, recovery, and harm reduction service providers are asked to do more with fewer resources, and many cannot keep up with the demand for services. When we consider the challenge faced in every New York community to address prevention, treatment, recovery, and harm reduction needs related to alcohol, opioids, cocaine, methamphetamine, and other drugs and juxtapose that challenge with the resources that have been allocated to address the challenge, it is not surprising that addiction professionals from across New York State express that they feel like they are fighting a forest fire with a garden hose.

OASAS Aid to Localities Funding Trend

Year	Funds	% Increase
2013-14	\$457,696,000	-
2014-15	\$460,896,000	0.7%
2015-16	\$474,716,000	3.0%
2016-17	\$501,490,000	5.6%

2017-18	\$507,548,000	1.2%
2018-19	\$573,405,000	13.0%
2019-20	\$579,206,000	1.0%
2020-21	\$591,464,000	2.0%

The consequences of the State’s failure to adequately support our substance use disorders services delivery system is documented in the results of a survey commissioned by ASAP conducted by the Center for Human Service Research in 2018, which found that:

- Employee recruitment and retention is a significant problem in SUD programs across the State. Inadequate pay was the most common reason cited for direct service staff leaving the field.
- Treatment program staff vacancies are creating waiting lists and creating a barrier to life-saving services for individuals seeking treatment. Treatment beds remain empty because there is no staff person to provide care, resulting in individuals suffering from addiction being added to waiting lists. Nearly 2/3 of survey respondents from inpatient and outpatient programs believe vacancies have become a greater problem due to the opioid/heroin epidemic.
- Prevention programs across the State have lost more than 1/3 of their staff over the past 20 years due to funding cuts and inadequate pay.
- Incentives available to other professions, such as student loan forgiveness, scholarships for training, education, and certification, and salary/hiring incentives to help to recruit and retain staff, are frequently not available to SUD professionals needed to address this epidemic.

More funding is needed so that prevention, treatment, recovery, and harm reduction services are supported at a level sufficient to address the magnitude of this crisis.

The New York Association of Addiction Services and Professionals (ASAP) recommends that the Senate and Assembly one-house budgets address the following priorities and include funding to support them as follows:

Priority #1

Strengthen Fiscal Viability of Substance Use Disorder Service Providers

State support for the business operations of substance use disorders and a broad range of community-based service providers has been stagnant, placing many programs and agencies in fiscal peril. ASAP is 100% committed to the collaborative advocacy effort given voice by the “3for5” campaign, urging the Governor, Senate, and Assembly to:

- **Invest 3% for 5 years in the broad range of community based organizations serving New York State communities including the substance use disorder service delivery system**

Funding proposed by “3for5” will help avert service reductions for New Yorkers most in need of addiction, mental health and other human services.

Priority #2

Utilize Settlement Funds from Opioid Lawsuits, New Revenues from Alcohol Taxes, and Other NEW funding to Address Business Infrastructure and Workforce Issues

State funding to support the prevention, treatment, recovery, and harm reduction service delivery system has barely kept pace with the rate of inflation over the past decade. Flat funding for community-based service providers is no way to respond to the overdose and addiction epidemic plaguing so many New York families and communities. More resources are essential.

The following sources of new revenue could pay the cost of strengthening the business and service delivery infrastructure for SUD services:

- Settlement funds from lawsuits associated with the opioid overdose and addiction epidemic: **A substantial percentage of settlement funds should be invested in prevention, treatment, recovery and harm reduction services** targeting individuals, families, and communities impacted by opioid overdose and addiction as well as substance use disorders related to alcohol and other drugs. It should be stipulated that settlement funds cannot supplant existing funds.
- Revenues generated from proposed increase on **alcohol tax (S.4648/A.6349-A)**: A barely noticeable tax that would increase the cost of a drink by pennies, literally pennies, could generate more than \$200 million to strengthen substance use disorders services. It should be stipulated that new funds generated by an additional alcohol tax cannot supplant existing funds.
- Revenue from fees and **sales tax related to cannabis** (if legalized for adult use): At least 25% of any fees and tax revenues from cannabis sales should be used to finance a major prevention and public information initiative as well as treatment and recovery services for persons who develop a cannabis related substance use disorder. Medical and addiction experts have testified that 8% of adults and 16% of adolescents/young adults will develop a cannabis related SUD. It should be stipulated that funds from cannabis fees and taxes cannot supplant existing funds.
- Additional fees should be imposed on manufacturers and distributors to increase the **Opioid Stewardship Fund**. 100% of the new funds should be used to increase support to OASAS funded prevention, treatment, and recovery programs. New funds would provide an opportunity to

address the consequences of the opioid crisis and to prevent future addiction, overdose, and death. NEW Opioid Stewardship Funds (from taxes, surcharges, penalties, fines, etc.) should not be used to supplant existing funds.

With new, dedicated funding: 1) the prevention workforce, which has been reduced by a third over the last decade, could be restored to more adequately address the need for prevention services in schools and communities across New York State, 2) treatment programs could strengthen their workforce and business infrastructure so that a full continuum of treatment could be available across New York State, 3) recovery services could be expanded and made available in every county, and 4) harm reduction services could receive the support they need to become more widely available.

The Center for Human Services Research found that prevention and treatment staff receive \$5,000 to \$7,500 less than comparable professionals in other settings. Over three-fourths (76%) of community SUD service providers found it difficult to attract new employees due to uncompetitive salaries. Between 31% and 59% of respondents felt that vacancies were causing delays in providing services. This is no way to fight a pandemic. With funding from the new sources we have identified, the following investments could be made to strengthen service delivery across New York State:

- \$30 million could strengthen compensation for prevention staff in schools and communities across NYS and to hire new staff to replace the one third of the workforce that has been lost over two decades because of funding cuts
- \$40 million could strengthen compensation for treatment staff, add new treatment professionals, and strengthen business infrastructure to help address the addiction crisis and eliminate waiting lists

- \$15 million could be used to expand recovery services into counties that do not have recovery centers, youth club houses, or other recovery support services
- \$15 million could be used to support additional harm reduction services

(This \$100 million workforce initiative could be implemented using NEW funds over a two to three year period.)

To help address staff recruitment issues in SUD programs, ASAP asks the Governor, Senate, and Assembly to:

- Add \$650,000 to the student loan forgiveness and scholarship program created in the FY2019/20 enacted state budget, raising the total in this fund to \$1 million.
- Add \$200,000 to support certification and recruitment efforts for recovery peer advocates

Priority #3

Strengthen Medicaid Rates for SUD Services

Substance use disorders programs provide services to persons who are uninsured, have Medicaid coverage, or have commercial insurance. Our service delivery system does not receive the level of support needed to compensate programs for services rendered to the uninsured person seeking help with a substance use disorder. Programs suffer further from less than adequate reimbursement rates from commercial insurance and Medicaid.

Medicaid rates for SUD services do not cover the cost of delivering treatment and recovery support services. Many programs are being reimbursed at **rates that have not been adjusted in more than a decade.**

- ASAP urges the Governor, Senate, and Assembly to **establish a Medicaid workgroup** to examine the current rate structure for SUD services and modify it to ensure that rates will, at a minimum, cover the cost of providing services.
- **Substance use disorder and other behavioral health services should be exempt from any Medicaid rate cuts.** SUD services are vital for communities across New York State and should not have their fiscal viability threatened further at a time when demand for services continues to grow.

Healthcare Transformation Fund

ASAP requests that the Governor and Legislature include language in the FY2020/21 state budget that would require 25% of the funds collected in the Healthcare Transformation Fund to be designated to community-based service providers, including OASAS-certified programs.

Cannabis for Adult Use

As was the case last year, ASAP supports separating discussion about the legalization of marijuana for adult use from the budget process so that adequate attention can be given to relevant scientific research, data from other states, and development of a prevention, treatment, recovery, and harm reduction strategy related to cannabis use.

We urge that, if the legislature decides to legalize cannabis for adult use, they develop a plan to:

- Implement a statewide, science-based education campaign about risk and safety issues associated with marijuana use
- Initiate a comprehensive prevention campaign focused on underage use and harm reduction
- Ensure availability of treatment for people who develop cannabis use disorders

To make significant progress improving population health and meeting the demand for SUD services in communities across New York State, we must invest in rebuilding its prevention, treatment, and recovery service infrastructure. New addiction-focused pilot programs and public awareness campaigns are appreciated but cannot distract us from the reality that an investment is critically needed to strengthen core SUD services in existing programs that are struggling from under-staffing and inadequate resources. We need support to better address not just the opioid crisis, but also the alarming doubling of deaths related to alcohol, underage drinking and drug use among young people; substance use disorders experienced by pregnant women and the impact on newborn children; and the special needs of veterans, older persons, the LGBTQ community, and others.

As we testify here today, we are aware of the challenge you have to tackle a large deficit. We ask that you consider the positive impact our service delivery system has not only on reducing unnecessary hospitalizations and expensive healthcare but also on reducing costs associated with incarceration, homelessness, child welfare, unemployment, public assistance, and others. People, whose addiction is recognized and addressed through many different pathways, find recovery, better health, and a dramatically better quality of life. Funding for SUD services results in positive outcomes that reduce the demand for expensive services across multiple sectors of service delivery. We are an investment that pays dividends especially when they are needed most.

Thank you for your public service and the hard work that you do, not just during the legislative session, but throughout the entire year. ASAP is committed to working with you. Thank you.