



Testimony before the District of Columbia Council
Committee on Health
April 26, 2010

Public Hearing:
Proposed Fiscal Year 2011 Budget for the Department of Mental Health

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Good morning Chairman Catania and members of the Health Committee. My name is Judith Sandalow. I am Executive Director of Children's Law Center¹ (CLC) and a resident of the District. I am testifying today on behalf of CLC, the largest non-profit legal services organization in the District and the only such organization devoted to a full spectrum of children's legal services. Every year, we represent 1,200 low-income children and families, focusing on children who have been abused and neglected and children with special health and educational needs. The children we serve have some of the most significant and complex mental health needs in the District, and my colleagues routinely cite the lack of appropriate mental health services as the greatest barrier to success our children face. I appreciate this opportunity to testify regarding the fiscal year 2011 budget of the Department of Mental Health (DMH).

As has been often said, these are difficult economic times that require tough choices. We commend Director Steve Baron and his staff for making tough and smart choices in developing DMH's proposed budget. Tough cuts have been made, but key services for children have been protected to a significant extent. DMH has helped minimize cuts by taking steps to maximize federal funds. This year's budget reflects \$1.9 million in savings in local dollars because of three new billing codes that will allow the District to draw down Medicaid funds.² I urge the council to support the decisions in the proposed budget and maintain the funding levels for children's services.

¹Children's Law Center provides free, comprehensive legal services to thousands of low-income and at-risk children in Washington, DC to ensure they have safe homes, a meaningful education and healthy lives. Applying the knowledge gained from representing children and families, we advocate for changes in the city's laws, policies and programs. Children's Law Center is the largest nonprofit legal services provider in the District and the only to focus on children. For more information, visit www.childrenslawcenter.org.

² DMH FY 2011 budget at E-44. These three codes are all for adult services, but we understand DMH is currently working on two or three Medicaid codes for children's services and anticipates these will be finalized in coming months. We look forward to seeing additional savings in local dollars as more mental health services are properly coded and billed to Medicaid.

The funding for children's programs is basically flat. The Children and Youth Services budget is essentially the same as FY 2010.³ The school mental health program has been maintained at last year's level,⁴ and we hope this means that the program will continue to operate in 58 schools in FY 2011.⁵ By working collaboratively with other agencies and applying for federal grants, DMH has even found a way to begin a new initiative -- its Early Childhood Mental Health Consultation Project which will be operating in 16 child care centers beginning in spring 2010. The Project is funded with support from DCPS, State Mental Health Block Grant funds and the Substance Abuse and Mental Health Administration's (SAMSHA) Project Launch grant.⁶ The District is sorely lacking in mental health services for young children and we are pleased to see a very modest amount added to the DMH budget to support this project.

There are a few budget cuts that negatively impact children's services. For example, the proposed budget reduces the community support rate, saving \$588,000. Director Baron reports this cut will be achieved by an across the board reduction of 1.6% of provider's current rates.⁷ We urge DMH to work with the provider community to reduce the harm to consumers. The Department is also planning to save \$252,000 through a reduction in psychiatric positions which we understand includes eliminating one child psychiatrist position.⁸ Finding timely and appropriate psychiatric treatment for a child can be a challenge in DC. DMH's internal child psychiatrist practice has been a beneficial addition and losing this position will not be without negative consequences. However, overall children's programs have been largely maintained.

³The Mayor's proposed budget provides for a small \$196,000 increase for Children and Youth Services. DMH FY 2011 budget at E-42 to 43.

⁴ Line item 4865 in DMH's FY11 Budget, "Early Childhood & School Mh Prog" is \$5,206,000. Our understanding from conversations with DMH is that this line item contains level funding for the school mental health program (\$4,894,000; listed in the FY10 budget at line item 1855) and new money (\$312,000) for the Early Childhood Mental Health Consultation Project.

⁵ DMH stated its program was currently in 58 schools in its response to the Committee on Health's FY09 Oversight Questions, Question Number 40. It's our understanding that the District of Columbia Public Schools (DCPS) for FY2010 assisted in funding six of those programs and we hope that the DCPS funding will continue.

⁶ DMH response to the Committee on Health's FY09 Oversight Questions, Question Number 49.

⁷ Director Steve Baron at a Public Briefing on DMH's FY11 Proposed Budget on April 8, 2010.

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Any additional budget cuts would be damaging to children's well-being and the District's bottom line. Do not mistake my support for the current budget for satisfaction with the state of children's mental health services. I still maintain, as I have testified several times, that the District's children's mental health system is broken. There are still an estimated 5,600 children who are not receiving the mental health services they need⁹ The District does not have the necessary variety of services nor the quantity and quality of these services to adequately ensure the mental health of its youngest residents. In addition, the system is still very difficult for families to access. The result is devastating to individual children, contributes to our high rates of foster care, delinquency, crime and homelessness and is financially costly for the District. But I understand that this year there will not be funds available to invest additional dollars in children's mental health. My goal in testifying is to communicate that further cuts to children's mental health programs would prevent the positive reforms which are still in their nascent stages.

For example, DMH has led an inter-agency effort to reduce the number of children in out-of-state Psychiatric Residential Treatment Facilities (PRTF). In FY 2009 the number of children in PRTFs was reduced from 112 to 88 youth—a reduction of 22%; the average length of stay was reduced from 15.1 months in FY 2008 to 12.3 months in FY 2009.¹⁰ This reduction is not only

⁹ Sixty one percent of DC children – or approximately 70,000 children - are enrolled in Medicaid. Department of Health Care Finance, *Working Together for Health: Medicaid Annual Report FY 2008*, at 2 (2008). An Urban Institute study found that, nationally, 12.4 percent of children aged 6 to 17 year old who receive Medicaid have mental health conditions. Embry Howell, *Access to Children's Mental Health Services Under Medicaid and SCHIP*, Urban Institute, at 5 (2004). Yet, DMH is serving 4.33% of children in the District through its MHRS and Medicaid Managed Care Organization (MCO) system, leaving as estimated 8% or approximately 5600 without mental health treatment. Stephen Baron, DMH Director, Letter to Dennis R. Jones, Court Monitor in *Dixon et al v. Fenty, et al.* (February 24, 2010). In the letter the Department requests that the Court Monitor find that DMH has substantially complied with the required performance Exit Criterion #5 regarding the penetration rate for children aged 0-17. DMH asserts the penetration rate is 4.33%; this number is revised from earlier figures to take into account services provided to children not only through DMH's MHRS program, but also through the Medicaid MCOs. In the Department's responses to the Health Committee's FY09 Oversight Questions, Program/Services Questions (Round 2), Question 1, the Department reported this penetration rates as 3.07% (for the time period of 10/1/08-9/30/09). It is our understanding this 3.07% only included services provided by the Department through MHRS.

¹⁰ Testimony of Stephen T. Baron, Director of the Department of Mental Health at the Committee on Health FY 2009 and FY 2010 Performance Oversight Hearing March 10, 2010 at pg 4.
<http://newsroom.dc.gov/show.aspx/agency/dmh/section/7/release/19525/year/2010>

good for kids, but also good for the District as a whole, saving the city hundreds of thousands of dollars. We hope the savings realized will be immediately reinvested in expanding the array of community-based services and ensuring early service provision – steps essential to maintaining and continuing this positive trend. Further cuts to children’s mental health services would lead to a rise in children in PRTFs and the costs would quickly exceed any short term savings.

In order for DMH to continue its good work, it must be able to continue its successful initiatives. In different economic times I would, and hopefully next year will be able to, strongly advocate for funding to be increased. Until then, we accept Director Baron’s assurance that the proposed budget will allow DMH’s Children and Youth Services to continue to make progress.