



**COMMITTEE OF THE WHOLE  
MINUTES  
JUNE 18, 2012  
6:00 P.M.**

MEMBERS PRESENT

Harriet D. Cornell, Chairwoman  
Alden H. Wolfe, Vice Chair  
Christopher J. Carey  
Edwin J. Day  
Michael M. Grant  
Nancy Low-Hogan  
Joseph L. Meyers  
John A. Murphy  
Aney Paul  
Ilan S. Schoenberger  
Philip Soskin  
Aron B. Wieder

MEMBERS ABSENT

Toney L. Earl  
Jay Hood, Jr.  
Douglas J. Jobson  
Patrick J. Moroney  
Frank P. Sparaco

OTHERS PRESENT

|                   |                  |
|-------------------|------------------|
| Laurence O. Toole | Elana Yeger      |
| Chris Seidel      | Suzanne Barclay  |
| Damaris Alvarez   | Ken Sincerbox    |
| Anthony Zambrotta | Ann Marie Curley |
| Mari Rodriguez    | Paul Brennan     |
| William Renc      | Susan Thomsan    |
| Chantal LeBlanc   | Mark Caren       |
| Susan Sherwood    | Don Pryor        |
| Michael Leitzes   | Chris Seifert    |
| P.T. Thomas       | Sue Rutledge     |
| Media             |                  |

Chairwoman Harriet D. Cornell called for the Legislature to move into the Committee of the Whole at 6:09 p.m.

Legislator Michael M. Grant moved to convene as a Committee of the Whole, which was seconded by Legislator Alden H. Wolfe and passed unanimously.

The Legislature now resolved itself into a Committee of the Whole, Chaired by Harriet D. Cornell to discuss the following resolutions:

**A. COMMITTEE OF THE WHOLE**

- 1. Referral No. 9485** – Continue The Review Of The Public Benefit Corporation Evaluation And Privatization Alternatives As Submitted By Toski & Company Dated May 17, 2012.

Mr. Pryor, Toski & Co.

I am actually with the Center for Governmental Research, but we are part of the Toski team. I am here tonight as the primary person who did most of the work on the Mental Health issues. It seemed most appropriate for me to be here tonight. Dave Bonk and Eugene Laks will be here tomorrow night and Wednesday night as you get into the issue related to the nursing home and the hospital. My understanding is that tonight's focus is pretty much exclusively on the mental health set of issues and our recommendations. I will be making a brief summary presentation of what we recommended and the context in which we made those recommendations.

I should probably say upfront that the recommendations that we made in our report to primarily continue to outsource most of mental health services are really built on directions or a foundation of directions that the County is already involved in, as you all are aware as Legislators. The County, over the last several years, and specifically the Department of Mental Health, have really been moving in the direction of outsourcing or converting or transferring many of the traditional mental health services that have historically been provided by County employees and gradually moving more of those services into the community, as operated by community base organizations and not-for-profit agencies throughout the community. This has really been a conscience decision on the part of the Mental Health Department and on the part of the County. Frankly, it is consistent with what many other counties, large and small, are doing throughout the State, because of financial considerations and recognitions that in many cases the non-profit community can provide these services as well or better and, perhaps most importantly from a County perspective, in a less costly way than by continuing to provide them as County entities.

What we have recommended in our report I think is consistent with, but certainly enhances and moves forward on a more rapid pace directions the County has already begun to explore not only in terms of moving these services, but also in terms working to develop a more extensive community based set of organizations. Really a network of services and to develop that capacity so that the County taxpayers and residents in need of mental health services are not dependant simply on one primary source for providing those services, that being the County. In other words, we believe that most other counties around the State are increasingly moving in the direction of recognizing that a viable mental health system should not be dependant simply on one sector of the service provision community to provide those services. So that is some of the context within which some of our recommendations are made to build, which include directions that the County is already moving in, but to also recognize that we believe there could be some very serious benefits associated with a movement in that direction.

Despite movement in this direction and significant staffing costs and reduction over the last few years and by that I mean since the 1990's the number of employees in the Mental Health Department of the County has been reduced significantly from more than 450 employees to less than 200 as of 2011. If you include FTE's and relief employees that number may be around 205, but obviously a very significant reduction, much of that within the last four or five years. So again that trend is already in place.

Despite these cuts the Mental Health Department has continue to lose money. When you look at the net operational costs and the overall expenditures of operating the variety of mental health services that the County has continued to provide in recent years, with the exception of 2010, the Mental Health Department has typically lost money for the County. The amounts have varied and the losses have been declining in recent years, but they still have been net losses. We believe that will continue in 2011 although the 2011 audited financial report is still not out. Preliminary numbers that we have seen suggest that there will be a deficit again for 2011. The amount of that is still to be determined and finalized by the auditors.

Whatever that number is, it is likely the net deficit for operating mental health services is likely to continue to decline in future years both because of the cost factor with increasing health insurance costs and pension cost, but perhaps even more importantly because of significant shifts in the way mental health services are funded. This is obviously a recurring theme. You have heard some of these same issues as it relates to the hospital and the nursing home, but it is also very specifically related to mental health services. Increasingly the moving in the mental health service delivery system both in Rockland County and throughout the State is to move from fee-for-service reimbursement to a more capitated managed care type of operation. What that means is that at best revenues will hold the line, but we think even more realistically if nothing were done those revenues coming to the County for the same services that you have historically have been providing will decline. Strictly from a financial basis and cost affective standpoint, as well as the values of expanding the service network to more than one sector, it seem very likely if left unaddressed or currently as services are now provide that you will be seeing fewer revenues coming into the system, but with certainly no diminution of needs. You would have fewer revenues available to fund continuing and expanded services needs.

Our belief that if you don't do anything or act further in terms of transferring more and more services into the private not-for-profit sector that you will actually windup having two or three years from now fewer revenues to fund available services. If no actions are taken our best judgment is that you will have the same need for the same services, but with fewer revenues and resources available to fund them, which probably mean reduction in services if you don't do anything else. Our alternative approach is really to provide for moving more of those services into the community-based organizations, into the not-for-profits sector, which in our judgment allows you, as County Legislators, to ensure that those services will continue simply being provided though on a different basis. People in the not-for-profit sector can provide most of theses services more cost effectively and they don't have the same high benefit package the County has.

What we have tried to do in our recommendations is to layout a set of assumptions, recommendations and suggestions for your consideration that we believe will allow you to preserve the mental health services, continue to provide the services that are currently intact, but to have them provided in a different way by a different segment of the service providing system. So that is really the core. We are not talking about in any way leaving services behind or leaving people with need for mental health and substance abuse services behind. In fact, quite the contrary, to try to establish a system that will allow the County to be able to ensure that those services will continue albeit in a different fashion, but in a way that we believe is consistent with taxpayer interest and at the same time ensuring that those services will continue throughout the community.

What we would be talking about is a reduction in clinic services as directly provided by County employees, a reduction in continuing treatment services, a reduction in the methadone treatment program and transfer of Inpatient Psychiatric Unit from the County to Nyack Hospital. All of those are talked about in some detail in the report. This is not in any way limiting, reducing or wiping out these services, but it ensures that they have a place to continue and a system within to continue so that the needed services stay in place, but at less cost and less operational involvement as far as the County is concerned.

There are three or four services that we do believe for various reasons that are outlined in the report. There are a handful of services that we believe there is a logical rational for continuing at least for the short-term as County operated services that includes a scale back clinic service. We believe that there are some high-end, high need, high-risk people in the current system who would continue to be best served on at least the short-term basis over the next couple of years by County employees, because there are the high-end, high need, high-risk cases.

We feel there probably needs to be a little more time for the new community based organizations that will be absorbing most of the clinic services for them to develop their capacity, to have increased time and experience to provide these services before also at the same time taking on these high-end, high need, high-risk patients.

There is logic even though there would be a cost associated with that. We believe that the County in terms of maintaining its core responsibility to this population should have the Mental Health Department continue to provide a scaled back, but significant clinic presence related to the high-end, high need, high-risk population. Our assumption is that probably over the next couple of years that could go away as well as the system develops a strong capacity and experience to deal with all levels of the population, but for at least the next couple of years as this primary transition occurs that probably needs to continue as a part of the County operated system.

We also believe there is value to continuing a small day treatment program at the County level. The community under a different funding mechanism called PROS, Personalized Recovery Oriented Services, will pick up most of the resources related to the continuing treatment service. That will pick up most of these continuing treatment services, but we believe that there are sixty or seventy people that could continue to be best served by the County for the next two three years by this continuing day treatment program. The advantage in this case is not only that those services will continue on a protected basis, but also we believe that the program will continue to be cost affective. It is one of the few direct services that have actually made money for the County. We believe that will continue and we estimate that as much as \$300,000 net revenue over expenses on an annual basis would be associated with the continuation of that program.

We also believe that it makes sense for SPOA services, Single Point of Access, that provides services for children and youth and for adults, probably again on the short run, to continue to provide that as a County service. Frankly, as more and more services are outsourced to the larger community we believe that access to those services shouldn't be left with one of those existing agencies, because the referral process could potentially build in some conflicts of interest. So with more and more of the services shifted to the non-profit community the single point of access probably makes sense to continue as a County operated services.

Finally, a series of jail and court oriented support services at the Mental Health level should also be continue for the short run by the County. We are not sure if anybody else is out there who has the capability to provide those services on a high quality basis at this point. That is certainly something you can test the market on if you chose to through, but our assumption and our understanding from looking at other counties around the State suggest that it is a service that probably is best provided by County employees. Most of the cost of that has been absorbed by the Mental Health budget at this point. Very little, if any, of the subsidy for that program has come through the Sheriff's Department. I realize it is maybe somewhat fungible, but our belief is that the Sheriff's Department should fund a significant portion of the cost of that operation. We suggest that in the report.

The one thing that you have no choice over, at least in terms of the core mental health services, is the mandated LGU function, Local Government Unit. The LGU function is mandated by the State and that basically includes much of the administrative support for the overall mental health system. There needs to be a capacity that the County continues to offer that has to do with the overall needs assessment of what the core needs in the community are, evaluation of how services are being provided, monitoring of contracts, making sure that the capacity of the existing service system is strong and is continually evaluated and upgraded. So there needs to be a core level of LGU, Local Government Unit, function that would need to continue even as the County moves out of most of the direct service business.

In some ways it may be even more important, because as services get disseminated into the larger community it becomes especially important to have a centralized oversight, management and evaluation function. The level of that needs to be determined.

We received some estimates of what that staffing pattern and cost might look like in discussions we had with the Mental Health leadership. We believe that some of the estimates that have been provided so far maybe somewhat, not to say overstated, but needs to be reassessed. I don't think anybody could know exactly what that level of services and the resulting staffing will look like until other decisions have been made in terms of which of these other shifts in functions occur and when they occur. Once all of that has been determined and those core decisions have been determined, then you should be in a better position along with the Mental Health staff to really determine much more specifically what the staffing pattern of that LGU needs to look like and what the overall cost of that function would be.

So just to sum up and then open it up for your comments. In our view this is in no way diminishing the level of mental health services available in the community. To the contrary, we believe it actually provides an enhancement of these services as you go forward. It allows for an enhancement of a broader community based system of care for those with mental health and substance abuse and disability related issues in the community. We believe, frankly, that it helps to insure that the system and those important services you have been used to as a community will continue, because our fear is that if such actions are not taken the likely decline in revenues as a result of reduced reimbursement and new kinds of reimbursement coming into the system will reduce the level of revenues and in the long term reduce the available services that are available to community residence. I know there are concerns about disengaging some of these services and moving some of that out from the County and certainly losing County jobs as a result, but we believe in the long run the system is better off and can be operated more effectively and in a way that insures that all of the needed services continue. Most of the community based agencies that we have talked to about absorbing many of these services the understanding appears to be that in most, if not all, cases people who are currently employed by the County in the department would be able to have a high probability of their jobs continuing under the not-for-profit sector. Obviously the issue becomes at what salary and what benefit level and those are issues that would need to be carefully thought about in terms of any transfers. It seems highly likely to us, and this would also be consistent with our experiences in other counties, that virtually all of the current employees who choose to make those transfers in terms of the clinic services, continuing treatment programs and case management, and others, we believe the vast majority of those employees with the County would have opportunities to continue employment.

Chairwoman Cornell

Given what you said, which is very clear, does this cover all of the functions of the Department of Mental Health?

Mr. Pryor, Toski & Co.

Yes, it also includes the inpatient Psychiatric Unit as well as the various outpatient services that are currently provided. A few of those we would suggest continue as County operations at least for the short-term. Most would be shifted into the larger community. Yes, every service that is currently provided, at least in terms of our recommendations. Our recommendation would be that all of those would continue to be provided either on a limited basis by the County or be shifted to community-based agencies. No direct services would go away under our recommendations.

Chairwoman Cornell

Many of the services have already been shifted into the community, including I thought the Methadone.

Mr. Pryor, Toski & Co.

My understanding is that has shifted to Lexington, but on a contractual or management basis. Lexington does not yet have their full license to operate it so it is still being operated under the license of the County, but under a management agreement with Lexington. For all intensive purposes the services transferred, but there is still that significant detail of them actually getting their operating license, which probably will happen later this year

Chairwoman Cornell

So if all of the handful of services, as you said, continue short-term by the County and there are presently under 200 employees at the Department of Mental Health; if there was a scaled back clinic for high risk high need, a small day treatment program, single point of access, the jail and court oriented cases and the mandated LGU function does the report indicate the number of staff that would be involved in handling all of those?

Mr. Pryor, Toski & Co.

It does not explicitly say that, because the primary numbers would depend what agreement is made in terms of the size of the ongoing high-end clinic that I talked about. That decision and the numbers of people that it would serve need to be determined first. We estimate that probably about 25% - 40% of the current numbers of people in the clinic would continue to be served under this scaled back version. The decision has to be made in conjunction with the mental health staff. It is difficult to place a specific staffing number on that. Having said that, there is currently roughly 40 staff people allocated to the clinic services. If, for the sake of argument, you assume that the clinic would be reduced to 25% - 40% of the current operation that would suggest that the staff might be 12 – 18 range, roughly. That is very rough for the clinic services. The day treatment program would be about 5 people. The jail services, if they continued as they are currently, would anticipate with about 8 people. The current LGU function has about 6 people in it. There are some others broadly defined as administrative and monitoring folks and that has 13 people associated with it at this point. That is one of the areas that we believe probably can come down, because some of those are in billing and functional areas that would not continue, or would be scaled back, as these other services transfer to the larger community.

So I don't want to avoid the question. I just want to be careful, because I think it depends on decisions that are made in terms of what the continuing numbers of people being served by these would be. It would certainly come down substantially. If you assume 200 people now there would be a very substantial drop off even if you continue those limited services over the next couple of years that we talked about. The current 200 would substantially drop to something less than 100, maybe even 50. It depends on the scale of the clinic.

Mr. Carey

The high-end clinic service you said to keep, could you elaborate more on what specific services and why you don't think they could find a home in the private sector.

Mr. Pryor, Toski & Co.

I think it would be the basic core clinical services of counseling and a variety of direct treatment for psychiatric services, counseling, psychological counseling and so on that are provided within the clinics at this point. What differentiates it in our mind is that there are 25% - 40% in the clinics at this point who really need more intensive services who need a level of care and ongoing treatment that we believe, just in terms of the magnitude of those services, would have a significant taxing affect in terms of the new community based agencies that will be absorbing these clinics. They have some learning curve things that are going to have to do in terms of just getting comfortable with providing clinic services that they have not provided in the past.

There have been a lot of work done to work with these new organizations to help them bring them on board so they have the capacity to provide these services, but it is our believe that it is important for them to be able to gradually move into the delivery of these services and to make sure they are providing those at the most appropriate level. Also, the staffing levels need to be worked out so they are being staffed at the appropriate levels. We are afraid that if from day one you are also bringing in the higher need clients those would take a disproportionate amount of attention related to the direct provision of services and that some of the lower end folks with significant needs would potentially not receive the kind of service that they need. We believe it is really a more capacity building exercise and doing it on a more gradual basis would be a more rational way to insure that within a couple of years everybody could be brought into this. We are not talking about continuing this as a County provided service.

Mr. Carey

So it is not an if, it is a when. What is the timeline?

Mr. Pryor, Toski & Co.

Two to three years. Most of the transition would begin in 2013. I would say maybe by late 2014 or early 2015. I think that is something you can work through with the Department of Mental Health staff. This is not a concept that is foreign to them. They will be comfortable with that transition period. You might find that the community based organization develops that capacity and have the ability to run with the higher need people sooner than we anticipate. If you think in terms of a two to three year window at most is reasonable.

Mr. Carey

Same question for the continuing day treatment and provide more detail of what that entails.

Mr. Pryor, Toski & Co.

Most of the continuing day treatment programs are moving toward is PROS, Personalized Recovery Oriented Services. It is both a financial mechanism to cover those cost, but also a very intentional service provision mechanism that really places more focus on trying to move people out of the system. The day treatment program tends to be a maintenance service. Some people need to have a continuing basic core treatment approach and they need to have a place to go every day to get basic core treatment. Whereas the larger array of community treatment programs that have begun moving into the community under the PROS model is focused on trying to help make them employment ready, provide opportunities for them to become contributing members of the community, and most of the people in these programs can adapt to, and will be affectively treated, and maintained by those broader services that really have a very different emphasis in terms of attempting to work on their employment status and move them off of dependence and to a more independence in the community.

Our assumption is there may continue to remain a small group, 60 – 70, that may continue to need a maintenance type of day treatment program. Again, that is one we did not necessarily say should go away after two or three years partly because at this point it appears as if even under the funding mechanisms will continue to be a money generator for the County. If the funding mechanism becomes such that it is not generating money and you find you don't need the continuing core maintenance service for that small group of people then you may decide to move out of that business as well. For both financial and direct service reasons at least in the interim it makes sense to continue that small program.

Mr. Carey

If you had a crystal ball and we are left with a single point of access and mandated LGU functions are those administrative functions not clinic functions.

Mr. Pryor, Toski & Co.

The two SPOA programs for children and adults are primarily a referral and access mechanism and does not take a lot staff to do that. It is more helping people get to the right point in the system. That becomes more important as you have that system expanded and diversified into the larger community. It would be important to have that function continue. We believe that is one that may need to continue almost as part of the LGU function.

Mr. Carey

That is where I am headed; those two combined would be an administrative oversight function.

Mr. Pryor, Toski & Co.

Yes, that is our belief. It is not a direct service provision.

Mr. Murphy

I want to address my remarks to the Legislators. What you heard was a plan that our Commissioners had put in place before we hire consultants. There is nothing that essentially has been added to the long range-plan and strategy that Mary Ann had introduced based on her experience with New York State Office of Mental Hygiene funding. At the bottom of everything is the fact that considering the high cost of the delivery of services by the County via how the cost were being reimbursed had essentially fashioned this strategy, which has simply been endorsed by the consultants. I have been with the system for forty-five years and I believe it is really the only options that we have in that service delivery system. But what is omitted in the presentation is services we need, but don't have and how we would develop those services, because the gestation period for new services is very lengthy and expensive. Right now we have a set of circumstances in the County, which was omitted from the consultants report, but is something that the service providers are living with and that is an emergency room for people suffering from mental health illness who are in crisis. Those of us who have been here a while believed that we had an emergency intake in Pomona, which we did, but we have come to learn that we were never licensed to have that.

When somebody in the community is mentally ill and experiences a mentally medical issue they have to be brought to one of the two hospitals. I will tell you they are not equipped to deal with this. I am a service provide and I do not get paid for it. We have about 200 mentally ill people living in the community. We brought one of them to Nyack Hospital and it was 17 hours before that patient got the services they needed. The problem is that emergency rooms do not have people educated, trained and familiar with how to deal with the mentally ill. We depend in large part on the police who are very good about learning what to do and we have great confidence in high level of caring that we find in or emergency rooms. Sometimes it needs a technical subject matter expert. We don't have that today. I am told that when we migrate our LTCH inpatient beds from Pomona to Nyack Hospital we will defacto creating an emergency intake service.

We all talk about dealing with a mentally ill person and what services we can give them. This County, including all of you who have been here as part of the development, have done an admiral job. When you talk about just the mentally ill services it is only half the picture. A mentally ill person is mentally ill 24-hours a day seven days a week. Our service delivery system is for 9:00 am to 5:00 p.m., five days a week in large part. We don't have homes for all these people to live in. There have been a great deal of discussion about affordable housing and senior citizen housing, but there is very little discussion about housing for mentally ill people. I believe that has to be brought into the broader plan of how we are going to serve our mentally ill brothers and sisters.

We have the issue of the emergency room and where they will live. Mentally ill people are served more by the people operating my community residences then they are by any medical person. They are there evenings, the middle of the night and weekends and holidays. There is a constant omission of discussion about where they are going to live. Tragically unseen too many of them live in these adult homes and these adult homes will some day be seen in retrospect as absolutely an omission of responsibility by government, because I think the reimbursement by some of them is \$25.00 per day.

I appreciate the consultants report. I voted for the consultants to do it. I just want my fellow Legislators to know that essentially that is a plan that was in place before the consultants appeared on the seen. It is a wonderful plan and I endorse it, but it is missing the components of which I spoke.

Going forward, I believe as you decide what you are going to do in terms of taking the Mental Health Department out of the Enterprise Fund and migrating toward local government union model, which most people are doing that you along the way invite two other service providers to join us.

As far as acting on this I don't think this is such a clear picture and I don't think the direction is so clear. The decisions are almost compelling and it is nothing like what we have to decide with the 340 bed skilled nursing home, which is going to be an enormously complex challenge. I just wanted to give you a snapshot as to where we are in the mental health business. It is a growing business. Unlike so many other afflictions of the human body those afflicted with the brain have never been resolved. We are no closer today to finding the cause and cure of schizophrenia than we were a hundred years ago. The Federal government has created a whole new managed care model called Health Homes. It is a very complex concept. Health Homes involve managing lives and the care of high-end users who have multiple diagnoses and require multiple visits to medical facilities. Health Homes are going to be a boom in some respects and they will function better in a climate where the provisions of mental health medical services are in the private sector. Not that the County could not have done it, but the actual Health Home is designed to deal with a broad diversity of service providers so that he subject of the service and the service provider has a wide menu of choices.

I hope you adopt Mary Ann's plan and I hope as you adopt it you give some consideration to my concerns about emergency rooms and homes. Thank you.

Mr. Pryor, Toski & Co.

I think Mr. Murphy is absolutely right in terms of the guts of what he has said. Part of the reason why we believe it is important to have the transfer of the inpatient psychiatric unit to Nyack Hospital, because it will deal in a much more comprehensive way with the needs in that facility of people coming into the system, including both medical and mental health aspects. You can't do that now, because of licensing issues. We believe that issue will be substantially addressed if the shift to Nyack Hospital, as recommended occurs.

The housing is an issue that we weren't asked to look at and that is the critical part of what the LGU ongoing function should be in terms of assessment of needs and beginning to help make sure that financial resources can be mobilized to address that issue. You are right, that is a problem now and it is going to be a growing problem. There is not currently a good mechanism for dealing with that, but we believe that should be an integral part and should be specifically mentioned and addressed under the LGU function. I would add to the list emergency services for children and adolescents. I believe that is also an under subscribed service in the community of population that needs to be strengthened. I think each of those needs to be very significant involvement from the beginning of this kind of core LGU function. As you disengage from other direct services more and more attention needs to be placed on both of those issues.

I agree that much of this is an endorsement of issues that the Mental Health Department is approaching, which I had said from the beginning. This is a continuation of directions that are already in place. I would argue that there are some things in here both in terms of timing, community based capacity issues, how realistically some of these things could happen and which things should stay in place on a short-term basis as opposed to long-term basis that were not part of the original plan. This is not meant for gratification of us, but just to say that I believe the advantage of this is it is an evolving process and clearly we didn't start with a blank slate on this, because there were things already in motion. I believe that the plan as laid here does enhance the directions that Mary Ann, Michael and the staff were moving in. The other thing that has happened frankly has a result of this process is we had an opportunity to have some very significant sessions where we sat down with representatives from the community based organizations who had some concerns about working with the County, not so much with DMH, but how this transition would occur. We were able to help provide them with some reassurance that if this went forward it would be part of a very serious process and that they should engage in this and not just be sitting on the sidelines and rejecting this. Keep in mind that two or three years ago there was a proposal in place, an RFP process, to see what community based organizations might be interested in moving in some of these directions and there was virtually no willingness to do it at that point partly because there wasn't the capacity at that time and partly because there were some concerns about the working relationship going forward with the County. So I think some significant progress has been made partly because of the study and because there were those kinds of conversations as part of the process that has help bring the players from the different parts of the system more in sync with each other. I think it is now very feasible for this to happen as laid out here.

You don't want to be behind the eight ball. You don't want to windup in two years with managed care suddenly much more of a reality and you haven't adjusted and made arrangements to transfer services into the not-for-profit community. If you are at that point when revenues do dry up services probably are going to go away or be significantly curtailed. This is an opportunity to get ahead of the curve.

Chairwoman Cornell

My understanding is that the County will not be transferring the LTCH beds to Nyack Hospital, but will be getting new beds from the State. The LTCH beds are valuable and staying with us. John, thank you very much for what you said. I very much thank you for talking about the children and adolescents, because it isn't just even the emergency services it is the fact that the mental health system is built for adults and not for children. This is something that I spent a lot of time on with Mary Ann and some of the service providers a few years ago when we did hearings on children and youth and mental health issues. It is a big issue and something we should keep on top of our mind even as we are talking about divesting ourselves of services. Somebody has to be out there taking care of those children and youths.

Mr. Pryor, Toski & Co.

To some extent the schools pick up that and provide various types of mental health services, but nowhere near the needs. You are right about that there needs to be a much more concerted effort to really focus on how to supplement what is going on in the schools, but to really reach that population in a more holistic way.

Mr. Day

I want to thank John. He mentioned and acknowledged law enforcement in doing a good job in dealing with the day-to-day crisis that we see in this area. As a former police officer I recognize the fact that nothing good can come from an extending interaction between a police officer and somebody who has mental health needs accept an uneventful transport to see a professional.

I hear a lot of what is happening around here through a variety of sources. I would like to measure it against what actually is happening. In some quarters there is a belief that our community-based providers are not quite ready yet to take on the task. I would like to get your thoughts on that. I would presume that our community-based providers are on the outside looking in. They are looking to see what the County is going to do. I would presume from an organizational prospective there is some planning necessary from their position to be prepared for whatever we are going to do. I don't know what time is involved, what commitment of people there is, hiring, staff, space and all these things. I would think they would need some clarity. I would like to hear something about that and also specifically there were concerns with interfacing with the County in this area. Has anything been raised that has come to your attention that is problematic? Is there a bureaucratic issue? Is there a personality clash? What are the things causing concerns on the part of our providers and maybe on the part of the folks working for the County?

Mr. Pryor, Toski & Co.

They are all sort of interrelated and good questions. At one point the County Executive was talking about a much more rapid movement to expedite this transition process into the community based organizations. Based on the analysis that we had done to that point in the system we met with Scott and told him that would be a mistake, because we didn't believe that the system at that point was ready and there was the need for more planning, coordination and more readiness for some of the agencies to have licenses in place. The system at that point wasn't ready. We believe that based on some of the conversations that we have had since then with representatives from the agencies and based on our understanding of conversations that have occurred between the Mental Health Department staff and these agencies there is much more of a readiness now and the timing is such that we believe this could happen.

In terms of the distrust or whatever label you want to point on it I think that when the original RFP process occurred two or three years ago the sense that we got was that the not-for-profits didn't believe that the County was serious about it at that point, they weren't sure the County was willing to provide the kind of planning and support necessary to make this happen and they weren't sure there would be an adequate transition period. They were afraid that they would come into an open-ended situation with no guarantees that their needs were going to be met or that the funding was going to be available. A number of issues of the funding have become more clarified. Some of the realities about what would stay and what would go became a little bit clearer. Some of the community based organizations said that they weren't sure that they would be ready to take on the full range of 100% of the current clients from day one. So that was also partly an attempt to reflect that they had expressed about not going into this 100% from day one and they needed a transition period that allowed them to move into this on a more gradual basis to allow them to build the skills and capacity necessary. I believe the issues, distrust or the concerns were more that they weren't being asked to do too much too soon and that there would be planning, support and coordination support during this transition period. My sense is that the meetings that have occurred while we have been doing this study and continue to occur are very specifically focusing on those kinds of issues. I don't want to say that all the issues have been 100% worked out, but I believe those are much closer to being worked out and there is clearly a process in place for addressing those, which was not the case when this issue first started to surface three or four years ago.

Mr. Day

You would agree then the necessary piece of this is a defined course of action, specifics and a firm timeline is still not achieved, but has to be achieved.

Mr. Pryor, Toski & Co.

Absolutely. It has to be achieved and is in process, but not 100% in place yet. Once you all have made the core threshold decision to move forward on these recommendations then yes that needs to be the first order of magnitude and putting this in place.

Mrs. Low-Hogan

Is all of what you are discussing tonight the status quo and the LGU?

Mr. Pryor, Toski & Co.

The status quo is there as a reference point. We say in the bulk of the report that it is not a viable option for many of the reasons we have been discussing tonight. It doesn't make sense from a service provision standpoint and a financial standpoint. It is there as a benchmark. It is not a viable option.

What we imply by the LGU and what we meant to be including within that is actually spelled out more in the report itself as a combination of options 4, 5 and 6 where 6 represents the continuation of the mandated LGU function, but also with those interim services that I mentioned before.

Mrs. Low-Hogan

I was assuming that the LGU option is basically what you are describing and recommending to us tonight, including all the pieces that you have discussed.

Mr. Pryor, Toski & Co.

That is correct with the understanding that over the next two or three years even the LGU function can probably be truncated if you assume that the scaled back clinic would go away. The assumption is that over the next two or three years probably that can disappear and can be absorbed by the community-based organizations, which would further reduce the scale necessary of the LGU function. We recommend the LGU function with those services in place in the short-term and two or three years from now would be even more truncated or reduced in scope.

Mr. Murphy

As I understand it the County Legislature is going to give due consideration to such options as a Public Benefit Corporation, closing the Nursing Home and Hospital or selling it all. As I understand it, because of the Department of Mental Health's inpatient LTCH beds they are part of the Enterprise Fund. When the Legislature and the Executive branch move forward with exercising some option are all those options that are available will they take for granted that the Mental Health Department will be pulled out of the Enterprise Fund?

Mr. Pryor, Toski & Co.

Yes, they should. In fact, our second recommendation on page 83 in the final report says, "With the anticipated transfer of the inpatient psychiatric unit from Summit Park to Nyack Hospital the County should sever the current relationship between Summit Park and the Department of Mental Health and remove all aspects of DMH from the Summit Park Enterprise Fund." There is no reason why that should continue.

Mr. Murphy

Good, thank you. I have no idea what the collective wisdom and decision of this body will be, but I would like to lobby for pulling out the Mental Health Department from the Enterprise Fund. What matters to me is that we get the Department of Mental Health out of that fund, because being in that fund penalizes our costs.

I hope my fellow Legislators will see the wisdom of that going forward. It was really very unfair when we went out for bids for providing the unit of service to a person that they were so laden with the overhead of the operation of Pomona. That is one of the reasons they are forcing us to decrease the amount direct County government services. Thank you.

Mr. Soskin

As far as a possible transfer, your report about services to outside organizations, we had over the past two years been mandated by the State that we would not receive the same amount of reimbursements from the State through Medicaid and the State recommended specific agencies. I think one of them was Lexington. Now I understand that they are not fully licensed yet. They were supposed to be licensed within a few months after the takeover costs were financed for the agency.

Mr. Leitzes, Deputy Commissioner of Mental Health

We anticipated it would take six to nine months, because there are so many different State and Federal agencies. As of April 1 there is a management contract with Lexington and we hope by the end of this year or the first quarter of next year they will have their own license. They have to get approval from the DOH, OASIS, DEA and Federal Government, because dispensing of Methadone is highly regulated and it is a very long process. It is really consistent with the timetable.

Mr. Soskin

We have an agency, which isn't fully licensed yet and we are turning everything over to them.

Mr. Leitzes, Deputy Commissioner of Mental Health

They are licensed by OASAS, but they don't have a license to purchase and dispense Methadone. That is far more complicated. The Mental Health Association and Jawonio has a license to practice mental health services, but purchasing and dispensing Methadone is very highly regulated.

Mr. Soskin

How about the other outside agencies that we have turned over services to?

Mr. Leitzes, Deputy Commissioner of Mental Health

They are fully licensed.

Mr. Soskin

We had something working with Nyack Hospital where they were supposed to have a special emergency room built for mental health patients. They were going to set up system with a special emergency entranceway to bring in any mental problems that arose as a result of police being involved with patients, as well as a medical team on hand to take that over. I think about six months to a year and the only thing we were waiting for was a contract from the County.

Chairwoman Cornell

Nyack Hospital has to get their approval from the State. The County does have a role to play, but they are not at that point yet.

Mr. Murphy

Years ago I advocated that there should be an emergency room that could treat co-morbidities, both mental illness and medical issues simultaneously on site when they were both most dramatically manifested. That plan is proceeding with one change, when we originally talked about moving our inpatient beds, which were the LTCH beds, out of Pomona to the hospital, because the hospital received a large multi-million dollar grant to recraft their facilities to accommodate us to include an emergency room, we were going to provide County staff to do that. Since then that has changed to my great disappointment. They are not taking our LTCH beds and they are not taking our staff. They are going to have their own beds and staff. That is going to require a much lengthier approval process by the State.

Mr. Soskin

We spoke in terms of the Enterprise Fund, which is basically a way of funding or accounting for costs at the hospital, as well as the nursing home. It is just a matter of whether things would be on a cash basis as we account for things on a County level as opposed to an accrual basis, which commercial companies have to account their systems by, which the hospital is required to do. I don't believe there is that much involved with the overhead. As far as overhead is concerned, everybody is telling us that the overhead is what creates the greatest loss in the hospital, mental health unit and most of the agencies. What are we talking about for overhead expense? The salaries of the County Executive, all of management, the Law Department and anybody who is not involved with the operation of that specific unit of government I am wondering if we cut back on services and we still utilize the same areas for mental health aren't we still going to be charged the same amount of overhead? They are doing it on a percentage basis based upon annual costs. I am almost positive that is one of the reasons why you haven't received the Mental Health Report from our accounts yet; because we don't really know at this point what the County costs were for the year 2012 on an overall basis.

Mr. Pryor, Toski & Co.

What you are talking about, as overhead costs are what we refer to in the report as cost allocations. There is something like \$3,500,000 to \$4,000,000 as of 2010 data of allocated costs, which are monies that are essentially charged back to the Mental Health Department. There is another several million dollars charged against the nursing home and hospital for similar purposes that are attributed to and count against the budget of the overall Enterprise fund. They can be broken out by Mental Health, Hospital and Nursing Home.

One of the issues that we talk about in the report that is an issue that you all need to come to grips with, along with the County Executive, is what does happen to those costs. As the footprint of mental health services declines as you have fewer facilities and fewer need for space for mental health services as they move into the community what does that mean in terms of how those buildings will be used. Does it open up the possibility to rent or lease for other purposes that perhaps could bring income to the County? What are the alternate uses of those facilities? Costs for the County Attorney, Jail and others partly depend on what happens and whether there are sufficient amounts of time allocated by those offices to mental health provision of services. If those services get curtailed, as we have suggested, is there enough reduction in the required services provide out of Human Services, County Attorney, Jail or whatever the department, is that you could potentially reallocate staff and save money in those areas. There could be additional cost savings associated with the overall County budget if some of those costs get reallocated. On the other hand, if there is no reallocation of those then those cost will continue. They will have to be redistributed across other County departments without whatever reimbursement you may have been receiving for those services through mental health. So that is clearly an issue that needs to be addressed in terms what is the magnitude of those services, how much staff time is devoted to each of those functions and as mental health services are reduced in scope what does that mean for those ongoing services in the allocated cost arena. The amounts are substantial.

Mr. Soskin

In your study did you take into account the changes that might come about if we cut out most of the services except for the ones we want to continue how would you suggest that the allocations be reallocated?

Mr. Pryor, Toski & Co.

We need to know which of those services and how much staff time is devoted in these various administrative departments that are currently charged against Mental Health, the Nursing Home and the Hospital and determine which of those services would need to be continued.

Mr. Soskin

The third floor of the hospital is used by Mental Health for a clinic and there are forty people working there and personnel is cut in half and use half the space unless it is replaced by somebody else that is still a mental health area. The entire overhead is automatically by percentage. The Finance Department very broadly takes all of their expenses from telephone to postage stamps.

Mr. Pryor, Toski & Co.

Presumably it wouldn't continue to be allocated against mental health if mental health goes away and not part of the Enterprise Fund. It may get reallocated to the rest of the hospital, because they have to pick it up.

Mr. Soskin

If it is scaled back the space will still be occupied.

Mr. Pryor, Toski & Co.

You may be occupying less of the space. There is already consolidation of space within mental health, which you could potentially lease to other users. That is a decision you have to make and we talked about that in the report, but how you make those decisions and what you decide to lease or use for other governmental purposes those are clearly decision that will need to be made here and they will affect the allocations formula.

Mr. Soskin

As an action item, please advise if the County has the option to lease out certain space in the buildings in Pomona to contract agencies or commercial enterprises?

Mrs. Paul

I would like to know more about outsourcing of services.

Mr. Pryor, Toski & Co.

Do you mean what the County's continuing accountability is? It is not outsourcing, because you are really getting out of the business in these specific areas. The responsibility for those would be assumed by whatever community-based organization takes over the services. These are not mandated services. The only mandated function is the Local Government Unit function that we talked about in terms of planning, assessment, evaluation and oversight. If the County gets out of the business and the responsibility now transfers to the agency the County is not legally responsible for how those services are provided.

The Local Government Unit function, LGU, is responsible for oversight. If they feel needs and services are not being met they would then have an obligation to raise the issue with the agency and possibly go the State since the State funds the agency. There are ways the County Mental Health Department can continue to monitor those kinds of services and raise questions and concerns if they believe that services are not being adequately provided. The County would not have a direct service provision responsibility for those services.

Mrs. Paul

What happens if we don't get enough agencies to take over the services?

Mr. Pryor, Toski & Co.

That goes back to the discussion on the timing and capacity levels. Again, two or three years ago that would have been a real issue, because not everybody did have the necessary licenses in the community. We believe from our conversations with the providers and the Mental Health leadership that those licenses are now in place except for Methadone distribution. The other licenses to do the other kinds of services do have the appropriate licenses.

Mrs. Paul

Do you think somebody will train the people getting services to get jobs?

Mr. Pryor, Toski & Co.

Part of the focus of PROS, is that is what the staff is trained to do. The staff in those programs and related services have as their primary focus to work with the patients in those programs with those target objectives to make sure that they are moving as many of those individuals as possible into employment related situations. Day treatment is more of a maintenance function where moving them into independence into the community is not as significant of an objective.

Chairwoman Cornell

We will be meeting tomorrow evening at 5:00 p.m. We have a Full Legislative meeting at 7:00 p.m. Wednesday we will have a meeting at 6:00 p.m. Both of the next two meetings will deal with the complications of the Nursing Home and the Hospital so I hope everybody will be here.

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**ACTIONS:**

**Legislator Murphy:**

- ✓ Give consideration to the mechanism for people in crisis who go to hospital emergency rooms for mental health issues
- ✓ Give consideration to the lack of homes for mental health patients
- ✓ Pull Mental Health out of the Enterprise Fund

**Legislator Soskin:**

- ✓ Advise if the County has the option to lease out certain space in the buildings in Pomona to contract agencies or commercial enterprises?
- ✓ What are alternative uses for the building?
- ✓ How should the cost allocations be reallocated?

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Chairwoman Harriet D. Cornell called to adjourn the Committee of the Whole and report back to the full Legislature at 7:46 p.m., which was moved by Legislator John A. Murphy and seconded by Legislator Christopher J. Carey and passed.

The vote resulted as follows:

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|-----------|--|
| Ayes:     | 11 (Legislators Carey, Grant, Low-Hogan, Meyers, Murphy, Paul, Schoenberger, Soskin, Wieder, Wolfe, Cornell) |
| U.A. Nay: | 01 (Legislator Day)  |
| Absent:   | 05 (Legislators Earl, Hood, Jr., Jobson, Moroney, Sparaco)   |

Respectfully Submitted,

Darcy M. Greenberg, Proceedings Clerk