



Healthcare Association
of New York State

FOR IMMEDIATE RELEASE
MARCH 24, 2008

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HANYS' REPORT: SHORTAGE OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES NEARING CRISIS

ALBANY, N.Y. — A recent report by the Healthcare Association of New York State (HANYS) shows an escalating crisis in the state's health care system due to an emerging shortage of behavioral health services across New York, and the serious impediments hospitals face in offering these much-needed mental illness and substance abuse treatment programs.

HANYS' survey of more than 60 hospitals found behavioral health programs continued to lose money at an alarming rate. In 2007, the overwhelming majority of behavioral health programs failed to record a positive operating margin, with 87% of survey respondents reporting they lost money or broke even.

“For many individuals in need of treatment, the hope for a restored life begins at a hospital detoxification facility. Unfortunately, this sector of health care is eroding before our eyes,” HANYS President Daniel Sisto said. “It is becoming increasingly difficult for hospitals to provide behavioral health services to the millions of New Yorkers in desperate need of treatment.”

Approximately 22% of the adult population in the United States suffers from mental illness or substance abuse disorders. In New York State, the number is estimated to be about 3.5 million adults and 500,000 children and adolescents.

Given the current precarious financial condition of these programs, any further reductions to funding may exacerbate the problem. The Executive Budget proposal would reduce payments to New York hospitals for acute detoxification services by \$70 million in state fiscal year 2008-2009 alone. The

budget also proposes to reduce funding by more than \$4 million for continuing day and day-treatment mental health outpatient programs.

“These cuts are completely contrary to the clear need for more investment in these services,” Mr. Sisto said.

The Office of Mental Health and the Office of Alcoholism and Substance Abuse Services have recognized the challenges facing hospitals and all behavioral health providers, and have initiated reform workgroups to begin addressing these issues.

HANYS, the only statewide hospital and continuing care association in New York State, represents more than 550 non-profit and public hospitals, nursing homes, home care agencies, and other health care organizations.