

MEMORANDUM IN SUPPORT

S8309A (By Senator Brouk)/A8055 (By Member of Assembly Simon)

AN ACT to amend the social services law, in relation to returning outpatient mental health, substance use disorder, residential and rehabilitation services to Medicaid fee-for-service

MHANYS **strongly supports** the above referenced legislation. This legislation would amend the Social Services Law to carve outpatient mental health and substance use disorder services out of Medicaid managed care and instead provide these services on a Fee for Service basis.

Prior to 2015, these outpatient mental health and substance use disorder services were provided on a fee for service basis. MHANYS has joined a broad array of stakeholders urging New York State in support of the carve out. Systemic issues have arisen under managed care including delayed payment and lack of parity compliance, resulting in significant reductions in access to necessary care and treatment.

The carve in of these services into Medicaid managed care has proven detrimental to the ability of New Yorkers to secure the mental health and substance use disorder care they need in a timely fashion. Since 2019, over 300 citations have been issued by state regulators against Medicaid managed care companies for serious violations, including failing to pay the required rates and inappropriate claim denials. Removing these services from Medicaid Managed Care would generate over \$400 million for the community-based system that is under tremendous stress amidst the mental health crisis and providers facing workforce challenges including 20%-30% vacancy rate and a 25% annual turnover on average as well as rising operational and programmatic costs.

Now is the time for New York State to transition these services back into fee-for-service as we continue to contend with a mental health crisis and looming changes as a result of federal action that will impact the entire health and mental health systems. For the reasons above, MHANYS **strongly supports** the enactment of the above referenced legislation and urges it be included in the Senate and Assembly one-house budgets.