

Summary of One House Health & Mental Hygiene Budget Legislation

Appropriations

Assembly adds:

- Creative arts therapists under the Medicaid program: \$2M
- Crisis intervention teams: \$2M
- “Services and expenses related to various legislative initiatives”: 2.485M
- Community mental health non-residential programs: \$20M
- Healthy Steps Program for Children: \$2M

Senate adds:

- Daniel’s Law: expansion of behavioral health crisis response pilot programs: \$15M
(Includes \$2M for Statewide Behavioral Health Crisis Technical Assistance Center)
- Community services organizations designated by Senate, approved by DOB and Assembly: \$15M
- Assertive Community Treatment (ACT) Teams: \$10M
- Veterans mental health training initiative: \$350,000
- CUNY Center for Innovation in Mental Health: \$350,000
- First responder peer to peer support program: \$500,000
- Lesbian and Gay Community Services Center, Inc.: \$500,000

Part A: Medicaid Global Cap Extender:

The Medicaid global cap would be extended for an additional year, through fiscal year 2027–28.

- **Assembly:** agrees with Governor’s proposal.
- **Senate:** proposes to repeal Global cap authority.

Part B: Various Health-related Extenders:

Sections 1-15. Would extend the sunset of the Medicaid managed care program for a six-year period, until March 31, 2032.

- **Assembly:** would extend the sunset of Medicaid managed care for a three-year period until March 31, 2029.
- **Senate:** agrees with Governor’s proposal.

Section 20. Telehealth Parity: Would extend payment parity for both Medicaid fee-for-service and managed care services, whether provided in-person or via telehealth, for two more years through April 1, 2028.

- **Assembly:** agrees with Governor’s proposal.
- **Senate:** agrees with Governor’s proposal.

Part E: Elimination of the Adult Home EQUAL Program

This Part would discontinue the Enhanced Quality of Adult Living Program (EQUAL Program). This program is designed to enhance the quality of life and living conditions of persons residing in adult care facilities, including adult homes. It is designed to improve and expand services and enhance the physical environment of these homes. Among the services and benefits funded by EQUAL include: providing needed clothing allowances, training to support independent living skills, food quality, outdoor leisure, recreation and other leisure events, and capital improvements to enhance the physical environment and quality of life. (This proposal would save an estimated \$3.3 million annually.)

- **Assembly:** intentionally omitted.
- **Senate:** intentionally omitted.

Part F (Section 4): Prescription drugs: Preferred drug list

This provision would amend requirements regarding the ability of prescribers to prescribe a drug that is not on the Medicaid “preferred drug list.” It would require prescribers to consider “other clinical indications” identified by the “Drug Utilization Review Board,” rather than the “committee for the patient’s use of the non-preferred drug.” Under this section of law “other clinical indications” include considerations of the medical needs of special populations, including persons with mental health conditions, and persons with an opioid use disorder. (The Governor’s memorandum in support states that these are technical amendments, however, it is not clear to what extent there may be clinical implications from these amendments.)

- **Assembly:** intentionally omitted.
- **Senate:** intentionally omitted.

Part L (Section 2): Medicaid Buy-In

This provision would amend the Medicaid Buy-In Program for working persons with disabilities who earn net income of at least 150% of the federal poverty line, by amending the monthly premium structure that they must pay. The current premiums for such persons is \$25 per month for an individual, and \$50 per month for a couple (when both are eligible for Medicaid). The new premium structure, would be up to 3% of net earned income and 7 ½% of net unearned income, subject to federal approval.

- **Assembly:** intentionally omitted.
- **Senate:** agrees with the Governor’s proposal.

Part M: Medicaid Managed Care Proposals

Section 1. This proposal would amend payments made to dually eligible individuals who have Medicaid/Medicare crossover claims, by eliminating exceptions for services provided by licensed psychologists and ambulance services.

- **Assembly:** intentionally omitted.
- **Senate:** intentionally omitted.

Sections 4-9: These provisions would repeal subdivision 4 of section 364-i of the Social Services Law, to eliminate presumptive Medicaid eligibility for children under age 19 who reside in lower income households, until a full Medicaid application review can be completed.

- **Assembly:** intentionally omitted.
- **Senate:** intentionally omitted

Section 13: This section would repeal continuous Medicaid and Child Health Plus eligibility for children under the age of six. (Currently, children under the age of six, who are determined to be eligible for Medicaid, shall continue to be eligible for 12 months after the initial eligibility determination or renewal, or until the last day of the month in which the child reaches age of six. Such eligibility continues without a redetermination of eligibility, to the extent consistent with applicable federal requirements.)

- **Assembly:** intentionally omitted
- **Senate:** intentionally omitted.

***Note:** A proposal to carve out mental health services from Medicaid managed care was not included in the Executive Budget proposal. Neither one house Bill included the carve out, however, the Senate budget resolution did indicate that they urged DOH to study a possible carve out for outpatient mental health services.*

Part N: Expanded scopes of practice

This Part would expand the scopes of practice of medical assistants, certified medication aides, nurse practitioners, and physician assistants, under certain circumstances. This proposal also would transfer the authority to enforce medical misconduct, as well as certifying the qualifications of professionals who own and operate medical entities, from the State Education Department to the Department of Health.

- **Assembly:** intentionally omitted.
- **Senate:** intentionally omitted

Part P: Targeted inflationary increase (TII) for community-based human services providers

This Part would increase the targeted inflationary increase (formerly known as COLA) for mental hygiene and other human services providers for the 2026–2027 fiscal year by an additional 1.7%. This increase is unrestricted and applies to state payments, contracts, or “any other form of reimbursement for programs and services,” including Medicaid rates. (The total cost for this TII is \$176 million.)

- **Assembly:** Increases TII, for a total of 4%, with 2.3% targeted for “support staff, direct care, staff, clinical staff, and non-executive administrative staff.”
- **Senate:** Increases TII for a total of 4%, with 1.3% targeted for “support staff, direct care staff, clinical staff, and non-executive administrative staff.”

Part Q: Integrated Behavioral Health Services Programs

A new section 36.08 would be added to the Mental Hygiene Law to authorize the Commissioners of OMH and OASAS to jointly license “integrated behavioral health services programs.” These joint licenses would be a single license per provider. The Commissioners would promulgate joint regulations necessary for establishment, licensing, and operation of these programs. Also, the Commissioners would be authorized to establish rates for these services.

- **Assembly:** intentionally omitted
- **Senate:** includes the Governor’s proposal

Part R: Gambling addiction insurance coverage

Amendments would be made to the state Insurance Law to provide the same level of health insurance coverage and protections for persons with gambling addictions as are currently provided for those with substance use disorders.

- **Assembly:** intentionally omitted.
- **Senate:** includes the Governor’s proposal

Part S: Eliminate the Adult Home and Residence for Adults Resident Advocacy Program

This proposal would repeal section 553 (10) of the Executive Law, to eliminate the Adult Home Advocacy and Adult Home Resident Council, which provides legal assistance and protection of rights for persons residing in impacted adult homes, i.e., those with large numbers of persons with mental health needs or histories. This program is currently located within the Justice Center for the Protection of People with Special Needs. *(This proposal would save \$230,000 annually.)*

- **Assembly:** intentionally omitted
- **Senate:** intentionally omitted

Part U: Extend “government rates” for Medicaid managed care outpatient behavioral health services

The Governor’s 30-day amendments added this Part to extend for a 4-year period until March 31, 2031, the reimbursement rates for ambulatory patient group (APG), or so-called government rates, to ensure that Medicaid managed care, outpatient behavioral health service rates are at least as high as corresponding APG fee-for-service rates.

- **Assembly:** includes Governor’s proposal
- **Senate:** includes Governor’s proposal

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Parts added to Senate bill that were not in the Governor’s Executive Budget:

Part BB: Permanent carve out of school-based health centers from Medicaid managed care

This Part would permanently carve out school-based health centers from Medicaid managed care programs. The current carve-out expires April 1, 2026.

Part CC: Recovery-Ready Workplace Program for Persons with SUD

This Part would establish Recovery-Ready Workplace Programs, which are places where persons with substance use disorders may be employed in a supportive work environment that promotes recovery. Employers may apply to OASAS to establish this program at their worksite thereby promoting and supporting employee health, wellness, work-life balance and recovery.

Part EE: Limits on Extrapolations and Recoupments by the Office of Medicaid Inspector General (OMIG)

This Part would provide that certain overpayments or disallowances could not be “extrapolated” or recouped by the OMIG in the absence of fraud, evidence that the provider received reimbursement for items or services that were not provided to a beneficiary, or the beneficiary was not eligible for those items or services. This provision would apply to new audits as well as audits which are under administrative or judicial review or appeal.

Part LL: Amendments to limit authority of the Office of Medicaid Inspector General (OMIG)

Would provide that the OMIG shall follow “applicable standards” when doing audits, to publish and follow the most current published version of “protocols” governing any audits or reviews of providers, and follow a number of other reasonable limits on disallowances, extrapolation methodologies, and repayments. The inspector or auditor, shall consider any supporting documentation that a provider submits prior to the issuance of a final audit report. The inspector shall use the totality of the record to determine if the documentation resolves the issue and if not, the inspector must provide an explanation for such rejection in writing. In addition, the provider is permitted to settle at the “lower confidence limit,” plus interest, until a hearing determination is issued.