



**MEMORANDUM IN SUPPORT
S.3960 RIVERA, A.2787 Gottfried**

Relates to increased rates of payment for behavioral health services that shall be deemed to be effective on the date of the law, rule or regulation under which the change or increase is required.

The New York State Council, representing 100 behavioral health (mental health and substance use disorder/addiction) prevention, treatment, and recovery organizations across New York, **strongly supports this legislation, S.3960 RIVERA/A.2787 Gottfried**, to amend the social services law and the public health law, to require Medicaid managed care plans, managed long term care plans, and plans under Child Health Plus to implement required changes in rates, coverage or payments for behavioral health providers on the same date as the change takes effect, or if delayed, to make payments retroactively back to that date.

Community-based mental health and substance use disorder/addiction treatment providers are the safety net system in place to address the complex needs of New York's most vulnerable citizens to include children, youth and adults struggling with mental health and addictive disorders. These agencies are reimbursed under Medicaid and Child Health Plus for services rendered at a rate that is actuarially determined by the state to approximate cost of care. Medicaid managed care plans, managed long term care plans, and Child Health Plus insurers are required to adjust payments to providers whenever the state makes a statutory or budgetary change to the rate. Despite this, MCOs continue to find reasons to delay payment and find countless reasons why they cannot make the necessary system updates to reflect new provider payment rates in a timely fashion. Furthermore, MCOs are **not required to make retroactive payment adjustments despite receiving increased payments from the state for this purpose**. This leads to further financial distress for behavioral health providers while creating a windfall for MCOs that they are not entitled to.

Given the very fragile state of these behavioral health safety net providers, the state's ongoing Heroin/Opioid Crisis and the continued delay experienced by New Yorkers seeking treatment for a variety of complex conditions, New York State should require MCOs to pass through changes in rates effective the first day of the rate change. For those MCOs that cannot make the required change on Day 1, the MCO must be required to pay the provider retroactive to the effective date of the change.

The NYS Council believes that under no circumstances should plans be permitted to delay reimbursing behavioral health providers when the state reimburses them for such increase. Any delay in increasing reimbursement rates further exacerbates an already stressed system and threatens the availability of care across the state. DOH and OMH have already taken enforcement action against plans which clearly demonstrates the need for stronger protections in law around proper and timely payments to behavioral health providers. This bill will ensure that state payments will be distributed appropriately and in a fair and timely manner, and will improve the viability of community mental health and substance abuse providers that New Yorkers rely on. **Therefore, we strongly urge the enactment of this legislation, S.3960 RIVERA/A.2787 Gottfried, this session.**