

Language for Carve Out of Outpatient Behavioral Health Services from Medicaid Managed Care

Section 1. Section 364-j(3)(d) of the social services law is amended to read as follows:

(d-4) subject to federal approval, outpatient mental health services as determined by the commissioner of the office of mental health, provided to individuals with mental illness at facilities or in programs licensed pursuant to article 31 of the mental hygiene law or clinics serving individuals with mental illness licensed pursuant to article 31 of the mental hygiene law, or dually licensed pursuant to article twenty-eight of the public health law and article 31 of the mental hygiene law shall be administered and managed under fee-for-service in the medical assistance program.

(d-5) subject to federal approval, outpatient substance use services as determined by the commissioner of the office of addiction services and supports, provided to individuals with substance use disorder at facilities or in programs licensed pursuant to article 32 of the mental hygiene law or clinics serving individuals with substance use disorders licensed pursuant to article 32 of the mental hygiene law, or dually licensed pursuant to article twenty-eight of the public health law and article 32 of the mental hygiene law shall be administered and managed under fee-for-service in the medical assistance program.

(d-6) subject to federal approval, comprehensive Medicaid case management services provided to individuals with mental illness or substance use disorder shall be administered and managed under fee-for-service in the medical assistance program.

Section 2: Section 365-m of social services law is amended to read as follows:

6. (a) Pursuant to appropriations within the offices of mental health and addiction services and supports, the department of health shall reinvest savings realized through the transition of outpatient mental health and substance use disorder services pursuant to section 364-j(3)(d) from the

managed care model to the Medicaid fee-for-service system for the purpose of increasing investment in community based behavioral health services, including residential services certified by the office of addiction services and supports.

(b) The commissioner shall include information regarding the funds available for reinvestment from the transition of outpatient behavioral health services from managed care to fee-for-service on its website and the funds shall be included in each year's annual budget itemization, beginning April 1, 2025.

Section 3. This act shall take effect October 1, 2024.