



March 13, 2025

The Honorable Kathy Hochul
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Dear Governor Hochul

On behalf of InUnity Alliance, NYS Council for Community Behavioral Healthcare, and the Coalition of Medication-Assisted Treatment Providers and Advocates of New York State, we write to express our concern regarding the exclusion of services for individuals and families affected by substance use disorder (SUD) and mental health (MH) conditions from Managed Care Organization (MCO) tax reinvestments in the proposed FY 2026 budget.

Timely access to care is proven to alter the trajectory of these chronic conditions, reducing unnecessary hospitalizations, lowering long-term healthcare costs, and preventing deaths from overdose and suicide. Investment in SUD and MH services enhances health outcomes, strengthens community well-being, and generates substantial economic returns. Yet, chronic underinvestment continues to undermine their capacity to meet rising care needs.

The \$1 billion commitment to mental health was a step forward but largely focused on new initiatives. Including SUD and MH services in MCO tax fund reinvestments ensures parity between behavioral health and other forms of health care, aligning funding policies with the state's commitment to equitable access and system transformation. Omitting them is a missed opportunity to help stabilize and safeguard access to SUD and MH care – a lifeline for New York's most vulnerable populations - particularly amid potential federal funding reductions.

We urge you to amend the budget to allocate \$200 million over two years to support enhanced Medicaid reimbursement rates for SUD and MH services through MCO tax reinvestments. We welcome the opportunity to discuss this issue further and appreciate your leadership in advancing this important priority.

Sincerely,

Sarah DuVall, MPH
Policy Center Director
InUnity Alliance

Lauri Cole, LMSW
Executive Director
NYS Council for Community Behavioral Healthcare

Allegra Schorr
President
COMPA

cc:

Peter Hatch, Deputy Secretary for Human Services and Mental Hygiene
Peggy O'Shea, Chief Budget Examiner