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Governor

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Commissioner

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Executive Deputy Commissioner

MEMORANDUM

To: Mainstream Medicaid Managed Care Plans, Health and Recovery Plans (HARPs), HIV Special Needs Plans (HIV SNPs), and Medicaid Advantage Plus (MAP) Plans

From: New York State (NYS) Office of Mental Health (OMH)

Date: August 3, 2023

Subject: January 2023 Minimum Wage Increase and April 2023 Cost of Living Adjustment (COLA)

Dear Health Plan Administrators,

Effective January 1, 2023 and April 1, 2023, the mental health outpatient service rates have been increased to reflect a legislatively mandated Minimum Wage Increase and a 4% Cost-Of-Living Adjustment (COLA) respectively, which is consistent with the 2022-23 and 2023-24 Enacted State Budget and will be reflected in premiums upon State and Federal approvals. This letter is being sent to alert Mainstream Medicaid Managed Care Plans, Health and Recovery Plans, HIV Special Needs Plans, and Medicaid Advantage Plus Plans (collectively referred to as “MMCPs” herein), of the adjustments to ensure compliance with the statutorily required payment of government rates.

Please refer to the [OMH Medicaid Reimbursement](#) page for the following services that will be getting a Minimum Wage and/or COLA increase¹.

- Assertive Community Treatment (ACT)
- State Operated Continuing Day Treatment (CDT)
- Non-State Operated Continuing Day Treatment (CDT)
- Comprehensive Psychiatric Emergency Program (CPEP)
- Partial Hospitalization (PH)
- Personalized Recovery Oriented Services (PROS)
- Mental Health Outpatient Treatment Rehabilitation Services (MHOTRS) under APGs
- Community Oriented Recovery and Empowerment (CORE) Services
- Adult Behavioral Health Home and Community Based Services (BH HCBS)

¹ More information regarding the April 1, 2023 COLA increase for Children and Family Treatment and Support Services (CFTSS) can be found at [Children and Family Treatment and Support Services \(ny.gov\)](#).

- Mobile Crisis Services for children under 21 years old²
- Crisis Residential Services for children under 21 years old²

Per Chapter 57 of the Laws of 2022, MMCPs are required to pay claims based on the effective date of the rate changes. As a result, MMCPs must complete necessary systems edits to ensure payable claims for dates of service January 1, 2023 and thereafter for ACT, CDT, CPEP, PH, PROS, and MHOTRS; and April 1, 2023 and thereafter for ACT, CDT, CPEP, PH, PROS, MHOTRS, CORE Services, Adult BH HCBS, and Mobile Crisis and Crisis Residential Services for Children under 21 years old, are reimbursed at the newly effective rates. Additionally, MMCPs are required to conduct retrospective reconciliation to adjust payment for clean claims as necessary.

Please note that this document is only being transmitted electronically. No hard copy will be forthcoming. **Please have one representative from your MMCP send an email confirming receipt of the memorandum to BHO@omh.ny.gov within 48 hours of transmittal.**

If you have any questions regarding these rate changes, please contact OMH Managed Care at 518-402-2822 or BHO@omh.ny.gov.

² Additional information regarding COLA increases to suggested rates for Mobile Crisis and Residential Crisis Services for adults over 21 is forthcoming.