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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: November 20, 2023

Subject: Rate Approval: January 2023 Minimum Wage Increase and April 2023 Cost of Living Adjustment (COLA) – Notification of Division of Budget (DOB) Approval

Dear Health Plan Administrators,

On August 3, 2023 OMH notified Mainstream Medicaid Managed Care Plans, HARPs, HIV SNPs, and MAP Plans (collectively referred to as “MMCPs” herein) of increases to mental health outpatient service rates to reflect a legislatively mandated Minimum Wage Increase and a four percent COLA effective January 1, 2023 and April 1, 2023 respectively. This memorandum is being sent to alert MMCPs that DOB approved the following rate(s) change(s):

Table 1:

Rate Increase	Effective Date	DOB Approval Date
Minimum Wage Increase	January 1, 2023	November 17, 2023
COLA	April 1, 2023	August 24, 2023

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 applicable OMH programs and dates of service are reimbursed at the rate increases identified in Table 1 above. Additionally, MMCPs are required to conduct retrospective reconciliation to adjust payments for clean claims as necessary. MMCPs must complete these activities as soon as possible but no later than 90 days from the date of DOB approval.

Please refer to the [OMH Medicaid Reimbursement](#) page for the following services that get the Minimum Wage Increase and/or COLA increase and [January 2023 Minimum Wage Increase and April 2023 Cost of Living Adjustment COLA \(ny.gov\)](#) for the original notification distributed to MMCPs.

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