

# STATE OF NEW YORK

8055--A

2025-2026 Regular Sessions

## IN ASSEMBLY

April 22, 2025

Introduced by M. of A. SIMON, HEVESI, LEVENBERG, McDONOUGH, K. BROWN, PAULIN, BERGER, GRIFFIN, STECK, WEPRIN, LUNSFORD, LUPARDO, GONZALEZ-ROJAS, SCHIAVONI, MEEKS, ANGELINO -- read once and referred to the Committee on Health -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the social services law, in relation to returning outpatient mental health, substance use disorder, residential and rehabilitation services to Medicaid fee-for-service

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 3 of section 364-j of the social services law  
2 is amended by adding three new paragraphs (d-5), (d-6) and (d-7) to read  
3 as follows:

4 (d-5) Subject to federal approval, outpatient mental health services  
5 as determined by the commissioner of the office of mental health,  
6 provided to individuals with mental illness at facilities or in programs  
7 licensed pursuant to article thirty-one of the mental hygiene law or  
8 clinics serving individuals with mental illness licensed pursuant to  
9 article thirty-one of the mental hygiene law, or dually licensed pursu-  
10 ant to article twenty-eight of the public health law and article thir-  
11 ty-one of the mental hygiene law shall be administered and managed under  
12 fee-for-service in the medical assistance program.

13 (d-6) Subject to federal approval, outpatient substance use services,  
14 residential services and rehabilitation services as determined by the  
15 commissioner of the office of addiction services and supports, provided  
16 to individuals with substance use disorder at facilities or in programs  
17 licensed pursuant to article thirty-two of the mental hygiene law or  
18 clinics servicing individuals with substance use disorders licensed  
19 pursuant to article thirty-two of the mental hygiene law, dually  
20 licensed pursuant to article twenty-eight of the public health law and  
21 article thirty-two of the mental hygiene law, or residential and reha-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1 bilitation services regulated by the office of addiction services and  
2 supports excluding services under part eight hundred sixteen and part  
3 eight hundred eighteen of the regulations of the office of addiction  
4 services and supports shall be administered and managed under fee-for-  
5 service in the medical assistance program.

6 (d-7) Subject to federal approval, comprehensive Medicaid case manage-  
7 ment services provided to individuals with mental illness or substance  
8 use disorder shall be administered and managed under fee-for-service in  
9 the medical assistance program.

10 § 2. Section 365-m of the social services law is amended by adding a  
11 new subdivision 6 to read as follows:

12 6. (a) Pursuant to appropriations within the office of mental health  
13 and the office of addiction services and supports, the department of  
14 health shall reinvest savings realized through the transition of outpa-  
15 tient and other mental health and substance use disorder services pursu-  
16 ant to paragraph (d) of subdivision three of section three hundred  
17 sixty-four-j of this title from the managed care model to the Medicaid  
18 fee-for-service system for the purpose of increasing investment in  
19 community based behavioral health services and residential and rehabili-  
20 tation services certified by the office of addiction services and  
21 supports.

22 (b) The commissioner shall include information regarding the funds  
23 available for reinvestment from the transition of outpatient and other  
24 behavioral health services from managed care to fee-for-service on its  
25 website and the funds shall be included in each year's annual budget  
26 itemization, beginning April first, two thousand twenty-seven.

27 § 3. This act shall take effect October 1, 2026; provided, however,  
28 that the amendments to section 364-j of the social services law made by  
29 section one of this act shall not affect the repeal of such section and  
30 shall be deemed repealed therewith.