

STATE OF NEW YORK

3515

2025-2026 Regular Sessions

IN SENATE

January 28, 2025

Introduced by Sen. SCARCELLA-SPANTON -- read twice and ordered printed,
and when printed to be committed to the Committee on Alcoholism and
Substance Use Disorders

AN ACT to amend the mental hygiene law and the social services law, in
relation to establishing contingency management services for certain
persons with substance use disorders

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

1 Section 1. Section 19.03 of the mental hygiene law is amended by
2 adding two new subdivisions 3 and 4 to read as follows:

3 3. "Contingency management services" means addiction disorder
4 services, including prescription and non-prescription digital therapeu-
5 tics overseen by a healthcare professional, for persons with a substance
6 use disorder that provides individuals with non-cash rewards to abstain
7 from substance use, by incentivizing specified behaviors, including, but
8 not limited to continued evidence of negative substance test results,
9 engagement in treatment, and other behavior which adheres to treatment
10 goals.

11 4. "Non-cash rewards" means financial incentives for healthy behavior
12 given to a contingency management services program participant that are
13 not in the form of United States currency, including but not limited to
14 gift cards, reloadable debit cards, vouchers, and other similar elec-
15 tronic or physical mediums that cannot be converted into cash.

16 § 2. Section 19.17 of the mental hygiene law is amended by adding a
17 new subdivision (h) to read as follows:

18 (h) (1) The office shall, in coordination with the department of
19 health and the New York state conference of local mental hygiene direc-
20 tors, establish a program to provide contingency management services, as
21 defined in subdivision three of section 19.03 of this article for
22 persons eligible for medical assistance under title eleven of article

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

LBD00293-01-5

1 five of the social services law for individuals in recovery for
2 substance use disorder.

3 (2) Notwithstanding any contrary provision of law, non-cash rewards
4 for contingency management services received by an individual pursuant
5 to this subdivision shall not be considered income or resources of an
6 individual for the purposes of any determinations of eligibility for any
7 other state program or benefit, including but not limited to the medical
8 assistance program, any state or federal program, or any other means-
9 tested program or benefit.

10 (3) In developing the program under paragraph one of this subdivision,
11 the office shall:

12 (A) develop a plan to monitor the program for fraud and misuse of
13 contingency management rewards; and

14 (B) establish a delivery mechanism for non-cash rewards with measures
15 designed to prevent program participants from:

16 (I) converting the rewards into U.S. currency (cash);

17 (II) redeeming the rewards for drugs or alcohol; or

18 (III) using or spending the rewards at casinos, gambling/betting
19 services, gun shops, or escort services.

20 (4) In developing the program under paragraph one of this subdivision,
21 the office may:

22 (A) issue guidance on the use of contingency management services for
23 beneficiaries who access substance use disorder services under the
24 medical assistance program; and

25 (B) establish limits on the number, and value, of non-cash rewards
26 available to beneficiaries who receive services pursuant to contingency
27 management services.

28 (5) Notwithstanding any contrary provision of law, the commissioner,
29 in collaboration with the commissioner of health, shall, to the extent
30 necessary, develop and submit any appropriate waivers for implementation
31 of this program, including, but not limited to, those authorized pursu-
32 ant to sections eleven hundred fifteen and nineteen hundred fifteen of
33 the federal social security act, or successor provisions, and any other
34 waivers necessary to achieve the purposes of high quality, integrated,
35 and cost effective care and integrated financial eligibility policies
36 under the medical assistance program or pursuant to title XVIII of the
37 federal social security act. Copies of such original waiver applications
38 shall be provided to the chair of the senate finance committee and the
39 chair of the assembly ways and means committee simultaneously with their
40 submission to the federal government.

41 § 3. Subdivision 2 of section 365-a of the social services law is
42 amended by adding a new paragraph (nn) to read as follows:

43 (nn) contingency management services and supports provided pursuant to
44 article nineteen of the mental hygiene law.

45 § 4. This act shall take effect on the one hundred eightieth day after
46 it shall have become a law. Effective immediately, the addition, amend-
47 ment and/or repeal of any rule or regulation necessary for the implemen-
48 tation of this act on its effective date are authorized to be made and
49 completed on or before such effective date.