

June 25, 2007

Dear Concerned Mental Health Stakeholder,

Please find attached a report reviewing the financing and reimbursement of mental health services provided by outpatient clinic, continuing day treatment, and day treatment programs licensed under Article 31 of the Mental Hygiene Law. The report was commissioned by the Legislature in the 2006-07 state budget. Work on the report was carried out by Public Consulting Group (PCG), under contract with the Office of Mental Health.

The Report reviews the current system of financing and reimbursement of mental health services provided by Article 31 licensed outpatient clinic, continuing day treatment, and day treatment programs. As you will see, the Report documents a number of problems with current reimbursement methodologies. In fact, OMH and DOH have already begun a process to review and reform ambulatory care reimbursement in all outpatient settings. We are committed to engaging all stakeholders in this process.

An electronic copy of the report will be posted shortly on the Office of Mental Health's website.

Sincerely,

Martha Schaefer Hayes
Deputy Commissioner, CFO
Office of Financial Management
Office of Mental Health

Deborah Bachrach
Deputy Commissioner
Office of Health Insurance Programs
Department of Health