



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: September 11, 2026

Subject: Rate Approval: April 1, 2026 Minimum Wage Increase (MWI) and Targeted Inflationary Increase (TII) - Notification of Division of Budget (DOB) Approval

Dear Health Plan Administrators,

On July 9, 2026, 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 MWI and a 2.7 percent TII in the State Fiscal Year 2026-27 enacted budget, effective April 1, 2026. This memorandum is being sent to alert MMCPs that DOB approved the rate increases for the MWI and the TII on September 2, 2026.

Per Chapter 57 of the Laws of 2026 and Chapter 451 of the Laws of 2019, MMCPs are required to pay claims based on the effective date of the rate changes. MMCPs must complete the following as soon as possible, but no later than 90 days from the date of this notification:

1. System configurations to ensure applicable OMH programs are reimbursed accurately and timely, as described in the [July 9, 2026, memorandum](#).
2. Retrospective reconciliation to adjust payments for previously paid clean claims as necessary.

Please refer to the [OMH Medicaid Reimbursement Rates](#)¹ webpage for the applicable services that get the MWI and/or TII increase and the [April 1, 2026, Rate Updates for MWI and TII](#) for the original notification distributed to MMCPs.

Please note, for services that get the MWI, the TII increase is applied on top of the MWI and is already reflected in the posted rates.

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

¹ Children’s Waiver Home and Community Based Services and Children and Family Treatment and Support Services received DOB approval for the TII effective April 1, 2026. The notification can be found here: [Children’s Waiver Home and Community Based Services \(HCBS\) and Children and Family Treatment and Support Services \(CFTSS\) Targeted Inflationary Increase Approval](#). HH+ also received DOB approval for the TII. For more information, please go to the NYS DOH [HH Rate Codes](#) webpage.