



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: July 9, 2026

Subject: April 1, 2026 Rate Updates for Minimum Wage Increase (MWI) and Targeted Inflationary Increase (TII)

Dear Health Plan Administrators,

Effective April 1, 2026, the mental health outpatient service rates have been increased to reflect a legislatively mandated Minimum Wage Increase (MWI) and a 2.7 percent Targeted Inflationary Increase (TII)¹, which is consistent with the State Fiscal Year 2026-27 Enacted State Budget and will be reflected in premiums upon State and Federal approvals.

This letter is being sent to alert Mainstream Medicaid Managed Care Plans, HARPs, HIV SNPs, and MAP Plans (collectively referred to as “MMCPs” herein) of the adjustments to ensure compliance with the statutorily required payment of government rates. NYS will issue an additional notification to MMCPs upon Division of Budget (DOB) approval.

Please refer to the [OMH Medicaid Reimbursement Rates](#) webpage for the following services that will be receiving the MWI² and/or the TII³.

- Assertive Community Treatment (ACT)*
- Continuing Day Treatment (CDT)*
- Comprehensive Psychiatric Emergency Program⁴ (CPEP)*
- Partial Hospitalization (PH)
- Personalized Recovery Oriented Services (PROS)*
- Mental Health Outpatient Treatment Rehabilitation Services (MHOTRS) under Ambulatory Patient Groups (APGs)*

¹ Formerly known as Cost-of-Living-Adjustment (COLA).

² Services receiving the MWI in addition to the TII are indicated with an asterisk (*). 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.

³ For more information regarding the April 1, 2026, TII increase for Children and Family Treatment and Support Services (CFTSS) and Children's Home and Community-Based Services (HCBS), please go to the NYS Department of Health (DOH) [CFTSS](#) and [HCBS Provider Manual and Rates](#) webpages.

⁴ All components of CPEP services will receive the TII, while all components excluding Extended Observation Beds (EOB) will receive the MWI. Please note, EOB is classified as inpatient and therefore the government rate is not required.

- Community Oriented Recovery and Empowerment (CORE) Services
- Adult Behavioral Health Home and Community Based Services (BH HCBS)
- Crisis Intervention: Mobile and Telephonic Crisis Services*
- Crisis Intervention: Crisis Residences*
- Health Home Plus⁵ (HH+)

Please note: This document is only being transmitted electronically. No hard copy will be forthcoming. If you have any questions regarding these changes, please contact OMH Managed Care by phone at 518-402-2822 or by email at BHO@omh.ny.gov (MMCP inquiries) or OMH-Managed-Care@omh.ny.gov (provider inquiries).

⁵ For more information regarding the April 1, 2026, TII increase for HH+, please go to the NYS DOH [HH Rate Codes](#) webpage.