



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 24, 2024

Subject: Rate Approval: April 2024 Minimum Wage Increase (MWI) and Cost of Living Adjustment (COLA) – Notification of Division of Budget (DOB) Approval

Dear Health Plan Administrators,

On June 12, 2024, 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 2.84% COLA effective April 1, 2024. This memorandum is being sent to alert MMCPs that DOB approved the rate increases for Minimum Wage and COLA on September 18, 2024.

Per Chapter 57 of the Laws of 2022 and Chapter 451 of the Laws of 2019, MMCPs are required to pay claims based on the effective date of the rate changes. As a result, MMCPs must complete necessary systems edits to ensure payable claims for dates of service for applicable OMH programs are reimbursed as described in the June 12, 2024, memorandum. Additionally, MMCPs are required to conduct retrospective reconciliation to adjust payments for clean claims as necessary. MMCPs must complete these activities as soon as possible but no later than 90 days from the date of DOB approval, December 18, 2024.

Please refer to the [OMH Medicaid Reimbursement](#) page for the following services that get the MWI and/or COLA increase and [April 1, 2024 Rate Updates for Minimum Wage Increase \(MWI\) and Cost of Living Adjustment \(COLA\) \(ny.gov\)](#) for the original notification distributed to MMCPs. Please note, for services that get the MWI, the COLA 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.