



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: March 31, 2025

SUBJECT: Mandated Rate Update: Mental Health Outpatient Treatment and Rehabilitative Services (MHOTRS) Quality Improvement Collaboratives (QIC)

Dear Health Plan Administrators,

Effective October 1, 2024, the MHOTRS base rates for hospital-based and freestanding providers participating in the OMH QIC Initiative are increased from 5.7% to 8.5%. This increase is consistent with the State Fiscal Year (SFY) 2023-2024 Enacted State Budget and will be reflected in premiums upon NYS and Federal approvals.

OMH's QIC projects aim to build on the success of past OMH QIC projects, align with statewide priorities to improve health and behavioral health-related outcomes for the NYS Medicaid population, and harness the expanding capacities of the OMH Psychiatric Services and Clinical Knowledge Enhancement System (PSYCKES) application. The enhanced Ambulatory Patient Group (APG) peer group base rates are available for all fee-for-service and Medicaid Managed Care services provided in the OMH-licensed MHOTRS.

This letter is to alert Mainstream Medicaid Managed Care Plans, HARPs, HIV SNPs, and MAP Plans (collectively referred to as "MMCPs" herein) of the adjustment 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 attached Appendix A – List of QI Providers 03.13.2025 for a list of MHOTRS hospital-based and freestanding providers in receipt of the QI enhancement and corresponding rates. The QI rates can also be found in the [APG Peer Group Base Rates](#) file on the [OMH Medicaid Reimbursement](#) page.

Please note that this document is only being transmitted electronically. No hard copy will be forthcoming. If you have any questions regarding these rate changes, please contact OMH Managed Care at 518-402-2822 or BHO@omh.ny.gov.