A BUDGET BILL submitted by the Governor in accordance with Article VII of the Constitution

AN ACT to amend the insurance law, in relation to setting minimal reimbursement for behavioral health treatment (Part AA);

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

PART AA

Section 1. Paragraph 31 of subsection (i) of section 3216 of the insurance law is amended by adding a new subparagraph (J) to read as follows:

(J) This subparagraph shall apply to facilities in this state that are licensed, certified, or otherwise authorized by the office of addiction services and supports for the provision of outpatient, intensive outpatient, outpatient rehabilitation and opioid treatment that are participating in the insurer's provider network. Reimbursement for covered outpatient treatment provided by such facilities shall be at rates negotiated between the insurer and the participating facility, provided that such rates are not less than the rates that would be paid for such treatment pursuant to the medical assistance program under title eleven of article five of the social services law. For the purposes of this subparagraph, the rates that would be paid for such treatment pursuant to the medical assistance program under title eleven of article five of the social services law shall be the rates with an effective date of April first of the preceding year, which shall be established prior to October first of the preceding calendar year. Prior to the submission of
premium rate filings and applications, the superintendent shall provide insurers with guidance on factors to consider in calculating the impact of rate changes for the purposes of submitting premium rate filings and applications to the superintendent for the subsequent policy year. To the extent that the rates with an effective date of April first differ from the estimated rates incorporated in premium rate filings and applications, insurers may account for such differences in future premium rate filings and applications submitted to the superintendent for approval.

§ 2. Paragraph 35 of subsection (i) of section 3216 of the insurance law is amended by adding a new subparagraph (K) to read as follows:

(K) This subparagraph shall apply to outpatient treatment provided in a facility issued an operating certificate by the commissioner of mental health pursuant to the provisions of article thirty-one of the mental hygiene law, or in a facility operated by the office of mental health, or in a crisis stabilization center licensed pursuant to section 36.01 of the mental hygiene law, that is participating in the insurer's provider network. Reimbursement for covered outpatient treatment provided by such a facility shall be at rates negotiated between the insurer and the participating facility, provided that such rates are not less than the rates that would be paid for such treatment pursuant to the medical assistance program under title eleven of article five of the social services law. For the purposes of this subparagraph, the rates that would be paid for such treatment pursuant to the medical assistance program under title eleven of article five of the social services law shall be the rates with an effective date of April first of the preceding year, which shall be established prior to October first of the preceding calendar year. Prior to the submission of premium rate filings
and applications, the superintendent shall provide insurers with guidance on factors to consider in calculating the impact of rate changes for the purposes of submitting premium rate filings and applications to the superintendent for the subsequent policy year. To the extent that the rates with an effective date of April first differ from the estimated rates incorporated in premium rate filings and applications, insurers may account for such differences in future premium rate filings and applications submitted to the superintendent for approval.

§ 3. Paragraph 5 of subsection (l) of section 3221 of the insurance law is amended by adding a new subparagraph (K) to read as follows:

(K) This subparagraph shall apply to outpatient treatment provided in a facility issued an operating certificate by the commissioner of mental health pursuant to the provisions of article thirty-one of the mental hygiene law, or in a facility operated by the office of mental health, or in a crisis stabilization center licensed pursuant to section 36.01 of the mental hygiene law, that is participating in the insurer's provider network. Reimbursement for covered outpatient treatment provided by such a facility shall be at rates negotiated between the insurer and the participating facility, provided that such rates are not less than the rates that would be paid for such treatment pursuant to the medical assistance program under title eleven of article five of the social services law. For the purposes of this subparagraph, the rates that would be paid for such treatment pursuant to the medical assistance program under title eleven of article five of the social services law shall be the rates with an effective date of April first of the preceding year, which shall be established prior to October first of the preceding calendar year. Prior to the submission of premium rate filings and applications, the superintendent shall provide insurers with guid-
ance on factors to consider in calculating the impact of rate changes for the purposes of submitting premium rate filings and applications to the superintendent for the subsequent policy year. To the extent that the rates with an effective date of April first differ from the estimated rates incorporated in premium rate filings and applications, insurers may account for such differences in future premium rate filings and applications submitted to the superintendent for approval.

§ 4. Paragraph 7 of subsection (l) of section 3221 of the insurance law is amended by adding a new subparagraph (J) to read as follows:

(J) This subparagraph shall apply to facilities in this state that are licensed, certified, or otherwise authorized by the office of addiction services and supports for the provision of outpatient, intensive outpatient, outpatient rehabilitation and opioid treatment that are participating in the insurer's provider network. Reimbursement for covered outpatient treatment provided by such facilities shall be at rates negotiated between the insurer and the participating facility, provided that such rates are not less than the rates that would be paid for such treatment pursuant to the medical assistance program under title eleven of article five of the social services law. For the purposes of this subparagraph, the rates that would be paid for such treatment pursuant to the medical assistance program under title eleven of article five of the social services law shall be the rates with an effective date of April first of the preceding year, which shall be established prior to October first of the preceding calendar year. Prior to the submission of premium rate filings and applications, the superintendent shall provide insurers with guidance on factors to consider in calculating the impact of rate changes for the purposes of submitting premium rate filings and applications to the superintendent for the subsequent policy year. To
the extent that the rates with an effective date of April first differ
from the estimated rates incorporated in premium rate filings and
applications, insurers may account for such differences in future
premium rate filings and applications submitted to the superintendent
for approval.

§ 5. Subsection (g) of section 4303 of the insurance law is amended by
adding a new paragraph 12 to read as follows:

(12) This paragraph shall apply to outpatient treatment provided in a
facility issued an operating certificate by the commissioner of mental
health pursuant to the provisions of article thirty-one of the mental
hygiene law, or in a facility operated by the office of mental health,
or in a crisis stabilization center licensed pursuant to section 36.01
of the mental hygiene law, that is participating in the corporation's
provider network. Reimbursement for covered outpatient treatment
provided by such facility shall be at rates negotiated between the
corporation and the participating facility, provided that such rates
are not less than the rates that would be paid for such treatment pursu-
ant to the medical assistance program under title eleven of article five
of the social services law. For the purposes of this paragraph, the
rates that would be paid for such treatment pursuant to the medical
assistance program under title eleven of article five of the social
services law shall be the rates with an effective date of April first of
the preceding year, which shall be established prior to October first of
the preceding calendar year. Prior to the submission of premium rate
filings and applications, the superintendent shall provide corporations
with guidance on factors to consider in calculating the impact of rate
changes for the purposes of submitting premium rate filings and applica-
tions to the superintendent for the subsequent policy year. To the
extent that the rates with an effective date of April first differ from
the estimated rates incorporated in premium rate filings and applica-
tions, corporations may account for such differences in future premium
rate filings and applications submitted to the superintendent for
approval.

§ 6. Subsection (1) of section 4303 of the insurance law is amended by
adding a new paragraph 10 to read as follows:

(10) This paragraph shall apply to facilities in this state that are
licensed, certified, or otherwise authorized by the office of addiction
services and supports for the provision of outpatient, intensive outpa-
tient, outpatient rehabilitation and opioid treatment that are partic-
ipating in the corporation's provider network. Reimbursement for covered
outpatient treatment provided by such facilities shall be at rates negoti-
tiated between the corporation and the participating facility, provided
that such rates are not less than the rates that would be paid for such
treatment pursuant to the medical assistance program under title eleven
of article five of the social services law. For the purposes of this
paragraph, the rates that would be paid for such treatment pursuant to
the medical assistance program under title eleven of article five of the
social services law shall be the rates with an effective date of April
first of the preceding year, which shall be established prior to October
first of the preceding calendar year. Prior to the submission of premium
rate filings and applications, the superintendent shall provide corpo-
rations with guidance on factors to consider in calculating the impact
of rate changes for the purposes of submitting premium rate filings and
applications to the superintendent for the subsequent policy year. To
the extent that the rates with an effective date of April first differ
from the estimated rates incorporated in premium rate filings and
applications, corporations may account for such differences in future premium rate filings and applications submitted to the superintendent for approval.

§ 7. This act shall take effect January 1, 2025 and shall apply to policies and contracts issued, renewed, modified, altered, or amended on and after such date.