COALITION OF MEDICATION-ASSISTED TREATMENT PROVIDERS AND ADVOCATES

Policy and Budget Agenda (September 2025)

New York is still in the midst of an opioid epidemic despite modest improvements in the number of fatalities; the incidences of reversed overdoses remains high. Overdose deaths remain unacceptably high with about 6,306 New Yorkers dying in 2024. Moreover, the data also highlight that overdose death rates among Black and Latino New Yorkers increased by 17% and 11%, illustrating that the rates increased dramatically for Black New Yorkers and for Hispanics or Latinos. A NYC quarterly report dated October 2024 states that in NYC alone, one individual dies every four hours from a drug overdose. The report goes on to say that "fentanyl, a highly potent opioid, was the most common substance involved in overdose deaths and continues to drive the overdose epidemic citywide."

Opioid Treatment Programs (OTPs) and Medication-Assisted Treatment (MAT) providers are on the frontlines of fighting the overdose epidemic. There are 126 OTPs in New York serving over 54,000 New Yorkers. These essential providers assist those struggling with opioid dependence through MAT, which combines individually tailored behavioral therapy with clinically effective medications. Currently, only thirty-five counties out of sixty-two in New York State have an OTP.

As New York continues to struggle with deadly overdoses across the state, it is vital that the State support policies and provide funding that increase access to MAT and remove barriers which impede that access. COMPA recommends that New York focus its response on the areas outlined below.

Protect against Medicaid eligibility determination disruption.
One of the biggest challenges to opioid treatment is the threat to coverage.

- Given that the provisions of HR 1 will disrupt the successful system reforms that New York state has implemented to achieve continuous enrollment and appropriate exemptions from Medicaid work requirement, we urge the state to: 1) make investments that support eligibility determination at both the provider and the local government unit (LGU) level, and 2) ensure work requirement exemptions are in place for New Yorkers with Substance Use Disorder (SUD).

Carve Behavioral Health out of Medicaid Managed Care

- The State began carving in behavioral health services into the state's Medicaid managed care program in 2015. Since that time, managed care plans have been found to violate state laws, regulations, and contract provisions while New Yorkers with serious behavioral health conditions wait to obtain care from community-based providers that have none of the sophisticated billing and claims departments that hospital systems have. By enacting A.8055(Simon)/S.8309 (Brouk), we believe the state will save hundreds of millions of dollars, including the portion state funds which MCOs can retain for profit and administrative funds

(minimum of 11%). Instead, those funds should be redirected to rates, care, and treatment expansion.

- Deter Incorrect Medicaid Payments: We recommend imposing high penalties on MCOs that make incorrect Medicaid payments to deter such practices.

Reinvest the annual Medicaid MCO underspend in behavioral health services.

- A report from the DOH found that "Even with insufficient provider networks, Medicaid Managed Care Organizations (MCOs) are not spending all their allotted premiums on behavioral health services. A review of two MCO funding mechanisms, the Behavioral Health Expenditure Target (BHET), and Medicaid Loss Ratio (MLR) recoveries—shows that MCOs remitted over $220 million in allocated premiums back to the state from 2017 to 2020. This includes $91 million in BHET remittances from 2018 to 2020 and $130 million in MLR remittances from 2017 to 2019." For these reasons, the Medicaid MCO underspend should be reinvested in behavioral health services.

Increase Medicaid rates to keep up with inflation.

- Despite attacks on Medicaid eligibility the Trump Administration has allowed physician fee schedule and other reimbursement increases to go into effect. For this reason, we urge the Executive to include an inflationary factor adjustment for outpatient Medicaid rates to offset the high inflationary costs of employers, including well-publicized utility and health insurance costs, and the inflationary costs on employees for groceries, utilities, and health insurance. Retaining the existing workforce will rely heavily on being able to adjust wages to offset some inflationary costs on workers.

Protect Providers Against Federal Medicaid Policy Changes that will Increase the Uninsured

- Adjust vital access provider and indigent care pool policies to capture the cycling on and off Medicaid that will ruin outpatient providers revenue cycle plans as eligibility determinations and look back policies conform with new federal rules. Make modest state-only investments into pools for OASAS providers to help offset billing losses.

Increase Access to Integrated Care

Currently our healthcare system is siloed and creates costly barriers to providing integrated comprehensive care.

- To gain fiscal efficiencies that can be gained by treating dual-diagnosed patients in one setting, COMPA recommends establishing an add-on rate for services provided by higher-credentialed, licensed mental health practitioners. We support more treatment of dual-diagnosed individuals at SUD programs and the provision of primary health care in appropriate licensed settings. Currently, there is a group therapy rate add-on when a social worker or licensed mental health practitioner staffs group therapy sessions, but there is not equivalent rate add-on for the diagnosis or assessment-based treatment planning sessions that determine whether an individual should receive treatment in a group setting.
- Further, to fully support the integration of comprehensive services, COMPA recommends establishing rates for OTPs to serve as the primary care provider.
    - OTPs serve some of the highest cost Medicaid recipients who suffer from co-morbid physical health conditions and chronic illness. OTPs are perfectly situated to serve as the primary care provider to these patients, since they see these individuals sometimes daily. Several years ago, the State removed regulatory barriers to this end. However, a fiscally sound and sustainable reimbursement rate is needed to support the delivery of integrated behavioral health and primary care. The State should require Medicaid managed care organizations to integrate primary care for enrolled OTP patients. Preventative services would include screenings, vaccinations, necessary ancillary

services, and these services would be reimbursed through specifically designed chronic care bundles using published facility APG rates.

Address stigma and NIMBYism in the siting of SUD clinics.

- Given the severity of the epidemic, it is crucial that new programs are opened in underserved areas. COMPA supports an amendment to the citing process for new OTPs that includes considering proximity to current OTPs.
- COMPA supports efforts to help communities and providers decide where programs should be sited but believes that more education and coordination is necessary. We ask the Executive to fund a comprehensive plan that includes 1) a public service campaign on the importance of treatment to community wellbeing, with an emphasis on methadone treatment and 2) includes town hall meetings that engage and inform stakeholders about the siting process.

COMPA opposes involuntary commitment for addiction treatment.

- While COMPA opposes involuntary commitment for addiction treatment, it is essential to maintain, improve, and expand viable options to enter treatment. A robust statewide reform of mandated treatment, such as that which is offered in drug courts' alternatives to incarceration, is needed.

Invest in the workforce with 2.7% reimbursement increase on rates and contracts.

- As inflation hits all sectors of the economy, the impact on workers in the community substance use is combined by low wages and high personal expenses due to inflation. The federal consumer price index (CPI) for July was 2.7% with public promises that the factor will rise through the end of 2025. In the past, the July CPI factor was used to determine the human services cost of living adjustment to rates and contracts. This year, to retain workers and address staff vacancies, including a cost-of-living adjustment, must be included in the Executive Budget proposal.

Aligning NYS law with DEA 72-hour rule for dispensing SUD medication

- COMPA urges the Governor to sign and quickly implement S.3416-C/A.5892-A to save lives. The bill aligns New York state law with the federal Drug Enforcement Agency's rule that allows for a 3-day supply of medication (methadone or buprenorphine) to opioid overdose patients when they are transitioning to treatment. New York's law allowed this in ERs in hospitals without full-time pharmacies. The bill opens this up to all institutional dispensers and practitioners and is like the Governor's recommendation in Part O of S.3007/A.3007 (Executive Budget proposal).

Protecting the Proportion of Federal Block Grant Funds Going to OASAS

- The budget for OASAS relies heavily on federal SUPTRS block grant funding, with as much as 60% of the total OASAS operating budget coming from block grant funding. The Trump Administration has proposed creating the Behavioral Health Innovation Block Grant, a new block grant program to consolidate funding for the Community Mental Health Services Block Grant, Substance Use Prevention, Treatment and Recovery Support Services Block Grant, and State Opioid Response. If a consolidated federal Block Grant is enacted, we urge the portion of Block Grant funding earmarked for OASAS to be maintained at the current level.

Prevent OTP closures due to Office of the Medicaid Inspector General (OMIG) audits.

- COMPA supports passage of S.4955-A (Harckham)/A.1069-A (Paulin), which would reform the Medicaid audit process of the OMIG. The current process is focused on meeting a pre-determined fiscal target at the expense of providers who have not engaged in fraud or abuse. This aggressive approach threatens to destabilize the OTP system and has already resulted in the loss of one program that served 1,500 patients.

Establish overdose prevention sites S.399-B(Rivera) and A.338-A (Rosenthal)

- COMPA supports this policy as an important part of harm reduction efforts if it is accompanied by protocols to establish connections to treatment. Evidence shows that these programs prevent overdose deaths and play a critical role in combatting the opioid epidemic.

For additional information, please reach out to Allegra Schorr at aschorr@compa-ny.org