

New York State Psychiatric Association, Inc.
Area II Council of the American Psychiatric Association
400 Garden City Plaza, Garden City, N.Y. 11530 • (516) 542-0077

Government Relations Office
Karin Spencer/Spencer Strategic Solutions

MEMORANDUM REGARDING FY 2026-2027 EXECUTIVE BUDGET

The New York State Psychiatric Association (NYSPA), the medical specialty society of nearly 4,000 psychiatrists practicing in New York State and a division of the American Psychiatric Association, appreciates the opportunity to comment on the Executive Budget proposal for fiscal year 2026-2027.

1. NYSPA SUPPORTS TWO-YEAR EXTENSION OF TELEHEALTH PAYMENT PARITY LAW (Part B, Section 20, A10007/S9007)

This legislation extends the sunset for New York’s telehealth reimbursement parity law, which was enacted as part of the state budget for fiscal year 2022-23 (Part V, Chapter 57 of the Law of 2022) for another two years through April 1, 2028. NYSPA strongly supported enactment of the telehealth reimbursement parity law in 2022. While NYSPA would urge the sunset be permanently removed so as to remove the uncertainty for health care practitioners and practices, this two-year extension provides a level of certainty that is critical for sustaining access to telehealth services.

Mental health conditions continue to make up the top five diagnoses of individuals seeking telehealth services and during the pandemic, New York saw an approximately 130-fold increase in telehealth utilization. Evidence has shown that telehealth substantially reduces the rate of missed appointments, providing for greater adherence to a treatment plan, which is particularly important for those with mental health conditions. Audio-only telehealth has been critically important throughout the pandemic for many New Yorkers and will continue to be as more than one million or 13.8% of households in New York State do not have access or a subscription to broadband services.

The value of telehealth is clear, as noted by the New York State Department of Health (DOH), in its Final Rule on Telehealth Services, published in the New York State Register on September 14, 2022 stated:

Providers have reported that this expansion of telehealth has improved access to care, improved patient experience, and improved provider satisfaction. Telehealth also has the potential to improve patient outcomes... Furthermore, expanded use of telehealth during the pandemic has resulted in Medicaid program savings related to avoidance of emergency room and urgent care visits, and decreased utilization of Medicaid-covered non-emergency medical transportation services. Telehealth mitigates provider access issues by connecting patients in rural areas with needed specialist care.¹²

Without telehealth, certain individuals may delay or forgo care, potentially disrupting medication and treatment regimens, which can have serious consequences for those with mental health and substance use disorders.

2. NYSPA SUPPORTS INVESTMENTS IN COMMUNITY-BASED SUPPORTS

New York must build upon the \$1 billion investment in mental health services aimed specifically at enhancing services for those in crisis and transitioning from inpatient or incarcerated settings. This includes recent regulations issued by the NYS Office of Mental Health (“OMH”) and DOH to enhance safe discharge planning from psychiatric inpatient units and emergency rooms, including screening for suicide risk and violence and connection with a community provider within seven days of discharge. The investments also created a number of ACT Teams, the Safe Options Support teams engaging with the chronically homeless and bringing over 800 individuals into permanent housing in the past year, funding for mental

¹[NYS Register September 14, 2022, Department of Health’s Notice of Adoption \(I.D. No. HLT-12-22-00003-A\)](#)

² [Summary of Express Terms](#)

health court navigators, funding to expand mental health courts, and funding to support 200 new state psychiatric inpatient beds. In addition, over 600 community hospital beds that were taken offline during COVID-19 have now been re-opened.

NYSIPA supports this change as well as additional investments in community-based services, including:

- \$83 million for Safe Options Support teams, Critical Time Intervention Teams and CPEPs; an increase of \$3 million
- \$2.8 million for Intensive and Sustained Engagement Teams (INSET)
- \$1.8 million earmarked for LGBTQ+ support through the New York State 9-8-8 mental health hotline, for a total of \$91.8 million
- \$1 million for a First Responder Behavioral Health Center of Excellence in Office of Addiction Services and Supports
- \$17.5 million for youth initiatives such as Teen Mental Health First Aid
- \$500,000 for two additional youth safe spaces
- \$22.5 million for the indigent care expenses of Certified Community Behavioral Health Clinics

NYSIPA also supports continued funding for the Community Health Access to Addiction and Mental Healthcare Project (CHAMP), a joint project of OASAS and OMH, which provides New Yorkers with assistance in addressing insurance related barriers that prevent or delay access and continuity of care for New Yorkers seeking mental health or substance use disorder treatment. CHAMP is a critical resource helping New Yorkers navigate and secure access to care.

3. NYSIPA SUPPORTS INSURANCE COVERAGE FOR GAMBLING ADDICTION (Part R, A10007/S9007)

NYSIPA supports these provisions to ensure coverage for gambling disorders. The language update various provisions of the Insurance Law to align with the recent changes in the Diagnostic and Statistical Manual of Mental Disorders (DSM-5) pertaining to substance-related and addictive disorders. These changes will require that patients with gambling disorders receive the same coverage and protection as substance use disorders, which is critical for preventing unnecessary delays or denials of treatment.

According to the American Psychiatric Association, “Substance use disorder in DSM-5 combines the DSM-IV categories of substance abuse and substance dependence into a single disorder measured on a continuum from mild to severe.” The DSM-5 established a new chapter on Addictive Disorders explaining “This new term and its location in the new manual reflect research findings that gambling disorder is similar to substance-related disorders in clinical expression, brain origin, comorbidity, physiology, and treatment. Recognition of these commonalities will help people with gambling disorder get the treatment and services they need, and others may better understand the challenges that individuals face in overcoming this disorder.”

New York State should update its laws to be consistent with these changes. This is imperative as New York State continues to see an increase in gambling disorders. OASAS reported a 7% increase in its calls to the HOPEline in 2023 as compared to 2022. OASAS also saw a 17% increase in patients accessing inpatient services for harms related to gambling in 2023 as compared to 2022 with a 6% increase for outpatient services. In a survey of over 3,400 individuals, OASAS found 65.2% reporting potential gambling harm or gambling disorder. Studies have also found that more than 40% of youth now gamble, perhaps attributed to the proliferation of mobile sports betting, and that young adults ages 18-24 are at high risk.

4. NYSIPA SUPPORTS PRIOR AUTHORIZATION REFORMS (Part HH, A10008/S9008)

NYSIPA supports proposed prior authorization reforms (Part HH, A10008/S9008), which include the following: (i) requiring that health plan formularies be publicly available and easily accessible; (ii) authorization of treatment of longer duration for chronic conditions; (iii) additional “continuity of care” coverage protections after a physician leaves a health plan; (iv) requiring health plans to publicly disclose their reasons for prior authorization denials and (v) additional data review and analysis as part of the Annual Consumer Guide. In proposing these reforms, the Governor recognizes, “...prior authorization has increasingly become a barrier to treatment.”

The latest data on prior authorization practices demonstrates the need for reform. The American Psychiatric Association conducted a survey of more than 1,000 psychiatrists which found that the majority of respondents reported prior authorization processes negatively impacted patient care and 66% had refrained from prescribing a preferred medication

because of a prior authorization requirement. Similarly, a 2024 survey of physicians by the American Medical Association found the following:

- 93% of participants reported that prior authorization delayed access to care
- 82% reported that prior authorization sometimes led to treatment abandonment; and
- 29% (1 in 4 physicians) reported prior authorization led to a serious adverse event for patient such as hospitalization, further impairment and even life-threatening events.

Any delay for those with chronic mental health/substance use disorders can result in increased acuity and exacerbation of symptoms, requiring a higher and more intensive level of care. Many physicians and staff spend upwards of two days completing prior authorizations, which vary from insurer to insurer. Forty-percent responded that they employ staff whose full-time job is managing prior authorizations.

These reforms are imperative to “removing unnecessary administrative burdens on providers and making sure critical care is neither delayed nor denied.”

5. NYSPA SUPPORTS INVESTMENTS IN THE WORKFORCE

NYSPA supports critical investments in the proposed FY 2026-27 budget to support the mental health workforce:

- **\$3 million** appropriation to DOH to provide for physician loan repayment awards to psychiatrists who are licensed to practice in New York State and who agree to work for a period of at least three years in one or more hospitals or outpatient programs that are operated by OMH and deemed to be in one or more underserved areas, as determined by the OMH Commissioner.
- **\$14 million** for the recruitment and retention of psychiatrists, psychiatric nurse practitioners, and other licensed mental health professionals in licensed programs with critical capacity shortages through the Community Mental Health Loan Repayment Program.

NYSPA stands with statewide mental health and substance use disorder provider and consumer advocacy organizations in urging that the Executive’s proposed 1.7% targeted inflationary increase for not-for-profit health and human services programs under OMH, OPWDD, and OASAS, among others, be increased by an additional 1% to 2.7%. A 2.7% raise is consistent with the current rate of inflation of 2.7%, according to the consumer price index. These entities are experiencing a statewide 20% - 30% vacancy rate, depending on provider type, and a 35% annual turnover rate, based on an August 2024 survey that sampled 43% of the total workforce in community OMH and OASAS programs. Given the ongoing mental health crisis, we continue to demand more of the community mental health system. As such, it is imperative New York make this investment.

6. NYSPA SUPPORTS INTEGRATION OF BEHAVIORAL HEALTH SERVICES (Part Q, A10007/S9007)

NYSPA supports the provisions outlined in Part Q of the Article VII budget legislation, which would create new sections of the Mental Hygiene Law, the Public Health Law, and the Social Services Law to jointly license integrated behavioral health services. This new provision would require OMH and OASAS to promulgate joint regulations regarding licensing standards and requirements to “...improve access, coordination, and clinical outcomes for individuals with co-occurring disorders/comorbidities.” This new initiative would provide clarity and reduce challenges previously associated with a framework for the licensure of integrated behavioral services.

7. SEEKING \$350,000 IN FUNDING FOR THE VETERANS MENTAL HEALTH TRAINING INITIATIVE

NYSPA, the Medical Society of the State of New York (MSSNY), and the New York State Chapter of the National Association of Social Workers (NASW-NYS) **are seeking funding in the 2026-2027 New York State budget** for the continuation and expansion of the Veterans Mental Health Training Initiative (VMHTI). The program educates both community mental healthcare providers and primary care healthcare providers on veteran-specific mental health issues including combat and service-related post-traumatic stress disorder, traumatic brain injury, suicide in veterans, substance use, military culture, women veterans’ mental health conditions including the impact of military sexual trauma and

counseling on lethal means safety to reduce suicide risk. To date, the initiative has trained over 20,000 community primary care and mental health practitioners. The funding requests for each organization are as follows:

NYSPA	\$100,000
MSSNY	\$100,000
NASW-NYS	\$150,000

The VMHTI has two pathways: (i) one led by NYSPA and MSSNY that trains primary care physicians and health practitioners from across the primary care specialties, including internal medicine, family practice, emergency medicine and OB-GYN and (ii) another led by the NASW-NYS, providing an accredited education and training program for community mental health workers. The trainings are also of benefit to psychiatrists whose practices have seen a dramatic influx of combat-related mental health problems. The program educates both community mental healthcare providers and primary care healthcare providers on veterans-specific mental health issues including service-related post-traumatic stress disorder, traumatic brain injury, substance use disorders, suicide and suicide prevention, as well as enhancing competency in military culture.

The VMHTI is equipping New York’s healthcare workforce to meet the challenges of combat veteran specific mental health and related problems, which is critical as data indicates that more than half of all military veterans will seek care from a health care provider in his or her community upon return from combat. Prior funding for the VMHTI has allowed the VMHTI to successfully train over 7,100 primary care physicians and practitioners through the NYSPA and MSSNY programs, and over 16,800 social workers and community mental health providers, including LMFTs, LMHCs, and licensed psychologists through the NASW-NYS program.

In addition to serving veterans, the initiative is expanding this year to also include training for community mental healthcare providers and primary care healthcare providers on the mental health challenges faced by our first responders. There is tremendous overlap in the types of mental health challenges and conditions first responders face due to the nature of their jobs and exposure to emergencies and traumatic events. In May 2024, the New York State Division of Homeland Security and Emergency Services released the results of a survey conducted as part of New York’s inaugural [first responder mental health needs assessment](#). The survey found that 80 percent of participants reported negative impacts to home life due to their work as first responder with 16 percent reporting suicidal thoughts at a rate higher than the general population, according to the Substance Abuse and Mental Health Services Administration (SAMHSA).³ In addition, 38% percent of survey respondents exhibited symptoms of PTSD, while many suffer from depression and anxiety.

Continued support of the VMHTI in the FY 2026/27 state budget remains essential as the U.S. Department of Veterans Affairs launched a new initiative to allow veterans in crisis to obtain care from facilities and physician practices outside of the VA. While this initiative will increase access to services, it will place an even greater reliance on private practices and community mental health practitioners for services not provided by the VA or when the VA is unable to meet the demand. ***For the above reasons, NYSPA, MSSNY and NASW-NYS urge that the final budget for 2026-27 include a \$350,000 appropriation in support of the VMHTI.***

8. PRESERVATION OF PRESCRIBER PREVAILS UNDER FEE-FOR-SERVICE MEDICAID AND MEDICAID MANAGED CARE

NYSPA appreciates that the Executive budget for FY 2026-27 does not propose the repeal of “prescriber prevails” under Fee-For-Service Medicaid and Medicaid Managed Care. There have been attempts over the years to repeal the authority of physicians and other qualified prescribers to make a final determination regarding medication prescribed to individuals covered under Medicaid Fee-for-Service and Medicaid Managed Care, commonly referred to as “prescriber prevails.”

Repealing this critical patient protection would jeopardize patient care as well as undercut initiatives the State has undertaken to reduce unnecessary and avoidable hospitalizations. A key component in sustaining and accelerating such a trend is assuring individuals are able to obtain the medications prescribed by their physician to alleviate symptoms of their physical and/or mental health conditions.

³ <https://www.news10.com/news/nys-survey-first-responders-facing-mental-health-challenges/>

As it stands, the Executive Budget for 2026-27 proposes what is characterized as “technical changes” to the Medicaid Preferred Drug Program Prior Authorization pursuant to section 273 of the Public Health Law, which applies when a prescriber prescribes a medication not on the preferred drug list (Part F, A10007/S9007). The changes remove reference to the Committee for Patient’s Use of Non-Preferred Drug and replaces it with reference to Drug Utilization Review Board (DURB). The changes also ensure the medical needs of pregnant persons and persons with an opioid use disorder are considered in making prior authorization decisions.

These technical changes do not impact the prescriber prevails provision in Section 273(3)(b), which reads, “... the prescriber may provide additional information to the program to justify the use of a prescription drug that is not on the preferred drug list. The program provides a reasonable opportunity for a prescriber to reasonably present his or her justification of prior authorization. If, after consultation with the program, the prescriber, in his or her reasonable professional judgment, determines that the use of a prescription drug that is not on the preferred drug list is warranted, the prescriber's determination shall be final.” There is a similar provision in the Social Services Law with respect to Medicaid Managed Care.

9. NYSPA OPPOSES SCOPE OF PRACTICE PROPOSALS (PART N A10007/S9007)

NYSPA joins other statewide medical specialty societies, which together represent tens of thousands of physicians across New York providing care to hundreds of thousands of patients each year, in opposing a proposal in Part V of the Executive Budget Health & Mental Hygiene Budget bill (A10007/S.9007) that would expand the authority of physician assistants (PAs) to deliver care without the oversight and collaboration of a physician. NYSPA urges that this proposal be removed in its entirety.

NYSPA recognizes PAs are undoubtedly an essential source of care delivery within our health care delivery system. However, we are very concerned that the proposal will change the essential oversight and coordination role that a trained physician plays in overseeing a patient’s care. This includes ordering diagnostic tests, evaluation of the effectiveness of various prescription medications and treatments and ongoing assessment of the patient’s response to treatment. All of these oversight functions are essential safeguards in assuring that lesser trained professionals do not overlook important elements of a patient's unique circumstances. As it stands, a law enacted in 2024 provided regulatory flexibility for PAs, including expanding the types of services they could provide and coordinate, such as ordering durable medical equipment and collaborating with nurses on various standing orders for patient treatment in hospitals. This newly enacted law must be evaluated for its effectiveness and its impact on patient safety before consideration of any more expansive measures that limit important oversight rendered by physicians. Patients are best served by a collaborative, team-based approach with a skilled physician overseeing care from a variety of health care providers.

10. NYSPA OPPOSES CHANGES TO EXCESS MEDICAL MALPRACTICE INSURANCE PROGRAM (PART D A10007/S9007)

NYSPA opposes Part D of the Health/Mental Hygiene Article 7 bill (A10007/S9007), which would shift 50% percent of the cost of the Excess Medical Malpractice Insurance program to the 15,000 physicians currently enrolled. This proposal was advanced several times in the past few years, but was rejected by the State Legislature, recognizing its adverse impact not only on physicians, but ultimately on patients. We urge the Legislature to again reject this proposal.

The Excess Medical Malpractice Insurance Program provides an additional layer of \$1M of coverage to physicians with hospital privileges who maintain primary coverage at the \$1.3 million/\$3.9 million level. The program was created in response to the liability insurance crisis of the mid-1980’s to address concerns among physicians that their liability exposure far exceeded available coverage limitations. Physicians legitimately feared that everything they had worked for all their professional lives could be lost as a result of one wildly aberrant jury verdict.

As proposed, Part D would shift \$40 million of new costs onto the backs of community-based physicians who are struggling to stay in practice to deliver needed care at a time when liability premiums have already gone up by 12% in the last three years on top of other inflationary increases and cuts in reimbursement. This program remains absolutely essential for maintaining patient access to expert specialized care as New York’s physicians and hospitals continue to incur the highest liability awards and costs in the nation.

The size of medical liability awards in New York State has continued to rise significantly and physician liability premiums

remain far out of proportion compared to the rest of the country. A recent report from Diederich Healthcare showed that in 2019, New York once again had the highest cumulative medical liability payouts of any state in the country, 68% more than the state with the second highest amount (Pennsylvania). It also had the highest per capita liability payment, 10% more than the 2nd highest state (Massachusetts). Excessive liability costs disproportionately impact physicians working in underserved communities who have experienced heightened financial strain from the pandemic. As a result, New York is regularly ranked among the worst among states in the country for physicians to practice medicine.⁴

NYSPA joins fellow medical specialty societies in opposing this ill-timed proposal, which would impact physician practices at a time when many are still seeking to recover losses stemming from the COVID-19 public health emergency as well as the forthcoming federal cuts coming to Medicaid and Essential Plan as part of HR1. Absent comprehensive liability reform to bring down New York's grossly disproportionate medical liability costs, maintenance of an adequately funded Excess Medical Malpractice Insurance Program is essential to ensuring the availability of skilled physician care in New York.

11. NOTABLE ABSENCE: NYSPA SUPPORTS CARVING MH/SUD OUT OF MEDICAID MANAGED CARE

NYSPA is disappointed that the Executive budget did not include a provision to carve mental health and substance use disorder services out of Medicaid managed care and instead provide these services on a Fee for Service basis. Prior to 2015, these services were provided on a fee for service basis. NYSPA has joined a broad array of stakeholders in support of the carve out, which is intended to address systemic managed issues, including delayed payment and lack of parity compliance, resulting in significant reductions in access to necessary care and treatment.

The carve in of these services into Medicaid managed care has proven detrimental to the ability of New Yorkers to secure the mental health and substance use disorder care they need in a timely fashion. Since 2019, over 300 citations have been issued by state regulators against Medicaid managed care companies for serious violations, including failing to pay the required rates and inappropriate claim denials. Now is the time for New York State to transition these services back into fee-for-service as we continue to contend with a mental health crisis and looming federal changes that will impact the entire health and mental health system.

⁴ <https://wallethub.com/edu/best-and-worst-states-for-doctors/11376>