



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

Senator Brad Hoylman Introduces Bill Authorizing Medicaid to Cover Long-Term Stays in Large Mental Health Care Facilities

BRAD HOYLMAN-SIGAL March 11, 2022

| ISSUE: [ACCESS TO MENTAL HEALTH SERVICES](#), [MEDICAID](#), [MENTAL HEALTH](#), [SD 27](#), [SENATOR BRAD HOYLMAN](#)

NEW YORK—Senator Brad Hoylman (D/WFP-Manhattan) has introduced a new bill ([S.8422](#)) to direct New York State to apply for a Medicaid waiver so the State can reimburse long-term stays in large residential mental health institutions. Currently, states are prohibited from using Medicaid funds to cover stays in mental health facilities with more than sixteen patient beds, a provision known as the exclusion for institutions for mental disease or “IMD Exclusion,” without a waiver from the federal government.

On [February 9](#), during a legislature budget hearing, Senator Hoylman pressed the NYS Medicaid Director Brett Friedman to apply for a waiver from the federal government to allow Medicaid to cover these stays. This legislation would authorize the use of medical assistance funds for that purpose upon grant of the waiver.

Senator Hoylman said: “Every New Yorker who rides the subways or walks the streets of Midtown knows that our city and state are in the midst of a mental health crisis compounded by the pandemic. But despite this growing need, New York has lost 12% of its certified inpatient psychiatric beds over the last two decades. My new legislation will allow critical Medicaid funding to be used to help increase the number of psychiatric beds throughout the state just when we need it most.”

Medicaid currently excludes payments to “institutions for mental diseases” (IMDs), meaning a hospital, nursing facility, or other institution of more than sixteen beds primarily engaged in mental health care and related services, for adults aged twenty-one to sixty-four.

New York is experiencing a severe shortage of in-patient mental health care options, especially for those suffering from serious mental illness, and the lack of Medicaid reimbursement for large institutions fails to provide an incentive for the provision of these services.

New York can apply for an 1115 waiver (42 USC § 1315) to expand eligibility and reimbursements for IMDs. As of February 1, 2022, eight states and DC have been approved for these waivers: DC, Idaho, Indiana, Maryland, Oklahoma, Vermont, Utah, and Washington. Six states have waivers pending: Alabama, Massachusetts, Montana, New Hampshire, and Vermont.

This bill directs the Commissioner of Health to apply for a federal waiver to the IMD exclusion so that the state can leverage federal dollars to address the state's serious mental health crisis.

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