

To: Senate Finance and Way and Means Committees
From: David Lloyd, Chief Policy Officer
Date: February 4, 2026
Re: Mental Hygiene Budget

Overview

Inseparable appreciates the Legislature’s leadership in advancing access to mental health and substance use care and strengthening New York’s behavioral health system. We write in support of key mental health investments in the Governor’s Executive Budget proposal, including proposals that strengthen New York’s crisis response continuum and expand prevention and early intervention efforts for youth.

We also urge the Legislature to include in their one-house budget proposals and the enacted budget several critical reforms that would help ensure New Yorkers can access timely, appropriate, and affordable behavioral health care and strengthen school-based mental health services through more effective use of Medicaid funding, including S999 (Brouk) / A1786 (Reyes), S5241 (Fernandez) / A6648 (Hunter), and S8426-A (Brouk) / A8839 (Simon).

Support for Executive Budget Investments

Inseparable applauds the Governor’s inclusion of proposals that reinforce New York’s mental health infrastructure and respond to growing needs among youth and families.

Strengthening New York’s Crisis Response Continuum, Including 988 and LGBTQ+ Youth Supports

Inseparable strongly supports the Governor’s commitment to strengthening New York’s crisis response continuum, including continued investment in the **988 Suicide & Crisis Lifeline** and specialized supports for youth.

We especially appreciate the Governor’s proposal to respond to the loss of the federally funded specialized 988 service for LGBTQ+ youth, which previously served thousands of young people each month. Governor Hochul’s plan to direct the Office of Mental Health (OMH) to partner with a national crisis center so that LGBTQ+ youth in New York can continue to reach trained crisis counselors is a critical intervention that will save lives.

We also support the proposal to:

- Train hundreds of local 988 crisis counselors to better respond to the specific concerns LGBTQ+ youth face; and
- Expand supportive infrastructure for LGBTQ+ New Yorkers through a new legal hotline and resource website, including information about legal rights, housing, and healthcare.

Finally, to ensure New York's 988 system remains strong and reliable over time, we urge the Legislature to establish a dedicated 988 telecommunications fee to create a sustainable, long-term funding source for crisis services. We support Assemblymember Cunningham's bill, A4108, to provide the stable funding needed to maintain and expand 988 crisis capacity statewide.

The state's crisis response system must meet all New Yorker's, particularly young and those most at risk, where they are, and this proposal is a strong example of targeted, practical investment that will improve access to crisis care and strengthen outcomes.

Expanding Prevention and Early Intervention, Including Mental Health First Aid for 10th Graders

Inseparable endorses the Governor's proposal to make **Teen Mental Health First Aid training available to all 10th grade students statewide**, a first-in-the-nation initiative that recognizes the critical role peers play in identifying and responding to mental health challenges.

Research shows that when young people are equipped with appropriate training, they can recognize warning signs, respond effectively in both crisis and non-crisis situations, and help connect their peers to support—interventions that can improve outcomes and save lives. Because adolescents are often the first people their peers turn to, equipping students with these skills is a powerful prevention and early-intervention strategy.

By investing in Teen Mental Health First Aid, New York is making a smart, upstream investment that will:

- Strengthen early identification of mental health and substance use challenges
- Reduce stigma and normalize help-seeking among young people
- Empower students and adults with practical, evidence-based tools
- Better equip students graduating high school with essential mental health skills

This initiative complements the State's broader crisis response and school-based mental health efforts and represents a meaningful step toward building a more resilient generation of New Yorkers.

Priority Legislative Requests for Inclusion in the Final Budget

While we appreciate the Governor's proposals, New York families will continue to struggle to access mental health and substance use care unless the state also addresses persistent barriers within the private insurance system and strengthens the infrastructure that supports school-based mental health services.

Across the country, health care costs continue to rise for families, employers, and the state alike. As premiums, deductibles, and out-of-pocket costs increase, it is more important than ever to ensure that insurance companies are delivering the care they promise, particularly for mental health and substance use services, where access gaps remain widespread despite longstanding parity requirements.

We respectfully urge the Legislature to include the following three reforms in the final enacted budget.

Strengthening School-Based Mental Health Services Through School Medicaid

Recognizing that schools are an important venue for mental health, Inseparable also urges the Legislature to prioritize improvements to New York's school Medicaid program so that schools can more effectively draw down available federal funding to support student health and mental health services.

New York is currently leaving significant federal Medicaid dollars on the table. States can receive reimbursement for more than 50% of the cost of eligible school-based services currently paid for with state and local funds, resources that could be reinvested to expand services for students. However, New York's existing school Medicaid reimbursement program is complex and fragmented, creating barriers that make participation difficult for many school districts, particularly those in rural and underserved communities.

Today, school-based mental health funding is spread across multiple state agencies, and billing rules are often opaque and burdensome. As a result:

- Schools struggle to understand which services and provider types are eligible for reimbursement
- Administrative complexity discourages district participation
- Federal funds that could support student mental health services go unclaimed

To address these challenges, Inseparable supports the establishment of a **New York School Medicaid Task Force** to bring together state agencies, school leaders, and subject-matter experts to:

- Coordinate school-based health and mental health funding across agencies
- Identify gaps in services and unmet local needs
- Ensure all eligible services and provider types are covered
- Streamline Medicaid billing to make participation accessible for districts of all sizes

We also support efforts to expand New York's school Medicaid program, including legislation such as S999 / A1786, and believe a School Medicaid Task Force is a necessary step to ensure that expansion is implemented successfully and equitably. Establishing the Task Force would help ensure that when the program is expanded, districts, urban, suburban, and rural alike, can meaningfully participate and maximize available federal funding.

By improving coordination, reducing administrative barriers, and strengthening access to federal reimbursement, New York can better support school-based mental health services while making smarter use of public dollars to improve outcomes for students statewide.

Ensuring Timely, Meaningful Access to In-Network Mental Health and Substance Use Care (S5241 / A6648)

With high health insurance premiums, families reasonably expect that the coverage they are paying for will translate into timely, affordable access to care. Yet too many New Yorkers with private insurance continue to encounter delays, denials, and treatment interruptions when seeking mental health and substance use services.

S5241 / A6648 would strengthen consumer protections by establishing clear, evidence-based standards for medical necessity and limiting insurers' ability to deny or restrict doctor-prescribed care using opaque or inconsistent criteria. Too often, individuals face:

- Delays and denials driven by non-clinical rules
- Inconsistent application of “medical necessity” standards
- Financial strain when insurers deny coverage for care included in their health plan

This legislation would help ensure that decisions about medically necessary care are guided by clinical best practices and provider judgment, not insurance company strategies to increase profits, so families can access care when they need it, without unnecessary delays or financial harm. Simply put, this policy will provide more predictability and affordability for New Yorkers to address their mental health needs.

Preventing Discrimination and Enforcing Parity in Mental Health Coverage in the Face of Federal Rollbacks (S8426-A / A8839)

At a time when untreated behavioral health conditions are driving higher health care costs, enforcement of mental health and substance use parity protections is more important than ever. Unfortunately, the federal government has signaled a retreat from robust enforcement of parity laws, with the Trump Administration refusing to enforce strengthened federal parity regulations and indicating that it may roll back key protections altogether.

As federal oversight weakens, states must act to ensure that insurance companies do not shift costs onto patients by restricting access to mental health and substance use care in ways that would not be tolerated for physical health services.

S8426-A / A8839 would protect New Yorkers’ rights to equal mental health and substance use treatment by preventing rollbacks in federal parity protections that weaken their ability to access the care they need. This legislation would reinforce state-level oversight and accountability at a moment when federal protections have been under attack.

Including this bill in the final budget would help New York:

- Protect residents from discriminatory insurance practices as federal parity rights are weakened
- Ensure the state continues to lead on mental health parity despite federal attacks
- Identify persistent access gaps and hold health plans accountable for behavioral health performance

By acting now, New York can safeguard longstanding parity protections, prevent backsliding, and ensure that families can access mental health and substance use care before needs

escalate into crisis—rather than relying on emergency services as a substitute for routine treatment.

Conclusion

Inseparable appreciates the Governor’s inclusion of meaningful behavioral health investments in the Executive Budget, especially those that strengthen 988 crisis response capacity and expand youth mental health prevention initiatives, including mental health first aid training for 10th graders.

To ensure the final budget delivers real, measurable improvements for New Yorkers, we urge the Legislature to include A4108, S999 / A1786, S5241 / A6648, and S8426-A / A8839 in their one house budget proposals and in the enacted budget. Together, these measures would provide sustainable funding for crisis services, equip young people with tools to support one another before crises occur, strengthen school-based mental health capacity through improved Medicaid coordination, and ensure that insurance coverage for mental health and substance use care delivers timely, nondiscriminatory access—particularly as federal parity protections face increasing uncertainty.

Thank you for your leadership and for the opportunity to provide comments. Inseparable welcomes the chance to serve as a resource to the Committee throughout the budget process.