



Office of Mental Health

ANDREW M. CUOMO

Governor

ANN MARIE T. SULLIVAN, M.D.

Commissioner

MARTHA SCHAEFER

Executive Deputy Commissioner

Date: November 18, 2015

Subject: Cost of Living Adjustment (COLA) Increase-Affected Outpatient Programs

Dear Managed Care Organization,

Effective April 1, 2015, there is an increase to outpatient provider rates for Salary and Salary Related Fringe Benefit Costs for Certain Staff at Not-for-Profit Providers. This letter is being sent to all MCOs to alert them of this increase to ensure that compliance to the government rates mandate is followed. The cost of living adjustment (COLA) increase affects the following outpatient programs:

- Clinic
- Continuing Day Treatment (CDT)
- Comprehensive Psychiatric Emergency Program (CPEP)
- Intensive Psychiatric Rehabilitation Treatment (IPRT)
- Partial Hospitalization
- Personalized Recovery Oriented Services (PROS)

The rates became effective April 1, 2015 and were loaded into the 3M grouper pricer (for clinics) on October 29, 2015. The OMH website has also been updated with the [new rates](#).

The compliance deadlines for Plans to reimburse at the government rates are dictated by the individual contracts between the MH programs and the managed care plans. A few examples:

For Clinics:

- If a clinic's contract with a Plan states that the Plan will pay the rate in effect on the date of service, the date for compliance will be November 18, 2015, the date of this notification.
- If a clinic's contract with a Plan states that the Plan will begin paying the updated rate 30 days from the start date for the rate increase, the date for compliance will be December 18, 2015.
- If a clinic's contract with a Plan does not state a time frame for paying a rate change, the date of service for compliance will be April 1, 2015, the effective date of the Medicaid rate increase.



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Please note that the Plan may elect to reprocess clinic claims back to April 1, 2015 even if their contract states a later date. In addition, as stated above, the rates were loaded into the 3M grouper pricer for MH clinics on October 29, 2015. If you have the 3M APG grouper pricer you are likely paying the government rates now.

For all outpatient programs other than Clinic:

- If a program's contract with a Plan states that the Plan will pay the rate in effect on the date of service, the compliance date for the rate increase will be November 18, 2015, the date of this notification.
- If a program's contract with a Plan states that the Plan will begin paying the updated rate 30 days from the start date for the rate increase, the date for compliance will be December 18, 2015.
- If a program's contract with a Plan does not state a time frame for paying a rate change, the start date will be October 1, 2015, the first day of the behavioral health transition to managed care.

Please note that the Plan may elect to reprocess claims back to October 1, 2015 even if their contract states a later date.

If you have any questions regarding these changes please contact at [Financial Planning](#) or 518-474-6911.