

**TESTIMONY OF KAYLEIGH ZALOGA, PRESIDENT & CEO**

**NEW YORK STATE COALITION FOR CHILDREN'S BEHAVIORAL  
HEALTH**

**PRESENTED TO THE SENATE FINANCE COMMITTEE AND THE  
ASSEMBLY WAYS AND  
MEANS COMMITTEE**

**JOINT LEGISLATIVE BUDGET HEARING ON MENTAL HYGIENE**

**FEBRUARY 4, 2026**

Thank you, Chairs Krueger, Pretlow, Brouk, and Simon for this opportunity to submit testimony to the State Fiscal Year 2026 Joint Budget Hearing on Mental Hygiene. I am Kayleigh Zaloga, President and CEO of the New York State Coalition for Children's Behavioral Health (CCBH). We represent 50 nonprofit agencies that collectively provide residential and community-based services to nearly 200,000 youth per year and employ over 21,000 staff. Our goal is to ensure children and families have timely access to vital services.

The need for behavioral health services among children and families continues to grow, greatly outpacing the capacity and resources of the existing continuum of care. This fact has been borne out by the recent settlement (hereinafter "the settlement") in the class action lawsuit *C.K. v. McDonald*, which alleged New York State failed to deliver timely, appropriate access to community-based mental health services for Medicaid-eligible youth.<sup>1</sup> A comprehensive study of the children's outpatient behavioral health Medicaid system corroborates the wide scope of access disparities, finding only 1 out of 4 young people who need care are actually receiving it.<sup>1</sup>

The consequences for these families can be dire. One mother at the center of *C.K. v. McDonald* spent months trying to secure Medicaid-covered community-based mental health care for her son, who had severe behavioral health needs, only to find that the few providers who accepted Medicaid were stretched beyond capacity. As her son's condition deteriorated without treatment, repeated crises followed, escalating to the point that law enforcement intervened and her son was taken to an emergency room, where he was restrained and sedated. That is what happens when community-based care is unavailable.

The harsh reality is that our foundation of care in this sector has been left to erode, patched over too many times without deep, meaningful investment and policy changes. The settlement has exposed cracks in the bedrock of our system. But the settlement also provides an opportunity for repair and improvement: in it, the state agreed to develop a roadmap for the redesign of services, to improve reimbursement rates for providers, and to undertake needed administrative reforms within the next 18 months. This is indeed an opportunity for change that we cannot miss, as it will set the stage for the next decade of care for youth and families in our state.

**To start, we recommend an immediate investment of \$200M in the Medicaid outpatient children's behavioral health system** to begin to stabilize the foundation of care and to improve access for the 3 out of 4 youth who need care but are not receiving it. This sum has been recommended by CCBH and partner advocates in the past two budget cycles, and we thank the legislature for your support in the respective one-house budgets last cycle.

**Unfortunately, the SFY 2027 Executive Budget fails to adopt this recommendation, or make any new investment in youth behavioral health services.** We again urge the houses to appropriate \$200M to address this immediate need and begin to fulfill the state's legal and moral obligation in the settlement.

We know that when we help young people and families early, lifelong outcomes in all areas are

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<sup>1</sup> <https://s3.amazonaws.com/media.cccnewyork.org/2025/01/hmhk-waitlist-survey-1-14-2025-319.pdf>

improved. We must strengthen access to care for kids and adolescents across the full continuum, including services for those with the most complex behavioral health challenges. Investing in the above-mentioned services, as well as more intensive care provided in residential and community-based wraparound programs, is essential to improving outcomes now and into adulthood.

A 2025 study commissioned by CCBH and the Council of Family and Child Caring Agencies (COFCCA)<sup>2</sup> shows a higher concentration of youth with complex behavioral health needs in counties with higher poverty rates, and a very clear correlation between the lack of access to outpatient behavioral health services and high emergency department utilization. Our under-resourced system is failing these families.

We can and must do better, and we look forward to working with you to ensure all young people and families receive quality behavioral healthcare when and where they need it.

We respectfully submit our positions on the Governor's SFY 2027 Executive Budget, as well as additional recommendations for consideration. Please find attached a copy of our budget and policy priorities. Thank you for this opportunity. You can reach me at [kayleigh@ccbhny.org](mailto:kayleigh@ccbhny.org) if you have any questions or wish to discuss this testimony further.

### **Article VII Policy Proposals**

- **OPPOSE HMH, Part M** – This proposal eliminates continuous Medicaid eligibility for children aged 0-6 and removes presumptive eligibility for young people in Medicaid and Child Health Plus. We understand that this action is being taken to comply with provisions of H.R. 1; we urge that it not be done sooner than required and that the state implement stop gap measures to ensure the same level of care and coverage are provided.

The proposal also limits access to applied behavior analysis (ABA), a therapy that many youth with developmental disabilities rely on.

- **SUPPORT and INCREASE FUNDING for HMH, Part P** – Support the 1.7% Targeted Inflationary Increase (TII) for mental health and human services programs and **urge an increase to a total TII of 2.7%**. The statewide job vacancy rate among the behavioral healthcare sectors sits at an average of 20%–30% by provider type, with a turnover rate of 35%. This modest increase is critical to assist providers in paying a wage that better keeps pace with inflation and that *begins* to reflect the level of stress and trauma associated with many direct care positions in the sector. A 2.7% investment will directly support the backbone of the children's behavioral healthcare continuum.

- **SUPPORT HMH, Part Q** – This proposal authorizes OMH and OASAS to issue an integrated Behavioral Health Services Program license. We generally support this licensing

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<sup>2</sup> [https://www.ccbhny.org/\\_files/ugd/c21784\\_07dff1f673a34b579285ac51cd50ca6b.pdf](https://www.ccbhny.org/_files/ugd/c21784_07dff1f673a34b579285ac51cd50ca6b.pdf)

framework, which recognizes the need to deliver mental health and SUD care collaboratively and seamlessly. Allowing providers to serve individuals at one location and through a more collaborative network of practitioners would also improve ease of access to services for the community. It is critical that the statutory language and ensuing regulations provide the necessary authorizations for providers serving young people to apply for the joint license as we see many teens and young adults in need of SUD services, including a growing number of this cohort with problem gambling. Further, we urge OMH and OASAS to ensure Medicaid reimbursement rates are set at levels that reflect the actual cost of providing care, including recognition of related startup costs.

- **SUPPORT HMM, Part R** – This part clarifies that commercial health insurance plans regulated by DFS cover “substance-related and addictive disorder,” ensuring treatment for gambling disorders is provided for. The update sensibly conforms the law with existing standards under Mental Hygiene Law. We support this and all coverage parity actions which afford commercial health plan enrollees to receive the same access to behavioral health services as those offered to Medicaid beneficiaries.

- **SUPPORT ELFA, Part C** – We support the creation of the New York Opportunity Promise Scholarship program at SUNY and CUNY community colleges for high-demand fields. **CCBH urges that behavioral health related degrees be added to the proposed program.** This would align with other state initiatives to promote mental health professions, including the OMH Community Mental Health Practitioner Loan Repayment Program and the 1115 Waiver workforce components.

- **SUPPORT, TED PART T** – CCBH supports the proposed requirement for DFS to collect detailed utilization review information regarding pre-authorization claim request approvals and denials from insurers and the publication of this information in the annual Consumer Guide. Families and providers consistently face pre-authorization barriers when trying to access care, often delaying critical and timely treatments and intervention. This action will provide a better understanding of this issue, and we urge further action to reduce red tape in this area.

The proposal also expands the period in which insurers must cover out-of-network (OON) treatment for new enrollees from 60 to 90 days when continuing an ongoing course of treatment. It further eliminates the current standards of “life threatening disease or condition or a degenerative and disabling disease or condition” to be eligible for the 90 days of OON coverage and requires OON coverage for the duration of pregnancy and postpartum care for new enrollees. We support this action and urge strict monitoring and enforcement by DFS to ensure compliance, particularly in treatment of behavioral health conditions.

### **Appropriations:**

- **ADD \$200M** to support Medicaid rate increases for four categories of children’s behavioral health services – Home and Community Based Services, Children and Family Treatment and Support Services, Article 31 Clinics, and Article 32-822 Services

- **ADD \$25M** in resources for the Council on Children & Families and their partner agencies to better respond to and treat young people with complex behavioral health needs

- **ADD \$100M** to the Clinic Safety Net uncompensated care pool that supports Article 31 mental health outpatient providers that serve uninsured New Yorkers. As more federal limitations strip families of their healthcare coverage, mental health providers *will* see a significant increase in uninsured individuals seeking care. We must acknowledge this inevitability and prepare to support providers that are committed to treating all individuals who need care. Otherwise, more clinics will close, and the communities that rely on them will suffer an even more dire lack of access to mental healthcare.

- **SUPPORT the \$18M** appropriation for the Community Mental Health Practitioner Loan Repayment Program, including the \$4M carveout for practitioners serving children

- **SUPPORT the \$1.8M** in funding to ensure LGBTQIA+ Youth have access to behavioral health services

- **SUPPORT the \$664,000** investment to improve Mental Health care access to Indigenous youth

- **SUPPORT \$17.5M** in funding to expand Teen Mental Health First Aid to all 10<sup>th</sup> Grade students statewide

- **SUPPORT the \$500,000** investment to add two new Youth Safe Spaces