



FY 2026 Mental Hygiene Hearing

Families and Youth Are Waiting.

For resources. For treatment. For support.

The Families Together 2026 Policy Agenda is created by families and young people with social, emotional, behavioral and cross-systems challenges.

Thank you, Chairs and Members of the Senate and Assembly, for the opportunity to provide testimony today. Families Together in New York State (FTNYS) is a statewide, family-led organization representing families and young people with lived experience navigating New York's mental health, addiction, child welfare, juvenile justice, developmental disability, education, and social service systems. FTNYS also serves as the organizational home of the Family and Youth Peer Support Movement in New York State.

Through our work with families, youth, and peer advocates across the state, we see the realities of New York's youth behavioral health system every day. Families and young people are asking for help earlier and more often, yet too many encounter closed programs, months-long waitlists, fragmented care, and services that are unavailable when they are needed most. These challenges are not the result of a lack of engagement by families. They are the result of systemic barriers, workforce shortages, unsustainable funding structures, and administrative hurdles levied by managed care companies that restrict access to care even when need is urgent.

From the moment a parent realizes their child needs behavioral health support, they act with urgency. Too often, that urgency is met with indifference. Parents make countless calls searching for in-network providers, only to encounter paused intakes, understaffed programs, and opaque coverage rules. Providers who want to deliver care are instead forced to spend limited time navigating delayed payments, denied claims, and excessive administrative requirements. Healing is delayed, and families are pushed closer to crisis, resulting in school disruptions, emergency room visits, hospitalization, or worse.

This Is a Youth Mental Health Crisis: Families Need a Workforce, Not Waitlists

New York's youth mental health crisis cannot be addressed without stabilizing the community-based workforce that delivers care. Human services workers including clinicians, Family Peer Advocates, and Youth Peer Advocates are leaving the field because wages have not kept pace with inflation. Programs struggle to recruit and retain staff, reducing service capacity and disrupting continuity for families who rely on trusted relationships to navigate complex systems.

A meaningful Targeted Inflation Increase (TII), formerly known as the COLA is essential to stabilizing the workforce across mental health, substance use disorder, and other human service programs. FTNYS urges the Legislature to include a 2.7% Targeted Inflation Increase in the FY 2026 enacted budget to ensure providers can retain staff, keep programs open, and meet growing demand. Without this investment, waitlists will continue to grow and access will remain out of reach for many families.

Family and Youth Peer Support Must Be Protected and Expanded

Family and Youth Peer Support services are among the most effective and trusted supports in New York's behavioral health system. Family Peer Advocates (FPAs) and Youth Peer Advocates (YPAs) use lived experience to help families navigate services, reduce isolation, prevent crisis escalation, and support long-term stability. These services are culturally responsive, relationship-based, and cost-effective, yet they remain underfunded despite rising demand.

FTNYS urges the Legislature to:

- **Add an additional \$5.5 million in flexible State Aid to Localities funds (Program Code 1650) to support Family and Youth Peer Support services regardless of insurance status; and**
- **Raise reimbursement rates across peer support services** by aligning peer support reimbursement rates across all settings with the **150% rate increase provided to clinical settings under the Mental Health Outpatient Treatment and Rehabilitative Services (MHOTRS) Program.**

Without these investments, peer programs remain vulnerable to staffing losses and closures leaving families without one of the most effective entry points into care.

Medicaid Managed Care Is a Barrier to Access. Behavioral Health Must Be Carved Out

FTNYS strongly supports carving behavioral health services out of Medicaid Managed Care. Profit should never come before access to care, especially in a public program like Medicaid. While New York has enacted strong mental health parity laws, families continue to experience delays and denials of care. The same misalignment that has long plagued commercial insurance is now confronting families who rely on Medicaid.

Parents act with urgency to secure care for their children. Providers are ready to deliver that care. But managed care organizations have a financial incentive to delay, deny, or restrict services. Parents make repeated calls searching for in-network providers while short-staffed programs maintain months-long waitlists. Meanwhile, providers spend precious time chasing delayed payments and appealing denied claims instead of delivering care. Managed care organizations extract hundreds of millions of public dollars each year that were intended to support families most in need. In a public program like Medicaid, access to care must never be subordinated to profit.

FTNYS urges the Legislature to carve mental health and substance use disorder services out of Medicaid Managed Care and reinvest at least \$400 million in savings into community-based services. This reform would reduce administrative burden, improve accountability, and ensure public dollars are directed toward timely, appropriate care for children, youth, and families.

Expanding Access to Community-Based Youth Mental Health Services

In addition to workforce and system reform, New York must expand the availability of community-based youth mental health services. FTNYS urges the Legislature to **add \$195 million to rates for outpatient clinics, Child and Family Treatment and Support Services (CFTSS), and Home and Community-Based Services (HCBS)** to expand access for **26,000 additional children, youth, and families** covered by Medicaid and Child Health Plus. Early, community-based intervention is critical to preventing crises and reducing reliance on emergency and inpatient care.

FTNYS FY 2026 Youth Mental Health Budget Priorities

FTNYS urges the Legislature to include the following investments in the FY 2026 enacted budget:

- Add **\$5.5 million** in flexible State Aid to Localities (Program Code 1650) for Family and Youth Peer Support services
- Align peer support reimbursement rates across all settings with the **150% MHOTRS clinical rate increase**
- Add **\$195 million** to outpatient clinics, CFTSS, and HCBS youth mental health services to expand access for 26,000 children and families
- Enact a **2.7% Targeted Inflation Increase (TII)** for mental health, substance use disorder, and other human service programs
- **Carve behavioral health services out of Medicaid Managed Care** and reinvest at least **\$400 million** into community-based care

Families and young people across New York are clear about what they need: timely access to services, trusted relationships with providers, and systems designed to support not obstruct healing. The FY 2026 enacted budget is a critical opportunity to respond to this crisis with urgency and intention.

Thank you for your attention to these urgent issues and for the opportunity to submit testimony on behalf of Families Together in New York State. We urge you to act decisively to ensure New York's families and young people receive the care and support they deserve

Sincerely,
Families Together in New York State