



NEW YORK STATE PSYCHOLOGICAL ASSOCIATION

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MEMORANDUM IN OPPOSITION

January 26, 2026

S.9007/ A.10007 - Health and Mental Hygiene Article VII - §1 of Part M

Eliminating Medicare/ Medicaid Crossover Payments for Psychological Services

This memorandum in **opposition** is written on behalf of the New York State Psychological Association (NYSPA), which is the statewide professional association for licensed psychologists in New York State. The mission of the Association is to advance the science and practice of psychology as a means of promoting human welfare. Affiliated with the American Psychological Association (APA), NYSPA is composed of 16 divisions and 12 regional affiliates, along with representatives from various practice areas such as addiction, clinical psychology, adult development and aging, and school psychology.

Section one of Part M (S.9007/A.10007) would eliminate Medicare and Medicaid crossover payments for psychologists' services for individuals covered by both public insurance programs (dually eligible individuals). Under the provisions, dually eligible patients would be precluded from accessing the benefits of both coverages for psychological services. Medicare, as the primary insurance carrier, typically covers up to 80 percent of the Medicare allowable amount for dually eligible individuals. The Governor's proposal would preclude Medicaid from covering the remainder, imposing a cut to fees that have already been reduced by as much as 20 percent since 2003 by the federal government, even as the cost for providing these services has continued to increase.

Dual eligible patients are some of the most vulnerable and suffer from a wide range of mental health conditions. Access to quality outpatient care is essential to protect these patients, as well as to assist them in avoiding a cycle of hospitalizations, which they default to in the absence of accessible care. Many of these high-need individuals, who access psychological services in a variety of settings, have already experienced frequent hospitalizations, which in turn places high-cost burdens on our health care system. Decreased reimbursements will cause a critical lack of access to quality care, and will further increase hospitalizations, emergency room visits, and increase the overall cost of health care for this population.

The state does not anticipate savings in year one (FY 2027) of the proposed change but hopes to achieve savings in FY 2028. The impact on providers may in fact be untenable - and the impact on access for individuals that rely on these critical services will be far greater. In many instances,

providers whose margins are already extremely slim will be forced to severely limit their services or even close their practices. Other providers that may be able to absorb the cost of this reimbursement cut will be forced to evaluate and make substantial changes to their business model, which may result in limiting access to services. The bottom line is that this proposal will result in providers going out of business and will force others to curtail services to these populations, impeding access for dually eligible individuals in nursing homes and in the community.

For the reasons stated above, the New York State Psychological Association **STRONGLY OPPOSES** this budget proposal.