



Legislation Text

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Res. No. 88

Resolution calling upon the United States Congress to pass and the President to sign legislation to fully repeal the Institutions for Mental Diseases Exclusion from the Social Security Act to allow states to use federal Medicaid funding to provide mental health and substance use disorder treatment services to adult Medicaid beneficiaries at Institutions for Mental Diseases.

By Council Members Holden, Stevens, Yeger and Bottcher

Whereas, The Institutions for Mental Diseases (IMD) Exclusion rule has been in place since the beginning of the Medicaid program in 1965 and prohibits the use of federal Medicaid funds to finance services for adults ages 22-64 residing in institutions for severe mental illness, which include hospitals, nursing homes, or other institutions with more than 16 beds that primarily provide diagnosis, treatment, or care for persons living with severe mental illness; and

Whereas, The New York State Office of Mental Health (OMH) operates inpatient mental health care at 24 state psychiatric centers that are classified by the federal government as IMDs-9 of which are known as “Forensic” facilities and serve justice-involved children and adults-and regulates roughly 100 programs operated within general hospitals, also known as “Article 28” facilities; and

Whereas, According to the New York City Mayor’s Office of Community Mental Health, in 2021 there were approximately 280,000 adults living with serious mental illness in New York City; and

Whereas, Nationwide, the public mental healthcare system has shifted from an inpatient to an outpatient treatment model through a process referred to as “deinstitutionalization” to reduce the number of individuals in psychiatric centers; and

Whereas, Under the Cuomo administration, deinstitutionalization efforts were made through the Transformation Plan, which relies on community-based mental health treatment to reduce the average daily

census and total number of beds at state psychiatric centers; and

Whereas, Deinstitutionalization has inadvertently placed a heavy financial burden on general hospitals, homeless shelters and NYC jails, all of which have a limited capacity to provide services to individuals living with mental illness; and

Whereas, In New York state, there are more adult psychiatric-care beds located in general hospitals than in state psychiatric centers, which include 4,676 beds in general hospitals compared to only 2,336 beds in state psychiatric centers; and

Whereas, NYC Health and Hospitals (H+H) is the leading provider of inpatient psychiatric care in NYC with 11 H+H facilities that provide 1,219 beds for adult inpatient psychiatric care; and

Whereas, In 2018, there were a total of 28 mental health shelters in NYC and the number of New Yorkers experiencing homelessness and living with serious mental illness has been on the rise according to ThriveNYC; and

Whereas, As of 2018, Rikers Island jail complex is one of the three largest providers of psychiatric care in the United States, with over 40% of the population having a mental health diagnosis and over 10% having a serious mental health diagnosis; and

Whereas, The Centers for Medicare and Medicaid Services (CMS) updated the IMD managed care rules in 2016 to allow federal reimbursement of short stays only of 15 days or fewer in IMDs in Medicaid managed care systems; and

Whereas, In 2018, Congress partially repealed IMD Exclusion by passing the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act or the “SUPPORT for Patients and Communities Act,” which provides federal funding for residential substance-use disorder treatment; and

Whereas, A full repeal that extends to all Medicaid beneficiaries and removes inpatient-day limitations, would allow for better outcomes and provide treatment to adults living with acute and chronic serious mental

illness at IMDs; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the United States Congress to pass and the President to sign legislation to fully repeal the Institutions for Mental Diseases Exclusion from the Social Security Act to allow states to use federal Medicaid funding to provide mental health and substance use disorder treatment services to adult Medicaid beneficiaries at Institutions for Mental Diseases.

Session 12

AH

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Session 11

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