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Fiscal Year 2027 State Budget Fails to Make Critical Investments in Children's Behavioral Health Services

New York, NY — The Campaign for Healthy Minds, Healthy Kids (HMHK) is deeply disappointed that the Fiscal Year 2027 State Budget fails to invest in children's behavioral health services at a time of heightened need.

Across New York, children and families experience unacceptably long waitlists for behavioral health services, contributing to greater risk of hospitalizations, police involvement, lost education, family anxiety, and numerous other harms caused by access barriers. These challenges are so acute that the State recently settled a lawsuit requiring New York to overhaul its community-based mental health services for children and youth. Despite the depth of need, the State budget fails to include any of the \$200 million needed to address severe reimbursement rate challenges that have undermined the health care system's ability to meet the behavioral health needs of children in the state. With this investment, the state could have expanded provider capacity and served over 26,000 additional children.

The Budget also fails to include language that would carve behavioral health services out of Medicaid managed care. This common-sense approach would help reduce administrative barriers, denials, and delays for providers, allowing them to provide higher quality care and reduce waitlists for services. It could also generate \$400 million of savings that currently go to for-profit managed care companies. The Governor and State Legislature must work to pass S8309A/A8055A, which would create this change through legislation.

The HMHK Campaign is glad the FY27 Budget includes a 2.7% targeted inflationary increase for human service providers, which will help organizations adjust to inflation and continue to serve their communities. However, this investment falls far short of what children need and deserve. Advocates, parents, youth, and providers will continue to work with our state leaders to secure investments necessary to address the behavioral health crisis facing New York's children.

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ABOUT

[The Campaign for Healthy Minds, Healthy Kids](#) is a statewide coalition of behavioral health providers, advocates, and New York families, joining together to create the public and political will necessary to ensure all children and adolescents in New York receive the high-quality behavioral health services they need.