



**Office of Alcoholism and  
Substance Abuse Services**

**ANDREW M. CUOMO**  
Governor

**ARLENE GONZÁLEZ-SÁNCHEZ, M.S., L.M.S.W.**  
Commissioner

May 18, 2018

Re: Commercial insurance coverage for outpatient addiction services provided in-community

In response to inquiries regarding the obligation of a commercial insurance plan to reimburse for services provided in the community by an entity certified or otherwise authorized pursuant to 14 NYCRR Part 822, the New York State Office of Alcoholism and Substance Abuse Services (OASAS) offers the following:

Insurers, including commercial payors and Medicaid managed care entities, are required by statute, or in the case of Medicaid managed care entities by contract, to cover substance use disorder services, including outpatient services. See. New York State Insurance Law §§3216(i)(31), 3221(l)(7) and 4303(l); Medicaid Managed Care Model Contract Section 10.23 and Appendix K.1 (33 and 34).

New York State currently has federal approval for Medicaid Managed Care enrollees for reimbursement for outpatient services that are provided to an individual in community-based settings. Further, OASAS has authorized community-based Part 822 outpatient providers to deliver these in community services. These services are delivered outside the four walls of the Part 822 program to an individual enrolled in or seeking services from that program. Authority to provide in-community services was incorporated into OASAS regulations, and in-community delivery includes the full scope of services for which the program is certified.

The intent of in-community services is to offer flexibility in the mechanism for delivering an existing service, similar to Telepractice. This model will improve engagement of individuals with substance use disorders who would not otherwise be able to obtain care.

Because in-community is a reference to the mechanism for delivery and not the actual service, and payors are required to cover outpatient services pursuant to statute, all payors are prohibited from refusing to reimburse for services solely on the basis that they were provided in the community by a provider contracted to provide that service. See. New York State Insurance Law §§3216(i)(31), 3221(l)(7); and 4303(l).

Sincerely,

Robert A. Kent  
General Counsel