

REPORT HIGHLIGHTS



August 2026 | A-02-24-01011

New York Did Not Ensure That Selected Medicaid Managed Care Organizations Complied With Mental Health and Substance Use Disorder Parity Requirements Related to Prior Authorization

Why OIG Did This Audit

- Individuals seeking care for mental health and substance use disorder (MH/SUD) conditions often find that treatment operates in a separate, and often very disparate, system than treatment for medical/surgical (M/S) care, even under the same health insurance coverage.
- Federal statute and regulations prohibit coverage limitations that apply more restrictively to MH/SUD benefits than to M/S benefits; these are called parity requirements. A prior OIG audit found that [CMS](#) did not ensure that eight selected States complied with Medicaid managed care MH/SUD parity requirements.
- This audit determined whether New York ensured that three selected Medicaid managed care organizations (MCOs) complied with parity requirements related to prior authorization for MH/SUD services provided to their Medicaid enrollees during calendar year 2023.

What OIG Found

Although New York implemented a parity compliance program, it did not ensure that all three selected Medicaid MCOs complied with parity requirements related to the prior authorization for MH/SUD services. We found that:

- The selected MCOs' analyses comparing denial rates for MH/SUD services to M/S services in the same benefit classification were not sufficiently supported or indicated that denial rates for MH/SUD services were not comparable to denial rates for M/S services, which could indicate potential noncompliance with parity requirements.
- The selected MCOs' denial rates for MH/SUD services exceeded New York's established threshold.
- The selected MCOs continued to be noncompliant with MH/SUD parity requirements related to prior authorization more than 6 years after the October 2017 compliance deadline.

What OIG Recommends

We made two recommendations to New York, including that it improve its policies and procedures for monitoring MCOs' ongoing compliance with parity requirements related to prior authorization of MH/SUD services and that it continue to utilize available corrective action measures to address instances in which MCOs do not consistently meet parity requirements related to prior authorization. The full recommendations are in the report.

New York did not indicate concurrence or nonconcurrence with our recommendations but detailed steps it has taken and plans to take in response to our recommendations.