

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid and State Operations**

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Deborah Bachrach  
Deputy Commissioner  
New York State Department of Health  
Corning Tower  
Empire State Plaza  
Albany, New York 12237

SEP 21 2009

RE: NY 09-17

Dear Ms. Bachrach:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-17. Effective January 1, 2009, this amendment provides for a reduction in the trend factor applicable to payment rates for inpatient hospital services.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 09-17 is approved, effective January 1, 2009. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call National Institutional Reimbursement Team (NIRT) member Tom Brady (518) 396-3810 ext 109 or Rob Weaver (410) 786-5914.

Sincerely,

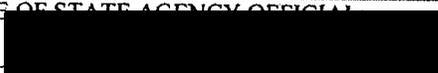
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Cindy Mann

Director

Center for Medicaid and State Operations (CMSO)

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER:  <b>09-17</b>	2. STATE  <b>New York</b>
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: <b>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE  <b>January 1, 2009</b>	
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: <b>Section 1902(a) of the Social Security Act, and 42 CFR 447 Subpart C</b>		7. FEDERAL BUDGET IMPACT: a. FFY <b>01/01/09-9/30/09 (\$16,050,000)</b> b. FFY <b>10/01/09-9/30/10 (\$21,400,000)</b>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-A page 145(b)</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>Attachment 4.19-A page 145(b)</b>	
10. SUBJECT OF AMENDMENT: <b>Trend Factor Banking Adjustment-Inpatient</b>			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: <b>New York State Department of Health Corning Tower Empire State Plaza Albany, New York 12237</b>	
13. TYPED NAME: <b>Deborah Bachrach</b>			
14. TITLE: <b>Deputy Commissioner Department of Health</b>			
15. DATE SUBMITTED: <b>March 31, 2009</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: <b>9-21-09</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>JAN - 1 2009</b>		20. 	
21. TYPED NAME: <b>William Lasowski</b>		22. <b>Deputy Director, CMSO</b>	
23. REMARKS:			

**New York  
145(b)**

**Attachment 4.19-A  
(01/09)**

- (i) For reimbursement of hospital inpatient services provided to patients beginning on and after April 1, 2006, the Commissioner of Health shall apply a trend factor projection of 2.25% attributable to the period January 1, 2006 through December 31, 2006. Upon reconciliation of this trend factor, in accordance with the previously approved state methodology, the final 2006 trend factor shall be the U.S. Consumer Price Index (CPI) for all Urban Consumers, as published by the U.S. Department of Labor, Bureau of Labor Statistics, minus 0.25%.
- (j) For reimbursement of hospital inpatient services provided on and after April 1, 2007, the Commissioner of Health shall apply a trend factor equal to 75% of the otherwise applicable trend factor for calendar year 2007 as calculated in accordance with paragraph (h) of this section.
- (k) For reimbursement of hospital inpatient services provided on and after April 1, 2008, the Commissioner of Health shall apply a trend factor equal to 65% of the otherwise applicable trend factor for calendar year 2008 as calculated in accordance with paragraph (h) of this section.
- (l) For rates of payment effective for hospital inpatient services provided after September 10, 2008, the otherwise final trend factor attributable to the 2008 calendar year period shall be adjusted such that any increase to the average trend factor for the period April 1, 2008 through December 31, 2008 shall be reduced, on an annualized basis, by 1.3%. However, for rates of payment effective for inpatient hospital services provided on or after January 1, 2009, there shall be no retroactive adjustment to such trend factor for the period April 1, 2008 through December 31, 2008.
- (m) For rates of payment effective for hospital inpatient services provided on and after January 1, 2009, a trend factor equal to the otherwise applicable trend factor attributable to the period January 1, 2009 through December 31, 2009, as calculated in accordance with paragraph (h) of this section, less 1% shall be applied.

TN     #09-17     Approval Date     SEP 21 2009      
Supersedes TN     #08-63     Effective Date     JAN - 1 2009