

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

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

SEP 21 2009

RE: TN 09-27

Dear Ms. Bachrach:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-27. This amendment proposes to reduce aggregate inpatient reimbursement rates for general hospitals for the period April 1 through November 30, 2009.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. I am pleased to inform you that New York 09-27 is approved effective April 1, 2009 and have enclosed the HCFA-179 and the approved plan page.

If you have any questions, please contact Tom Brady at 518-396-3810 or Rob Weaver at 410-786-5914.

Sincerely,

A black rectangular box redacting the signature of Cindy Mann.

Cindy Mann
Director
Center for Medicaid and State Operations (CMSO)

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 09-27	2. STATE New York
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE April 1, 2009	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <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 (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(a)(30) of the Social Security Act, and 42 CFR Part 447		7. FEDERAL BUDGET IMPACT: a. FFY 04/01/09 - 09/30/09 (\$47,000,000) b. FFY 10/01/09 - 11/30/09 (\$16,000,000)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 144		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-A, Page 144	
10. SUBJECT OF AMENDMENT: Hospital Reform-Prior Year Savings FMAP is tiered based on effective date of 4/1/09			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <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: New York State Department of Health Corning Tower Empire State Plaza Albany, New York 12237	
13. TYPED NAME: Deborah Bachrach			
14. TITLE: Deputy Commissioner Department of Health			
15. DATE SUBMITTED: June 30, 2009			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: 9-21-09	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR -1 2009			
21. TYPED NAME: William Lasowski		22. TITLE: Deputy Director, CMSO	
23. REMARKS:			

**New York
144**

**Attachment 4.19-A
(04/09)**

For Medicaid patients discharged on and after December 1, 2008, case based discharge and per diem rates of payment for general hospital inpatient services will be transitioned to 2005 base year costs by no later than December 31, 2012. These rates will be transitioned as follows:

- (a) For the period December 1, 2008 through March 31, 2009, such rates will incorporate a uniform transition adjustment based on each hospital's proportional share of the projected Medicaid reimbursable inpatient operating costs applied to an aggregate rate reduction equal to \$51.5 million. This adjustment will not be applied to the inpatient detoxification, withdrawal and observation service rates of payment for general hospital services which are certified by the Office of Alcoholism and Substance Abuse Services.

- (b) For the period April 1, 2009 through November 30, 2009, such rates will incorporate a uniform transition adjustment based on each hospital's proportional share of the projected Medicaid reimbursable inpatient operating costs applied to an annual aggregate rate reduction equal to \$154.5 million. This adjustment will not be applied to the inpatient detoxification, withdrawal and observation service rates of payment for general hospital services which are certified by the Office of Alcoholism and Substance Abuse Services.

SEP 21 2009

TN #09-27 _____ Approval Date _____

Supersedes TN #08-37 _____ Effective Date APR - 1 2009 _____