



Refer to DMCH: SJ

Region II
Federal Building
26 Federal Plaza
New York, N.Y. 10278

August 9, 2011

Jason A. Helgerson
Deputy Commissioner
New York State Department of Health
Corning Tower, Empire State Plaza
Albany, New York 12237

Dear Commissioner Helgerson:

This is to notify you that New York State Plan Amendment (SPA) #09-43-A has been approved for adoption into the State Medicaid Plan with an effective date of September 1, 2009. The SPA provides smoking cessation counseling services for pregnant women provided by general hospital outpatient departments for dates of service on and after September 1, 2009. In addition, payments to providers for the following services will be based on fees or rates established by the Department of Health: wheelchair evaluations, eyeglass dispensing, individual psychotherapy services provided by licensed social workers to persons under the age of 19, and to persons requiring such services as a result of or related to pregnancy or giving birth, and individual psychotherapy services provided by social workers at freestanding clinics that provided, billed for, and received payment for such services between January 1, 2007 through December 31, 2007.

This SPA approval consists of 2 Pages. We are approving the following Pages which were submitted with the State's July 13, 2011 electronic submission to the CMS SPA Mailbox: Attachment 4.19-B-Pages 1(l), and 1(l)(i). These pages replace the various copies of these 2 pages which had been submitted earlier by the State. In addition, we are using the revised HCFA-179 which was submitted by the State on July 29, 2011.

This amendment satisfies all of the statutory requirements at sections 1902(a)(13) and (a)(30) of the Social Security Act, and the implementing regulations at 42 CFR 447.250 and 447.272. Enclosed are copies of SPA #09-43-A and the HCFA-179 form, as approved.

If you have any questions or wish to discuss this SPA further, please contact Ricardo Holligan or Shing Jew of this office. Mr. Holligan may be reached at (212) 616-2424, and Mr. Jew's telephone number is (212) 616-2426.

Sincerely,

/s/

Ricardo Holligan
Acting Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosure: SPA #09-43-A
HCFA-179 Form

CC: JUlberg
PMossman
KKnuth
RWeaver
LTavener
AHiggs
GCritelli
MSamuel
SJew

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 09-43-A	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 September 1, 2009	
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: Section 1902(a)(30) of the Social Security Act 42 CFR Part 447.204		7. FEDERAL BUDGET IMPACT: a. FFY 09/01/09 - 09/30/09 \$ 199,402 b. FFY 10/01/09 - 09/30/10 \$ 2,392,833	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Pages 1(l), 1(l)(i) ** SEE REMARKS		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Page 1(l)	
10. SUBJECT OF AMENDMENT: Hospital OPD Svcs. & Payments (inc. smoking cessation, wheelchair evaluations, eyeglass dispensing and individual psychotherapy) (FMAP = 61.59% (9/1/09-9/30/10))			
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: New York State Department of Health Corning Tower Empire State Plaza Albany, New York 12237	
13. TYPED NAME: Jason A. Heigerson			
14. TITLE: Medicaid Director & Deputy Commissioner Department of Health			
15. DATE SUBMITTED:			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: AUG 09 2011	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: SEP 01 2009		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Ricardo Holligan		22. TITLE: Division of Medicaid and State Operations	
23. REMARKS: Originally submitted pages attachment 4.19-B pages 1(l), and 1(l)(1), have been replaced by revised pages submitted via State's email of July 13, 2011. HCFA-179 form was replaced with revised copy submitted via State's email of July 29, 2011.			



The following is an example of a sample APG base rate calculation:

- a. 2007 Peer Group Reimbursement \$51,000,000
- b. Additional Investment \$25,000,000
- c. Case Mix Index 8.1610
- d. Coding Improvement Factor 1.05
- e. 2007 Base Year Visits 50,000

$$(\$51,000,000 + \$25,000,000) / (8.1610 \times 1.05 \times 50,000) = \$177.38 \text{ (Base Rate)}$$

VI. During the transition period, reimbursement for hospital based outpatient department services shall consist of a blend of each facility's average 2007 Medicaid rate and the APG calculation for that visit. The average 2007 Medicaid rate for purposes of blending is computed by dividing the amount paid in calendar year 2007 for all rate codes reflected in the APG rate setting methodology, by the total visits paid through those codes for the same time period. In the initial phase (ending December 31, 2009) 25% of the operating payment for each visit will be based upon the APG reimbursement methodology and 75% will be based upon the provider specific average operating payment for calendar year 2007. During 2010, the blend will be 50/50. During 2011, the blend will be 75/25. Hospital outpatient department payments will be based upon 100% of the APG operating component beginning on January 1, 2012. Both the emergency department and ambulatory surgery services will move to 100% APG payment upon implementation with no transition period. Per the enabling statute, as new services the Education APGs and the Extended Hours APGs are not subject to the blend requirement.

Effective for dates of service on and after September 1, 2009, smoking cessation counseling services provided to pregnant women on any day of her pregnancy, during a medical visit provided by a general hospital outpatient department shall be reimbursed entirely on the APG methodology.

TN #09-43-A

Approval Date AUG 09 2011

Supersedes TN #08-39

Effective Date SEP 01 2009

• New York
1(I)(i)

OFFICIAL

Attachment 4.19-B
(01/09)

Effective for dates of service on and after September 1, 2009, payments to general hospital outpatient departments for the following services shall be based on fees or rates established by the Department of Health: (1) wheelchair evaluations, (2) eyeglass dispensing, and (3) individual psychotherapy services provided by licensed social workers to persons under the age of 21, and to persons requiring such services as a result of or related to pregnancy or giving birth. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rates for the services listed in this paragraph were set September 1, 2009 and are effective for services provided on or after that date. The rates are published on the Department of Health web-site at the following link:

http://www.health.ny.gov/health_care/medicaid/rates/apg/docs/apg_alternative_payment_fee_schedule.pdf

TN #09-43-A

Approval Date AUG 09 2011

Supersedes TN New

Effective Date SEP 01 2009