



DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS

DMCHO: GC

November 7, 2013

Jason Helgeson
Deputy Commissioner
Office of Health Insurance Programs
New York State Department of Health
Corning Tower (OCP 1211)
Empire State Plaza
Albany, New York 12237

Dear Commissioner Helgeson:

This is to notify you that New York State Plan Amendment (SPA) #10-06 has been approved for adoption into the State Medicaid Plan with effective dates of April 1, 2010 and April 1, 2011. This State Plan Amendment concerns the April 2010 revisions to the Clinic Ambulatory Patient Group (APG) reimbursement methodology (effective April 1, 2010), and a 2% reduction to payments for Early Intervention Services (effective April 1, 2011).

This SPA approval consists of 12 pages. As New York requested, we are approving the following which were submitted with the State's November 5, 2013 letter to CMS, with an effective date of April 1, 2010 for each page: Attachment 4.19-B Pages 2(g)(2), 2(g)(3), 2(g)(3.1), 2(g)(4), 2(i)(1), 2(j)(i), 2(p)(i), 2(q), 2(r), 2(s), and 2(t). The Attachment 4.19-B Page A(6.1)

Enclosed are copies of SPA #10-05 and the HCFA- 179 form, as approved.

If you have any questions or wish to discuss this SPA further, please contact Ricardo Holligan at (212) 616-2424 or Gary Critelli at (518) 396-3810.

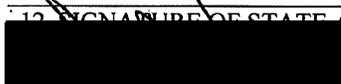
Sincerely,

/s/

Michael J. Melendez
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosures: HCFA-179 Form
State Plan Pages

cc: JUlberg
PMossman
KKnuth
IMatthews
LTavener
RWeaver
MCieslicki
JGuhl
NMCKnight
SJew
GCritelli
PMarra
MLopez

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 10-06	2. STATE New York
FOR: HEALTH CARE FINANCING ADMINISTRATION		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, 2010	
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 447.204		7. FEDERAL BUDGET IMPACT: a. FFY 04/01/10-09/30/10 \$ 0 b. FFY 10/01/10-09/30/11 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B: Pages A(6.1), 2(g)(2), 2(g)(3), 2(g)(3.1), 2(g)(4), 2(i)(1), 2(j)(i), 2(p)(i), 2(q), 2(r), 2(s), 2(t) **Please see remarks		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B: Pages A(6.1), 2(g)(2), 2(g)(3), 2(g)(4), 2(i)(1), 2(j)(i), 2(p)(i), 2(q), 2(r), 2(s), 2(t)	
10. SUBJECT OF AMENDMENT: *Provisions on Page A(6.1) will have an effective date of 4/1/11 & has no dollar impact. Additionally, the impact related to April 2010 Revisions is zero for both FFYs due to reweighting thus making this SPA budget neutral. APGs (Diagnostic & Treatment Centers) – April 2010 Revisions (FMAP = 61.59% (4/1/10-12/31/10); 58.77% (1/1/11-3/31/11); 56.88% (4/1/11-6/30/11); 50% (7/1/11 forward))			
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 Bureau of Federal Relations & Provider Assessments 99 Washington Ave – One Commerce Plaza Room 1430 Albany, NY 12210	
13. TYPED NAME: Jason A. Helgerson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: November 5, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: November 07, 2013	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: April 01, 2010		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Michael Melendez		22. TITLE: Associate Regional Administrator Division of Medicaid and State Operations	
23. REMARKS: **The SPA implements April 2010 revisions to the Clinic Ambulatory Patient Group (APG) reimbursement methodology, effective April 1, 2011 and imposes a 2% reduction on payment rates for Early Intervention services, effective April 1, 2011.			

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New York
A (6.1)

2% Across The Board Rate Reduction – Early Intervention Services

The reduction for payments for Early Intervention services will be effected through a the 2% Across the Board payment reduction in the base rates, which will be effective April 1, 2011 through January 31, 2013.

Page 10(1)(A)

TN #10-06

Supersedes TN NEW

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New

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New York
2(g)(2)

APG Reimbursement Methodology – Freestanding Clinics

The following links direct users to the various definitions and factors that comprise the APG reimbursement methodology, which can also be found in aggregate on the APG website at http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm. In addition, prior period information associated with these links is available upon request to the Department of Health.

Contact Information:

http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm Click on "Contacts."

3M APG Crosswalk, version 3.3:

http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm Click on "3M Versions and Crosswalks," then on "3M APG Crosswalk" toward bottom of page, and finally on "Accept" at bottom of page.

APG Alternative Payment Fee Schedule; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Alternative Payment Fee Schedule."

APG Consolidation Logic; logic is from version of 4/1/08, updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Consolidation Logic" and then on "2008."

APG 3M Definitions Manual Versions; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "3M Versions and Crosswalk."

APG Investments by Rate Period; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Investments by Rate Period."

APG Relative Weights; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Weights, Proc Weights, and APG Fee Schedule Amounts."

Associated Ancillaries; as of 07/01/11:

http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm Click on "Ancillary Policy."

TN #10-06

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**New York
2(g)(3)**

Base Rates, Freestanding Clinics; [effective 12/01/09] updated as of 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm Click on "APG Rates," and then "Freestanding Diagnostic and Treatment Center..."

Carve-outs; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Carve Outs."

Coding Improvement Factors (CIF); updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "CIFs by Rate Period."

If Stand Alone, Do Not Pay APGs; updated as of 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "If Stand Alone, Do Not Pay APGs."

If Stand Alone, Do Not Pay Procedures; updated as of 04/01/10:

http://www.health.state.ny.us/health_care/medicaid/rates/methodology/index.htm Click on "If Stand Alone, Do Not Pay Procedures."

Modifiers; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Modifiers."

Never Pay APGs; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Never Pay APGs."

Never Pay Procedures; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Never Pay Procedures."

No-Blend APGs; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "No Blend APGs."

No-Blend Procedures; updated as of 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "No-Blend Procedures."

No Capital Add-on APGs; updated as of 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "No Capital Add-on APGs."

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Attachment 4.19-B

**New York
2(g)(3.1)**

No Capital Add-on Procedures; updated as of 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "No Capital Add-on Procedures."

Non-50% Discounting APG List; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Non-50% Discounting APG List."

Rate Codes Subsumed by APGs; updated as of 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Rate Codes Subsumed by APGs – Freestanding Article 28."

Uniform Packaging Ancillaries; updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Uniform Packaging APGs."

New

TN #10-06

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2(g)(4)

Freestanding Clinic and Ambulatory Surgery Centers APG Base Rate Table

Peer Group	Region	Rate Start Date	Base Rate [Effective 12/1/2009] Updated as of 04/01/10
Academic Dental	Downstate	09/01/09	[\$173.67] <u>\$188.14</u>
Academic Dental	Upstate	09/01/09	[\$176.16] <u>\$169.16</u>
Ambulatory Surgery Centers	Downstate	09/01/09	[\$ 88.69] <u>\$116.24</u>
Ambulatory Surgery Centers	Upstate	09/01/09	[\$ 86.39] <u>\$101.18</u>
[General] Clinic ² [/School-Based Health Center]	Downstate	09/01/09	[\$158.78] <u>\$195.41</u>
[General] Clinic ² [/School-Based Health Center]	Upstate	09/01/09	[\$129.14] <u>\$163.77</u>
[General] Clinic MR/DD/TBI[*] ¹	Downstate	09/01/09	[\$190.53] <u>\$234.49</u>
[General] Clinic MR/DD/TBI[*] ¹	Upstate	09/01/09	[\$154.97] <u>\$196.52</u>
Renal	Downstate	09/01/09	[\$138.98] <u>\$206.89</u>
Renal	Upstate	09/01/09	[\$128.09] <u>\$191.07</u>
<u>School-Based Health Center (SBHC)²</u>	<u>Downstate</u>	<u>09/01/09</u>	<u>\$195.41</u>
<u>School-Based Health Center (SBHC)²</u>	<u>Upstate</u>	<u>09/01/09</u>	<u>\$163.77</u>

[*] ¹Mentally retarded/developmentally disabled/traumatic brain injured.²For Clinic and School-Based Health Center (SBHC), while they share the same base payment rates, please note that their rate codes differ.TN #10-06 Approval Date NOV 07 2013 Supersedes TN #09-66 Effective Date APR 01 2010

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**New York
2(i)(1)**

Current Procedural Terminology-fourth edition (CPT-4) is the systematic listing and coding of procedures and services provided by physicians or other related health care providers. It is a subset of the Healthcare Common Procedure Coding System (HCPCS). The CPT-4 is maintained by the American Medical Association and the HCPCS is maintained by the Centers for Medicare and Medicaid Services. Both coding systems are updated annually.

Discounting shall mean the reduction in APG payment that results when related procedures or ancillary services are performed during a single patient visit. Discounting will be at the rate of 50% until January 1, 2010, with the exception of those discounts listed in the link to the Non-50% Discounting APG List provided in the APG Reimbursement Methodology – Freestanding Clinic Section.

"Episode" shall mean a unit of service consisting of all services coded on a claim. All services on the claim are considered to be part of the same APG visit and are not segmented into separate visits based on coded dates of service as would be the case with "visit" billing. Under episode billing, an episode shall consist of all medical visits and/or significant procedures that are provided by a freestanding clinic or an ambulatory surgery center to a patient on a single date of service plus any ordered ancillaries, ordered on the date of the visit or date of the significant procedure(s), resulting from the medical visits and/or significant procedures, some of which may have been done on a different date of service from that of the medical visits and/or significant procedures. Multiple episodes coded on the same claim would not pay correctly; therefore, multiple episodes should not be coded on the same claim. The calculation of the APG payment by the APG software may be either visit based or episode based depending on the rate code used to access the APG software logic.

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[Attachment 4.19-B]

**[New York
2(j)(i)]**

["Episode" shall mean a unit of service consisting of all services coded on a claim. All services on the claim are considered to be part of the same APG visit and are not segmented into separate visits based on coded dates of service as would be the case with "visit" billing. Under episode billing, an episode shall consist of all medical visits and/or significant procedures that are provided by a freestanding clinic or an ambulatory surgery center to a patient on a single date of service plus any ordered ancillaries, ordered on the date of the visit or date of the significant procedure(s), resulting from the medical visits and/or significant procedures, some of which may have been done on a different date of service from that of the medical visits and/or significant procedures. Multiple episodes coded on the same claim would not pay correctly; therefore, multiple episodes should not be coded on the same claim. The calculation of the APG payment by the APG software may be either visit based or episode based depending on the rate code used to access the APG software logic.]

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OFFICIAL

**New York
2(p)(i)**

Effective for dates of service on and after September 1, 2009, payments to freestanding clinics 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, and (4) individual psychotherapy services provided by licensed social workers at freestanding clinics that provided, billed for, and received payment for these services between January 1, 2007 through December 31, 2007. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. A link to the APG alternative rates for all periods is available in the APG Reimbursement Methodology – Freestanding Clinics section.

VII. Rates for services provided in freestanding clinic and ambulatory surgery center facilities located outside of New York State shall be as follows:

- APG rates in effect for similar services for providers located in the downstate region of New York State shall apply to services provided by out-of-state providers located in the New Jersey counties of Sussex, Passaic, Bergen, Hudson, Essex, Union, Middlesex and Monmouth; in the Pennsylvania county of Pike; and in the Connecticut counties of Fairfield and Litchfield; and rates in effect for similar services for providers located in the upstate region of New York State shall apply to all other out-of-state providers.
- In the event the Department determines that an out-of-state provider is providing services which are not available within New York State, the Department may negotiate payment rates and conditions with such a provider up to, but not in excess of, the provider's usual and customary charges. Prior approval by the Department shall be required with regard to services provided by such providers.
- For the purpose of APG reimbursement to out-of-state providers, the downstate region of New York State shall consist of the New York counties of Bronx, New York, Kings, Queens, Richmond, Nassau, Suffolk, Westchester, Rockland, Orange, Putnam and Dutchess, and the upstate region of New York State shall consist of all other New York counties.

System updating

The following elements of the APG reimbursement system shall be updated no less frequently than annually:

- the listing of reimbursable APGs and the relative weight assigned to each APG;
- the base rates;
- the applicable ICD-9-CM codes utilized in the APG software system;
- the applicable CPT-4/HCPCS codes utilized in the APG software system; and
- the APG software system.

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Attachment 4.19-B

**New York
2(r)**

- RESERVED -

[The following APGs shall not be eligible for reimbursement through the APG system:

- 065 RESPIRATORY THERAPY
- 066 PULMONARY REHABILITATION
- 117 HOME INFUSION
- 118 NUTRITION THERAPY
- 190 ARTIFICIAL FERTILIZATION
- 311 FULL DAY PARTIAL HOSPITALIZATION FOR SUBSTANCE ABUSE
- 312 FULL DAY PARTIAL HOSPITALIZATION FOR MENTAL ILLNESS
- 313 HALF DAY PARTIAL HOSPITALIZATION FOR SUBSTANCE ABUSE
- 314 HALF DAY PARTIAL HOSPITALIZATION FOR MENTAL ILLNESS
- 319 ACTIVITY THERAPY
- 320 CASE MANAGEMENT - MENTAL HEALTH OR SUBSTANCE ABUSE
- 371 ORTHODONTICS
- 427 BIOFEEDBACK AND OTHER TRAINING
- 430 CLASS I CHEMOTHERAPY DRUGS
- 431 CLASS II CHEMOTHERAPY DRUGS
- 432 CLASS III CHEMOTHERAPY DRUGS
- 433 CLASS IV CHEMOTHERAPY DRUGS
- 434 CLASS V CHEMOTHERAPY DRUGS
- 450 OBSERVATION
- 452 DIABETES SUPPLIES
- 453 MOTORIZED WHEELCHAIR
- 454 TPN FORMULAE
- 456 MOTORIZED WHEELCHAIR ACCESSORIES
- 492 DIRECT ADMISSION FOR OBSERVATION INDICATOR
- 500 DIRECT ADMISSION FOR OBSERVATION - OBSTETRICAL
- 501 DIRECT ADMISSION FOR OBSERVATION - OTHER DIAGNOSES
- 999 UNASSIGNED]

TN #10-06

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Effective Date APR 01 2010

OFFICIALNew York
2(s)**- RESERVED -**

[The following APGs shall not be eligible for reimbursement when they are presented as the only APG or APGs applicable to a patient visit or when the only other APGs presented with them are one or more of the APGs listed in the list of APGs not eligible for reimbursement:

- 280 VASCULAR RADIOLOGY EXCEPT VENOGRAPHY OF EXTREMITY
- 284 MYELOGRAPHY
- 285 MISCELLANEOUS RADIOLOGICAL PROCEDURES WITH CONTRAST
- 286 MAMMOGRAPHY
- 287 DIGESTIVE RADIOLOGY
- 288 DIAGNOSTIC ULTRASOUND EXCEPT OBSTETRICAL AND VASCULAR OF LOWER EXTREMITIES
- 289 VASCULAR DIAGNOSTIC ULTRASOUND OF LOWER EXTREMITIES
- 290 PET SCANS
- 291 BONE DENSITOMETRY
- 298 CAT SCAN - BACK
- 299 CAT SCAN - BRAIN
- 300 CAT SCAN - ABDOMEN
- 301 CAT SCAN - OTHER
- 302 ANGIOGRAPHY, OTHER
- 303 ANGIOGRAPHY, CEREBRAL
- 330 LEVEL I DIAGNOSTIC NUCLEAR MEDICINE
- 331 LEVEL II DIAGNOSTIC NUCLEAR MEDICINE
- 332 LEVEL III DIAGNOSTIC NUCLEAR MEDICINE
- 380 ANESTHESIA
- 390 LEVEL I PATHOLOGY
- 391 LEVEL II PATHOLOGY
- 392 PAP SMEARS
- 393 BLOOD AND TISSUE TYPING
- 394 LEVEL I IMMUNOLOGY TESTS
- 395 LEVEL II IMMUNOLOGY TESTS
- 396 LEVEL I MICROBIOLOGY TESTS
- 397 LEVEL II MICROBIOLOGY TESTS
- 398 LEVEL I ENDOCRINOLOGY TESTS
- 399 LEVEL II ENDOCRINOLOGY TESTS
- 400 LEVEL I CHEMISTRY TESTS
- 401 LEVEL II CHEMISTRY TESTS
- 402 BASIC CHEMISTRY TESTS
- 403 ORGAN OR DISEASE ORIENTED PANELS
- 404 TOXICOLOGY TESTS
- 405 THERAPEUTIC DRUG MONITORING]

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Attachment 4.19-B

**New York
2(t)**

- RESERVED -

[406 LEVEL I CLOTTING TESTS
407 LEVEL II CLOTTING TESTS
408 LEVEL I HEMATOLOGY TESTS
409 LEVEL II HEMATOLOGY TESTS
410 URINALYSIS
411 BLOOD AND URINE DIPSTICK TESTS
413 CARDIOGRAM
414 LEVEL I IMMUNIZATION AND ALLERGY IMMUNOTHERAPY
415 LEVEL II IMMUNIZATION
416 LEVEL III IMMUNIZATION
435 CLASS I PHARMACOTHERAPY
436 CLASS II PHARMACOTHERAPY
437 CLASS III PHARMACOTHERAPY
438 CLASS IV PHARMACOTHERAPY
439 CLASS V PHARMACOTHERAPY
451 SMOKING CESSATION TREATMENT
455 IMPLANTED TISSUE OF ANY TYPE
457 VENIPUNCTURE
470 OBSTETRICAL
471 PLAIN FILM
472 ULTRASOUND GUIDANCE
473 CT GUIDANCE

System updating

The following elements of the APG reimbursement system shall be updated no less frequently than annually:

- the listing of reimbursable APGs and the relative weight assigned to each APG;
- the base rates;
- the applicable ICD-9-CM codes utilized in the APG software system;
- the applicable CPT-4/HCPCS codes utilized in the APG software system; and
- the APG software system.]

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