DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
New York Regional Office
26 Federal Plaza, Room 37-100
New York, NY 10278

DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS

FEB 2 5 2013

Jason A. Helgerson
State Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs
NYS Department of Health
Empire State Plaza
Corning Tower (OCP-1211)
Albany, NY 12237

RE: TN 11-07C

Dear Commissioner Helgerson:

This is to notify you that New York State Plan Amendment (SPA) #11-07C has been approved for adoption into the State Medicaid Plan with an effective date of April 1, 2011. The SPA authorizes supplemental payments to certain eligible providers, for eligible medical professional services while acting as a participant or employee to certain Public Benefit Corporations or a limited liability corporation under contract to provide services to certain Public Benefit Corporations. Eligible providers are affiliated with Health and Hospitals Corporation facilities not electing the Teaching Election Amendment, Nassau University Medical Center, and Westchester Medical Center.

Enclosed are copies of SPA #11-07C and the CMS-179 form, as approved.

If you have any questions, please contact Peter Marra at 518-396-3810, ext. 104, or Rob Weaver at 410-786-5914.

Sincerely,

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

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: **#11-07-C**	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, 2011**	

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION: **Section 1902(a) of the Social Security Act, and 42 CFR 447**	7. FEDERAL BUDGET IMPACT: a. **FFY 04/01/11-09/30/11 $ 4,501,542** b. **FFY 10/01/11-09/30/12 $ 8,423,544**
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: **Attachment 4.19-B: Pages 1.9, 1.10**	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

10. SUBJECT OF AMENDMENT:
Supplemental Medicaid payment for Physicians-HHC, Nassau and Westchester (FMAP = 56.88% 4/1/11-6/30/11; 50% 7/1/11 forward)

11. GOVERNOR'S REVIEW *(Check One)*:
☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED:

12. SIGNATUR[redacted]FICIAL:	16. RETURN TO: **New York State Department of Health** **Bureau of HCRA Operations & Financial Analysis** **99 Washington Ave – One Commerce Plaza** **Suite 810** **Albany, NY 12210**
13. TYPED NA[redacted]	
14. TITLE: **Medicaid Director** **Department of Health**	
15. DATE SUBMITTED: February 6, 2013	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: **February 25, 2013**
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: **April 1, 2011**	[redacted]
21. TYPED NAME: **Michael Melendez**	22. TYPE: **Associate Regional Administrator** **Division of Medicaid and State Operations**
23. REMARKS:	

FORM HCFA-179 (07-92)

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Supplemental Medicaid Payments for Professional Services

3. Medicare Fee Equivalent Calculation

a. Effective April 1, 2011, supplemental payments will be made to physicians, nurse practitioners and physician assistants who are employed by a Public Benefit Corporation (PBC), or a non-state operated public general hospital operated by a PBC or who are providing professional services at a PBC facility as either a member of a practice plan or an employee of a professional corporation or limited liability corporation under contract to provide services to patients of such a public benefit corporation for those patients eligible for Medicaid. The supplemental payments will be applicable only to the professional component of the eligible services provided.

b. Eligible providers are affiliated with:

   i. New York City Health and Hospital Corporation (HHC), excluding facilities participating in the Medicare Teaching Election Amendment.

   ii. Nassau University Medical Center, and

   iii. Westchester Medical Center.

   Excluded facilities are Federal Qualified Health Centers and Rural Health Centers.

c. Supplemental payments for eligible services will equal the difference between the Medicare Part B fee schedule rate and the average Medicaid payment per unit otherwise made under this Attachment.

d. Supplemental payments will be made as an annual aggregate lump sum, and be based on the Medicaid data applicable to the calendar year. Initial payments will be based on claims processed within 3 months after the calendar year. A final payment will be made one year following the initial payment to capture those claims for the payment year dates of service processed subsequent to the initial payment. Supplemental payments will not be made prior to the delivery of services.

e. Services excluded are those utilizing procedure codes not reimbursed by Medicaid, clinical laboratory services, dual eligibles except where Medicaid becomes the primary payer, and Managed Care. Managed Care data will be included only when a separate fee-for-service payment has been made to an eligible provider. Non-commercial payers such as Medicare are excluded. Additionally, supplemental payment will not be allowed on all inclusive payments where the base payment includes the physician cost.

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Calculating the Supplemental Payment

(1) Each group will calculate their own supplemental payments for professional services using the following methodology:

(a) The identification of claims will be based on individual Current Procedural Terminology (CPT) codes contained in the New York State Medicaid program claims processing system- eMedNY.

(b) Supplemental payments for eligible professional services are available only for benefits covered by Medicare.

(2) For Medicaid matched services, a Medicare Part B fee equivalent payment will be calculated by multiplying the Medicaid equivalent services/procedures by the applicable Medicare Part B fee schedule amount.

(3) For eligible service procedures that are billed to Medicaid using codes that do not correspond to the applicable Medicare fee schedule ("non-matched" procedure), the percentage computed using a calculation of the overall average percent of the Medicaid payment to Medicare payment for the matched procedures will be applied to the non-matched Medicaid procedures.

(4) The supplemental payment will equal the difference between the Medicare payment per procedure calculated in accordance with the methodology multiplied by the number of Medicaid claims for each procedure, and the applicable Medicaid payments for such procedures. For services where physician extenders may be used the computation will be based on the applicable percentage of the Medicare equivalent not the full physician payment.

(5) The date of service will dictate the fee schedule to be used. The supplemental payment will be calculated annually using the most recent Medicare Part B fee schedule in effect applicable to the dates of service of the eligible services. The calculation will be based on the Medicare Part B fee schedule for each provider's geographic region and the Medicaid data applicable to the calendar year.

(6) The Department will review the submitted computation and attest that the data and computation used to compute the supplemental payment are accurate and comply with the methodology included in the State Plan.