

## **Table of Contents**

**State/Territory Name:** **New York**

**State Plan Amendment (SPA) #:** **10-0041**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179
- 3) Approved SPA Pages



DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS

---

DMCHO:PM:SPA-NY-10-0041

August 25, 2016

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

Dear Commissioner Helgeson:

This is to notify you that New York State Plan Amendment (SPA) #10-0041 has been approved for adoption into the State Medicaid Plan with an effective date of January 1, 2011. The SPA adjusts the NY Outpatient Hospital Reimbursement System – APGs. The adjustments change various components of the APG system including adjustments to the Peer Groups and Base rates. The SPA also provides for a supplemental payment for NSG operated Hospitals to coincide with the 2011 and 2012 UPL demonstrations.

Enclosed are copies of SPA #10-0041 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,


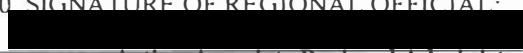
A black rectangular redaction box covering the signature of the Acting Associate Regional Administrator.

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

Enclosures

cc. J. Ulberg  
R. Gallagher  
L. Tavener  
R. Weaver

J. Guhl  
R. Holligan  
P. Marra  
M. Lopez

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER:  <b>10-0041</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, 2011</b>	
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: <b>§ 1902(a)(30) of the Social Security Act and 42 CFR Part 447.204</b>		7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY 01/01/11-9/30/11    \$ 7,035.78 b. FFY 10/01/11-9/30/12    \$ 1,891.48	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-B: Pages 1(e)(2), 1(e)(2.1), 1(e)(2.2), 1(e)(3), 1(e)(6), 1(h)(1), 1(j.1), 1(k)(1) Page 2(c)(v.1)(a)</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT <i>(If Applicable)</i> :  <b>Attachment 4.19-B: Pages 1(e)(2), 1(e)(2.1), 1(e)(2.2), 1(e)(3), 1(e)(6), 1(h)(1), 1(k)(1)</b>	
10. SUBJECT OF AMENDMENT: <b>APGs (Hospital-based Outpatient) – January 2011 Revisions &amp; OP UPL Payments (FMAP = 58.77% based on effective date for 1/1/11 Revisions (FMAP = 56.88% 4/1/11-6/30/11; 50% 7/1/11 forward))</b>			
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. OFFICIAL: 		16. RETURN TO: <b>New York State Department of Health Division of Finance &amp; Rate Setting One Commerce Plaza 99 Washington Ave Suite 1460 Albany, NY 12210</b>	
13. TYPED NAME: <b>Jason A. Helgeson</b>			
14. TITLE: <b>Medicaid Director Department of Health</b>			
15. DATE SUBMITTED: <b>December 31, 2010</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: <b>AUGUST 25, 2016</b>	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>JANUARY 01, 2011</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>RICARDO HOLLIGAN</b>		22. TITLE: <b>Acting Associate Regional Administrator Division of Medicaid and Children's Health Operations</b>	
23. REMARKS:			

New York  
1(e)(2)

**APG Reimbursement Methodology – Hospital Outpatient**

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

**3M APG Crosswalk, version [3.4] 3.5; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/crosswalk/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/crosswalk/index.htm)

<http://dashboard.emedny.org/CrossWalk/html/cwAgreement.html> Click on "Accept" at bottom of page to gain access.

**APG Alternative Payment Fee Schedule; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Alternative Payment Fee Schedule."

**APG Consolidation Logic; logic is from the version of 4/01/08, updated as of [07/01/10] 10/01/11:**

[[http://www.health.ny.gov/health\\_care/medicaid/rates/bundling/2008/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/bundling/2008/index.htm)]

[http://www.health.ny.gov/health\\_care/medicaid/rates/bundling/](http://www.health.ny.gov/health_care/medicaid/rates/bundling/) Click on "2011."

**APG 3M Definitions Manual Versions; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/crosswalk/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/crosswalk/index.htm)

**APG Investments by Rate Period; updated as of [07/01/10] 01/01/2011:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Investments by Rate Period."

**APG Relative Weights; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Weights, Proc Weights, and APG Fee Schedule Amounts" file.

**Associated Ancillaries; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/apg/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm) Click on "Ancillary Policy."

TN           #10-0041          

Approval Date           AUGUST 25, 2016          

Supersedes TN           #10-0017          

Effective Date           JANUARY 01, 2011

**Attachment 4.19-B**

**New York  
1(e)(2.1)**

**Carve-outs; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Carve Outs."

**Coding Improvement Factors (CIF); updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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 [07/01/10] 07/01/11:**

[http://www.health.state.ny.us/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.state.ny.us/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 [07/01/10] 04/01/11:**

[http://www.health.state.ny.us/health\\_care/medicaid/rates/methodology/index.htm](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 [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Modifiers."

**Never Pay APGs; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Never Pay APGs."

**Never Pay Procedures; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Never Pay Procedures."

**No-Blend APGs; updated as of 07/01/10:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "No Blend APGs."

**No-Blend Procedures; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "No Blend Procedures."

TN     #10-0041    

Approval Date     AUGUST 25, 2016    

Supersedes TN     #10-0017    

Effective Date     JANUARY 01, 2011

**Attachment 4.19-B**

**New York  
1(e)(2.2)**

**No Capital Add-on APGs; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "No Capital Add-on APGs."

**No Capital Add-on Procedures; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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 [07/01/10] 07/01/11 and 10/01/11:**

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

**Rate Codes Carved Out of APGs; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Rate Codes Carved Out of APGs for Article 28 facilities."

**Rate Codes Subsumed by APGs; updated as of [07/01/10] 07/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Rate Codes Subsumed by APGs – Hospital Article 28."

**Statewide Base Rate APGs; updated as of 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Statewide Base Rate APGs."

**Uniform Packaging Ancillaries; updated as of [07/01/10] 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Uniform Packaging APGs."

**TN**           #10-0041          

**Approval Date**           AUGUST 25, 2016          

**Supersedes TN**           #10-0017          

**Effective Date**           JANUARY 01, 2011

**New York  
1(e)(3)**

**Article 28 Hospital-Based APG Base Rate Table**

<b>Peer Group</b>	<b>Region</b>	<b>Rate Start Date</b>	<b>Base Rate Updated as of [07/01/10] 01/01/11</b>
Ambulatory Surgery Services	Downstate	12/01/08	[\$215.50] <u>\$197.29</u>
Ambulatory Surgery Services	Upstate	12/01/08	[\$166.47] <u>\$152.41</u>
Clinic*	Downstate	12/01/08	[\$325.95] <u>\$240.17</u>
Clinic*	Upstate	12/01/08	[\$249.56] <u>\$184.61</u>
Clinic Episode*	Downstate	07/01/09	[\$325.95] <u>\$240.17</u>
Clinic Episode*	Upstate	07/01/09	[\$249.56] <u>\$184.61</u>
Clinic MR/DD/TBI	Downstate	07/01/10	[\$391.14] <u>\$288.20</u>
Clinic MR/DD/TBI	Upstate	07/01/10	[\$299.47] <u>\$221.53</u>
Clinic MR/DD/TBI Episode	Downstate	07/01/10	[\$391.14] <u>\$288.20</u>
Clinic MR/DD/TBI Episode	Upstate	07/01/10	[\$299.47] <u>\$221.53</u>
Emergency Department	Downstate	01/01/09	\$184.98
Emergency Department	Upstate	01/01/09	\$144.47
[School Based Health Center (SBHC)*]	[Downstate]	[04/01/09]	[\$325.95]
[School Based Health Center (SBHC)*]	[Upstate]	[04/01/09]	[\$249.56]
[SBHC Episode*]	[Downstate]	[10/01/09]	[\$325.95]
[SBHC Episode*]	[Upstate]	[10/01/09]	[\$249.56]

\*[For]Please note that the Clinic rate (effective 12/1/08) [&]is also used for the School-Based Health Center (SBHC) service (effective 4/1/09), however, while they share the same base payment rates, [please note that] their rate codes and effective dates differ.

Hospital-based Article 28 Medicaid rates can be found at the Department of Health's website at:

[http://www.health.ny.gov/health\\_care/medicaid/rates/apg/baserates.htm](http://www.health.ny.gov/health_care/medicaid/rates/apg/baserates.htm)

**TN**           #10-0041          

**Supersedes TN**           #10-0017          

**Approval Date**           AUGUST 25, 2016          

**Effective Date**           JANUARY 01, 2011



**New York  
1(e)(6)**

**Dually Licensed Article 28 & Article 32 Hospital-Based APG Base Rate Table**

<b>Peer Group</b>	<b>Region</b>	<b>Rate Start Date</b>	<b>Base Rate as of [10/01/10]01/01/11</b>
Chemical Dependence Outpatient Clinic	Downstate	10/1/10	[\$201.55] <u>\$181.72</u>
Chemical Dependence Outpatient Clinic	Upstate	10/1/10	[\$154.92] <u>\$146.57</u>
Opioid Treatment Program (Clinic)	Downstate	1/3/11	\$180.99
Opioid Treatment Program (Clinic)	Upstate	1/3/11	\$157.14
<u>Outpatient Rehabilitation Clinic</u>	<u>Downstate</u>	<u>1/1/11</u>	<u>\$151.20</u>
<u>Outpatient Rehabilitation Clinic</u>	<u>Upstate</u>	<u>1/1/11</u>	<u>\$116.23</u>

Hospital-based OASAS clinic Medicaid rates can be found on the Office of Alcoholism and Substance Abuse website at:

<https://www.oasas.ny.gov/admin/hcf/FFS/RegionAPGBaseRate.cfm>

TN 10-0041

Approval Date AUGUST 25, 2016

Supersedes TN 10-0017

Effective Date JANUARY 01, 2011



**New York  
1(h)(1)**

**Packaging** shall mean those circumstances in which payment for routine ancillary services or drugs shall be deemed as included in the applicable APG payment for a related significant procedure or medical visit. Medical visits also package with significant procedures, unless specifically excepted in regulation. There is no packaging logic that resides outside the software. A link to a list of the uniform packaging APGs for all periods is available in the APG Reimbursement Methodology - Hospital Outpatient section.

**"Peer Group"** shall mean a group of providers or services that share a common APG base rate. Peer groups may be established based on a geographic region, service type, or categories of patients. The [fourteen] ~~sixteen~~ hospital peer groups are:

1. Clinic – Upstate;
2. Clinic – Downstate;
3. Ambulatory Surgery Services – Upstate;
4. Ambulatory Surgery Services – Downstate;
5. Emergency Department – Upstate;
6. Emergency Department – Downstate;
7. Clinic Mental Retardation, Developmental Disability, Traumatic Brain Injured – Upstate
8. Clinic Mental Retardation, Developmental Disability, Traumatic Brain Injured – Downstate
9. Opioid Treatment Program (Clinic) – Upstate
10. Opioid Treatment Program (Clinic) – Downstate
11. Mental Health Clinic – Upstate;
12. Mental Health Clinic – Downstate;
13. Chemical Dependence Outpatient Clinic – Upstate; [and]
14. Chemical Dependence Outpatient Clinic - Downstate.
15. Outpatient Rehabilitation Clinic – Upstate; and
16. Outpatient rehabilitation Clinic – Downstate;

**"Procedure-based Weight"** shall mean a numeric value that reflects the relative expected average resource utilization (cost) for a given HCPCS/CPT code as compared to the expected average resource utilization for other HCPCS/CPT codes or APGs. If a procedure code has not been assigned a procedure-based weight, the APG relative weight for the APG to which that procedure code groups will be used as the basis for reimbursement for that procedure code (subject to the consolidation, discounting and packaging logic).

**"Region"** shall mean the counties constituting a peer group that has been defined, at least in part, on a regional basis. The downstate region shall consist of the five counties comprising New York City, as well as the counties of Nassau, Suffolk, Westchester, Rockland, Orange, Putnam, and Dutchess. The upstate region shall consist of all other counties in New York State.

**"APG Visit"** shall mean a unit of service consisting of all the APG services and associated ancillary services performed for a patient that are coded on the same claim and share a common date of service.

TN     #10-0041    

Approval Date     AUGUST 25, 2016    

Supersedes TN     #10-0017    

Effective Date     JANUARY 01, 2011

**New York**  
**1(j.1)**

- c. APG base rates shall be adjusted for the following to reflect policy changes for services, not reimbursed as a discrete peer group in APGs or reimbursed prior to APGs on discrete rate codes, which are carved in to or out of APGs. The adjustment to the base rate is to maintain budget neutrality on overall Medicaid expenditures.
- (i) Effective beginning January 1, 2011 and thereafter, \$5M will be removed from the clinic base rates for the carve in of occupational, physical and speech therapy from ordered ambulatory providing for payment using the APG reimbursement method;
- (a) For Article 28 hospitals offering occupational, physical and speech therapy services that do not have a clinic rate, these providers will submit claims using the ordered ambulatory fee schedule.
- (ii) Effective beginning April 1, 2011 and thereafter, \$30M will be removed for physician costs from the clinic and emergency department base rates to allow providers to submit a separate claim for physicians services to the physician fee schedule.
- d. APG base rates shall be adjusted for the following to reflect policy changes for services, not reimbursed as a discrete peer group in APGs or reimbursed prior to APGs on discrete rate codes, which are carved out of APGs. The adjustment to the base rate is to remove costs for a discontinuation of payment.
- (i) Effective beginning January 1, 2011 and thereafter, \$2M will be removed from the clinic base rates for the removal of the Community Support Program from APG reimbursement.

**TN**     #10-0041    

**Approval Date**     AUGUST 25, 2016    

**Supersedes TN**     New    

**Effective Date**     JANUARY 01, 2011

**New York  
1(k)(1)**

VI. The base rates will be adjusted for the carve in or out of services, not reimbursed as a discrete peer group, as described in the APG Base Rate Calculation section.

The peer group-specific case mix index multiplied by the coding improvement factor and the 2007 base year visits will form the denominator resulting in a base rate for that peer group.

**TN**       #10-0041      

**Approval Date**       AUGUST 25, 2016      

**Supersedes TN**       #09-0065-B      

**Effective Date**       JANUARY 01, 2011

**New York  
2(c)(v.1)(a)**

**UPL Hospital Outpatient Settlement Supplemental Payment Adjustment – Public General Hospitals**

After receiving CMS approval of its UPL demonstration, the State will provide an additional supplemental payment for hospital outpatient and emergency room services provided by eligible public general hospitals. To be eligible, the hospital must have qualified for the additional supplemental payment authorized on page (2)(c)(v.1)

For state fiscal year beginning April 1, 2011 and ending March 31, 2012, the amount of the supplemental payment will be \$14,884,309. For state fiscal year beginning April 1, 2012 and ending March 31, 2013, the amount of the supplemental payment will be \$4,337,791. Medical assistance payments will be made for outpatient services for patients eligible for federal financial participation under Title XIX of the Federal Social Security Act based on each such hospital's proportionate share of the sum of all Medicaid outpatient visits for all facilities eligible for an adjustment for the base year two years prior to the rate year. Such supplemental payments under this section will be made in a single lump-sum payment.

TN #10-0041

Supersedes TN # NEW

Approval Date AUGUST 25, 2016

Effective Date JANUARY 01, 2011