



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) #10-05 has been approved for adoption into the State Medicaid Plan with an effective date of April 1, 2010. This State Plan Amendment concerns the April 2010 revisions to the Outpatient Ambulatory Patient Group (APG) reimbursement methodology.

This SPA approval consists of 11 pages. As New York requested, we are approving the following which were submitted with the State's November 5, 2013 letter to CMS: Form HCFA-179, Attachment 4.19-B Pages 1(e)2, 1(e)(2.1), 1(e)(2.2), 1(e)(3), 1(g)(1), 1(h)(2), 1(l)(ii), 1(m), 1(n), 1(o), and 1(p).

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.

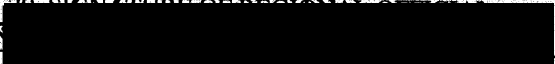
Sincerely,

/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: 10-05	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 (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)(30) of the Social Security Act and 42 CFR Part 447.204		7. FEDERAL BUDGET IMPACT: a. FFY 04/01/10-9/30/10 \$ 0 b. FFY 10/01/10-9/30/11 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B: Pages, 1(e)(2), 1(e)(2.1), 1(e)(2.2), 1(e)(3), 1(g)(1), 1(h)(2), 1(l)(ii), 1(m), 1(n), 1(o), 1(p) **Please see remarks		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B: Pages 1(e)(2), 1(e)(2.1), 1(e)(3), 1(g)(1), 1(h)(2), 1(l)(ii), 1(m), 1(n), 1(o), 1(p)	
10. SUBJECT OF AMENDMENT: APGs (Hospital-based Outpatient) – April 2010 Revisions (FMAP = (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 (Check One): ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT ☐ OTHER, AS SPECIFIED: ☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED ☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF 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 Outpatient Ambulatory Patient Group (APG) reimbursement methodology, effective April 1, 2010.			

**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. 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/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 [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 the version of 4/01/08, updated as of [12/01/09] 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/bundling/2008/index.htm

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

http://www.health.ny.gov/health_care/medicaid/rates/crosswalk/index.htm

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" file.

Associated Ancillaries; [effective 7/01/09] updated as of 04/01/10:

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

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Effective Date **APR 01 2010**

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

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

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "APG Rates" and then "Hospital."

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.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 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."

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

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."

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 Carved Out of APGs; updated as of 04/01/10:

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 04/01/10:

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

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OFFICIAL**New York
1(e)(3)****Hospital-Based APG Base Rate Table**

Peer Group	Region	Rate Start Date	Base Rate [Effective 12/1/09] Updated as of 04/01/10
Ambulatory Surgery Services	Downstate	12/01/08	[\$156.91] <u>\$228.00</u>
Ambulatory Surgery Services	Upstate	12/01/08	[\$122.55] <u>\$176.13</u>
<u>Clinic*</u>	<u>Downstate</u>	<u>12/01/08</u>	<u>\$304.39</u>
<u>Clinic*</u>	<u>Upstate</u>	<u>12/01/08</u>	<u>\$233.97</u>
<u>Clinic Episode*</u>	<u>Downstate</u>	<u>07/01/09</u>	<u>\$304.39</u>
<u>Clinic Episode*</u>	<u>Upstate</u>	<u>07/01/09</u>	<u>\$233.97</u>
Emergency Department	Downstate	01/01/09	[\$175.11] <u>\$196.94</u>
Emergency Department	Upstate	01/01/09	[\$135.27] <u>\$153.81</u>
[Outpatient Department/]School Based Health Center ([OPD/]SBHC)*	Downstate	[12/01/08] <u>04/01/09</u>	[\$199.18] <u>\$304.39</u>
[Outpatient Department/]School Based Health Center (<u>SBHC</u>)*	Upstate	[12/01/08] <u>04/01/09</u>	[\$153.11] <u>\$233.97</u>
<u>SBHC Episode*</u>	<u>Downstate</u>	<u>10/01/09</u>	<u>\$304.39</u>
<u>SBHC Episode*</u>	<u>Upstate</u>	<u>10/01/09</u>	<u>\$233.97</u>

*For Clinic (effective 12/1/08) & School-Based Health Center (SBHC) (effective 4/1/09), while they share the same base payment rates, please note that their rate codes and effective dates differ.

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New York
1(g)(1)

Attachment 4.19-B

Discounting shall mean the reduction in APG payment that results when related procedures or ancillary services are performed during a single patient visit. Discounting [is always] 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 – Hospital Outpatient 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 hospital-based outpatient clinic, ambulatory surgery center, or an emergency department 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.

Final APG Weight shall mean the allowed APG weight for a given visit as calculated by the APG software using the logic in the APG definitions manual, including all adjustments applicable for bundling, packaging, and discounting.

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[Attachment 4.19-B]

**[New York
1(h)(2)]**

["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 hospital-based outpatient clinic, ambulatory surgery center, or an emergency department 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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**New York
1(l)(ii)**

- For APG reimbursement to out-of-state hospitals, 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
1(m)**

- RESERVED -

[The following shall be excluded from the APG reimbursement system:

- Drugs and other pharmaceutical products and implantable family planning devices for which separate and distinct outpatient billing and payment were authorized by the Department as of December 31, 2007, and as set forth by the Department in written billing instructions issued to providers.
- HIV counseling and testing visits, HIV counseling (no testing), post-test HIV counseling visits (positive results), day health care service (HIV).
- TB/directly observed therapy - downstate levels 1 and 2, TB/directly observed therapy.
- Upstate levels 1 and 2, AIDS clinic therapeutic visits in general hospital outpatient clinics.
- Child rehabilitation services provided under rate code 2887 in general hospital outpatient clinics.
- Medicaid obstetrical and maternity services (MOMS) provided under rate code 1604.
- Visits solely for the purpose of receiving ordered ambulatory services.
- Visits solely for the purpose of receiving pharmacy services.
- Visits solely for the purpose of receiving education or training services, except with regard to services authorized pursuant to clause (A) of subparagraph (ii) of paragraph (f) of subdivision 2-a of §2807 of the Public Health Law.
- Visits solely for the purpose of receiving services from licensed social workers, except with regard to psychotherapy services provided by Federally Qualified Health Centers or Rural Health Centers choosing to participate in the APG system, or as authorized pursuant to clauses (C) and (D) of subparagraph (ii) of paragraph (f) of subdivision 2-a of §2807 of the Public Health Law.
- Visits solely for the purpose of receiving group services, except with regard to clinical group psychotherapy services provided by Federally Qualified Health Centers or Rural Health Centers choosing to participate in the APG system and provided, however, that reimbursement for such group services shall be determined in accordance with state regulation.
- Offsite services, defined as medical services provided by a facility's outpatient staff at locations other than those operated by and under the facility's licensure under Article 28 of the Public Health Law, or visits related to the provision of such offsite services, except with regard to offsite services provided by Federally Qualified Health Centers or Rural Health Centers.]

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Attachment 4.19-B

**New York
1(n)**

- RESERVED -

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

065 RESPIRATORY THERAPY
066 PULMONARY REHABILITATION
094 CARDIAC 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]

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Attachment 4.19-B

**New York
1(o)**

- 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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**New York
1(p)**

- 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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