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State/Territory Name: New York

State Plan Amendment (SPA) #: 11-0026

This file contains the following documents in the order listed:

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

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

DMCHO: GC:SPA-NY-11-0026

June 10, 2015

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

SPA: 11-0026

Dear Commissioner Helgersen:

This is to notify you that New York State Plan Amendment (SPA) #11-0026 has been approved for adoption into the State Medicaid Plan with an effective date of April 1, 2012. This amendment allows a temporary adjustment to the Medicaid rate for Hudson River Healthcare for the period effective April 1, 2012 through March 31, 2015. This Federally Qualified Health Center (FQHC) will receive the temporary rate adjustment because it is subject to or impacted by the closure, merger and acquisition, consolidation or restructuring of a health care provider.

Enclosed are copies of SPA #11-0026 and the CMS-179 form, as approved.

If you have any questions, please contact or Rob Weaver at 410-786-5914 or Gary Critelli at 518-396-3810.


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

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: #11-0026	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, 2012	
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: (in thousands) a. FFY 04/01/12-09/30/12 \$31.62 b. FFY 10/01/12-09/30/13 \$86.21	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B: Pages 1(b)(ii), 2(a)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B: Page 1(b)(ii)	
10. SUBJECT OF AMENDMENT: Assist Preservation of Essential Safety-Net (FQHC) – (Hudson River Healthcare) (FMAP = 50%)			
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. SIGN [Redacted] OFFICIAL:		16. RETURN TO: New York State Department of Health Division of Finance & Rate Setting 99 Washington Ave – One Commerce Plaza Suite 1460 Albany, NY 12210	
13. TYPED NAME: Jason A. Helgeson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: March 20, 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: JUNE 09, 2015	
19. EFFECTIVE DATE OF APPROVED MATERIAL: APRIL 01, 2012		20. SIGNATURE: [Redacted]	
21. TYPED NAME: MICHAEL MELENDEZ		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS	
23. REMARKS:			

**New York
1(b)(ii)****Designated Preferred Primary Care Provider for Hospital-Based Outpatient Clinics and Hospital-Based Specialty Clinic Services**

Hospital-Based clinics seeking reimbursement as designated preferred primary care providers are required to enter into a provider agreement with the New York State Department of Health. Providers seeking reimbursement for certain outpatient specialty clinic services are required to document in writing and through site inspection or records review that they are in fact organized as and providing specialty services. For dates of service on and after December 1, 2008, for hospital outpatient clinic and ambulatory surgery services, and until March 31, 2010, the operating component of rates for hospital based outpatient services shall be reimbursed using a methodology that is prospective and associated with resource utilization to ensure that ambulatory services are economically and efficiently provided. The methodology is based upon the Ambulatory Patient Group (APG) classification and reimbursement system. This methodology incorporates payments for the separate covered Medicaid benefits in accordance with the payment methods for these services, as modified by the APG methodology.

Reimbursement for providers designated as preferred primary care providers or for hospital based programs providing specialty clinic services is prospective and associated with resource use patterns to insure that ambulatory services are economically and efficiently provided. The methodology is based upon the Products of Ambulatory Care (PAC) classification system. Federally Qualified Health Centers (FQHCs) may choose to be paid under the APG methodology, or may choose to continue to receive payment under the existing prospective payment system (PPS) rate methodology. The payment methodology selected by the FQHC will apply to all claims submitted. PAC rates will continue to be available as a payment mechanism only for those FQHCs that opt to continue using them instead of switching to APG payments. In addition, FQHCs may apply for temporary rate adjustments under the alternate payment methodology as described in the sections entitled "Mergers, acquisitions, consolidations, restructurings, and closings." FQHCs that are granted such adjustments will be listed in the section "Mergers, acquisitions, consolidations, restructurings, and closings" for hospital-based outpatient or freestanding clinics, whichever is applicable.

Under the PAC reimbursement method, facility specific payment rates are established for each of the PAC groups. For each service, a rate is established to cover all labor, ancillary services, medical supplies, administrative overhead, general and capital costs. The rates are regionally adjusted to reflect differences in labor costs for personnel providing direct patient care and clinic support staff. The rates have been set prospectively by applying an economic trend factor.

For outpatient services provided by general hospitals, beginning on and after April 1, 2006, the Commissioner of Health shall apply a trend factor projection of 2.25% attributable to the period January 1, 2006 through December 31, 2006. Upon reconciliation of this trend factor, in accordance with the previously approved state methodology, the final 2006 trend factor shall be the U.S. Consumer Price Index (CPI) for all Urban Consumers, as published by the U.S. Department of Labor, Bureau of Labor Statistics, minus 0.25%.

TN #11-0026Approval Date JUNE 09, 2015Supersedes TN #08-0032Effective Date APRIL 01, 2012

New York
2(a)

Temporary Rate Adjustments for Mergers, Acquisitions, Consolidations, Restructurings, and Closures – FOHC's

A temporary rate adjustment will be provided to eligible freestanding clinic providers that are subject to or impacted by the closure, merger, and acquisition, consolidation, or restructuring of a health care provider. The rate adjustment is intended to:

- Protect or enhance access to care;
- Protect or enhance quality of care; or
- Improve the cost effectiveness.

Eligible providers, the annual amount of the temporary rate adjustment, and the duration of the adjustment shall be listed in the table which follows. The total annual adjustment amount will be paid quarterly with the amount of each quarterly payment being equal to one fourth of the total annual amount established for each provider. The quarterly payment made under this section will be an add-on to services payments made under this Attachment to such facilities during the quarter.

To remain eligible, providers must submit benchmarks and goals acceptable to the Commissioner and must submit periodic reports, as requested by the Commissioner, concerning the achievement of such benchmarks and goals. Failure to achieve satisfactory progress in accomplishing such benchmarks and goals will result in termination of the provider's temporary rate adjustment prior to the end of the specified timeframe. Once a provider's temporary rate adjustment ends, the provider will be reimbursed in accordance with the otherwise applicable rate-setting methodology as set forth in this Attachment.

Temporary rate adjustments have been approved for the following providers in the amounts and for the effective periods listed:

Federally Qualified Health Centers (FOHCs):

<u>Provider Name</u>	<u>Annual Temporary Rate Adjustment</u>	<u>Rate Period Effective</u>
Hudson River Healthcare	\$126,464	04/01/2012 - 03/31/2013
	\$218,361	04/01/2013 - 03/31/2014
	\$219,873	04/01/2014 - 03/31/2015

TN #11-0026
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