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**New York
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**Attachment 4.19-B
(04/11)**

- xx) Health Maintenance Organization Obstetrical and Pediatric Services. Page 12(6)-12(7)
- yy) Emergency services for illegal aliens. Page 13
- zz) Primary Care Case Management. Page 16
- aaa) Program of All-Inclusive Care for the Elderly (PACE). Page 17
- bbb) Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT). Pages 17(d)-17(i)

2% Across the Board Payment Reduction- Effective 4/1/2011-3/31/2013

- (1) For dates of service on and after April 1, 2011 and ending on March 31, 2013, payments for services as specified in paragraph (2) of this Attachment will be reduced by 2%.
- (2) Payments in this Attachment subject to the reduction in paragraph (1) include the following:

- a) Physician Services, except for those physician services provided in an office based setting. Page 1
- b) Statewide Patient Centered Medical Home and the Adirondack Medical Home Multipayor Program for physicians, hospital based clinics and freestanding clinics. Pages 1(A)-1(A)(iii);
1(c)(i)(A) -1(c)(i)(B)
1(c)(i)(G)-1(c)(H)
- c) E-prescription financial incentive payments to dentists, podiatrists, optometrists, nurse midwives, and nurse practitioners. Page 1(A)(iv)-
1(A)(viii)
- d) Reimbursement for dental services, podiatrists, optometrists, chiropractic services, nurse midwives, nurse practitioners, and clinical psychologists; except for those services provided in an office based setting. Page 1(a)
- e) Methadone Maintenance Treatment Program (MMTP) services. Page 1(b)
- f) Outpatient reimbursement for Acute Care Children's Hospitals. Page 1(b)(ii)
- g) Ordered Ambulatory Services. Pages 1(c)-1(c)(i)
- h) Methadone maintenance Treatment Program (MMTP) services and day health care services rendered to patients with HIV/AIDS which are provided in Freestanding Clinics certified under Article 28 of the State Public Health Law. Page 1(c)-1(d)

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- i) Ambulatory Patient Group (APG) reimbursement for hospital outpatient departments, emergency departments, and ambulatory surgery services. Page 1(f)-1(p)
- j) Ordered Ambulatory Services performed by a freestanding clinic on an ambulatory basis. Page 2
- k) Services to AIDS/HIV positive patients provided in Hospital Outpatient Departments and Freestanding clinics. Pages 2(b)
- l) Laboratory services. Page 4
- m) Home health services provided by Certified Home Health Agencies (CHHA), including services to patients diagnosed with AIDS. Pages 4-4(a)(i)(2); 4(a)(ii)-4(b)
- n) Personal Emergency Response Services (PERS). Page 4(a)(i)(3)
- o) Services provided to Medically Fragile Children. Page 4(a)(i)(3)
- p) Home Telehealth Services provided by CHAAs including those that provide AIDS home care services. Pages 4(a)(i)(4) – 4(a)(i)(5)
- q) Private Duty Nursing; including nursing services provided to medically fragile children and services provided to eligible residents of an adult home or enriched housing program that is issued a limited license by the Department of Health. Pages 5-5(a)(i)
- r) Physical Therapy, except for those services provided in an office based setting. Page 5(a)(i)
- s) Occupational Therapy, except for those services provided in an office based setting. Page 5(a)(i)
- t) Eye glasses and Other Visual Services. Page 5(b)
- u) Hearing Aid Supplies and Services. Page 5(b)
- v) Prosthetic and Orthotic Appliances. Page 5(b)
- w) Comprehensive Psychiatric Emergency programs. Page 5(b)
- x) Durable Medical Equipment. Page 6

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y) <u>Medical/Surgical Supplies.</u>	<u>Page 6</u>
z) <u>Enteral Formula.</u>	<u>Page 6</u>
aa) <u>Transportation.</u>	<u>Page 6</u>
bb) <u>Out of State Services for fee based providers.</u>	<u>Page 6(a)</u>
cc) <u>Personal Care Services.</u>	<u>Pages 6(a)-6(a)(iv)</u>
dd) <u>Case Management Services to Target Group F; Target Group G; Target Group A and E; Target Group C; Target Group I; and Target Group M.</u>	<u>Pages 10(2)-11(g)</u>
ee) <u>Preferred Physician and Children's Program.</u>	<u>Page 12(2)-12(3)</u>
ff) <u>Medicaid Obstetrical and Maternal Services (MOMS).</u>	<u>Page 12(4)</u>
gg) <u>Child Teen Health Program.</u>	<u>Page 12(5)</u>
hh) <u>Health Maintenance Organization Obstetrical and Pediatric Services.</u>	<u>Page 12(6)-12(7)</u>
ii) <u>Emergency services for illegal aliens.</u>	<u>Page 13</u>
jj) <u>Primary Care Case Management.</u>	<u>Page 16</u>
kk) <u>Program of All-Inclusive Care for the Elderly (PACE).</u>	<u>Page 17</u>
ll) <u>Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT).</u>	<u>Pages 17(d)-17(i)</u>

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2% Base Rate Reduction

The reduction for Ambulatory Patient Group (APG) reimbursement of freestanding clinic and ambulatory surgery center services will be effected through a 2% reduction in the base rates, which will be effective April 1, 2011 through March 31, 2013.

Page 2(h)-2(t)

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For dates of service on and after April 1, 2011 and ending on March 31, 2013, payments for pharmacy services, which includes payments made to pharmacy providers for all pharmacy services and products, including supply and drug costs, dispensing fees, e-prescription reimbursement, medication therapy management, and immunization services, will be reduced by 0.33%.

Prescribed Drugs

Reimbursement is the lower of:

- 1) the upper limit if established by the Federal Government for specific multiple source drugs, plus a dispensing fee, or
- 2) the billing pharmacy's usual and customary price charged to the general public, or
- 3) the state maximum acquisition cost (SMAC) plus dispensing fee, or
- 4) the Estimated Acquisition Cost (EAC) established by State Department of Health, plus dispensing fee.

(a) For sole source drugs and multi-source brand name drugs, the EAC is defined as average wholesale price (AWP) less seventeen percent or the wholesale acquisition cost of a prescription drug based on package size dispensed from, as reported by the prescription drug pricing service used by the department, minus zero and forty-one hundredths percent.

(b) For multi-source generic drugs, the EAC is defined as the lower of AWP less twenty-five percent, or the maximum acquisition cost.

The dispensing fee for generic and brand name prescription drugs will be \$3.50.

A SMAC may be established for any drug, including brand name multi-source drugs, for which two or more A-rated therapeutically equivalent, multi-source drugs where a significant cost difference exists. The drugs used for the SMAC price calculation formula will be active (non-obsolete) drugs eligible for rebates under the Federal Medicaid Drug Rebate Program authorized by Section 1927 of the Social Security Act and which are available in sufficient quantities in the marketplace. The source of comparable drug prices will be nationally recognized comprehensive data files maintained by a vendor under contract with the State. While the final SMAC pricing methodology is proprietary, multiple drug pricing resources are utilized to determine the preliminary acquisition cost for generic drugs. These resources include pharmacy providers, wholesalers, drug file vendors such as First Data Bank, and pharmaceutical manufacturers. The preliminary acquisition cost for each product is maintained in a SMAC pricing file database. Products are then sorted into drug groups by GSN (Generic Code Number Sequence Number) which denotes the same generic name, strength, and dosage form. The vendor will apply the proprietary formula to the estimated acquisition costs in each GSN giving due consideration to the lower cost products. Multipliers are used to increase the applicable lowest price by a percentage. The resulting price becomes the SMAC price which is then applied to all drug products in that specific GSN. The SMAC file is updated monthly. New York's SMAC list is available from a vendor under contract with the Department.

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