

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



DEC 02 2013

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

RE: TN 12-25

Dear Mr. Helgeson:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 12-25. Effective June 1, 2012 this amendment proposes to extend the elimination of the return on equity for the capital assets of proprietary nursing facilities and also reduce the return of equity for them.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of June 1, 2012. We are enclosing the CMS-179 and the amended approved plan page.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Cindy Mann'.

Cindy Mann  
Director

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER: #12-25	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 June 1, 2012	
5. TYPE OF PLAN MATERIAL (Check One):  <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 (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 06/1/12 – 9/30/12 (\$ 4,200,000) b. FFY 10/1/12 – 9/30/13 (\$16,800,000)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-D: Page 84(a)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19-D: Page 84(a)	
10. SUBJECT OF AMENDMENT: Proprietary Nursing Homes Reimbursement Extension (FMAP = 50%)			
11. GOVERNOR'S REVIEW (Check One): <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. SIGNATURE OF STATE 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 4, 2013			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: DEC 02 2013	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUN 01 2012		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, Policy & Financial Mgmt	
23. REMARKS:			

New York  
84(a)

- a) If the balance of useful life is currently five years or less, such useful life will be increased by 100 percent.
- b) If the balance of useful life is currently six years or more, such useful life will be increased by five years.

The provisions of this paragraph will not apply to facilities which are entitled to residual reimbursement.

Effective for periods June 1, 2012 through December 31, 2012, the capital cost component of the Medicaid rate will reflect:

- (1) The elimination of the payment factor for return on equity on real property, moveable equipment and operating assets, and
- (2) A reduction in the payment factor for return of equity on real property which is calculated as follows:
  - a) the balance of useful life on January 1, 2012, will be increased by four years.

The provisions of this paragraph will not apply to facilities which are entitled to residual reimbursement.

Effective for annual periods beginning January 1, 2013, the capital cost component of the Medicaid rate will reflect:

- (1) The elimination of the payment factor for return on equity on real property, moveable equipment and operating assets, and
- (2) A reduction in the payment factor for return of equity on real property which is calculated as follows:
  - a) the balance of useful life on January first of the prior year will be reduced by one year.

The provisions of this paragraph will not apply to facilities which are entitled to residual reimbursement.

- (f)(1) With respect to facilities granted operating certificates prior to March 10, 1975, the Commissioner will modify or

TN #12-25

Approval Date DEC 02 2013

Supersedes TN 11-49

Effective Date JUN 01 2012