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State/Territory Name: **NEW YORK**

State Plan Amendment (SPA) #: **14-20**

This file contains the following documents in the order listed:

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

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



JUN 19 2014

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

RE: State Plan Amendment (SPA) 14-020

Dear Mr. Helgeson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-020. Effective March 13, 2014 this amendment proposes to set the inpatient hospital payment rate for those out-of-state hospitals in larger cities - with a population equal to or greater than 500,000 people - at a rate equal to the weighted average rate for in-state rate hospitals in the Downstate Region.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), 1903(a) and 1923 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 March 13, 2014. 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,

Cindy Mann
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 14-20	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 March 13, 2014											
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: § 1902(a) of the Social Security Act, and 42 CFR 447		7. FEDERAL BUDGET IMPACT: a. FFY 03/13/14-09/30/14 \$ 169,167 b. FFY 10/01/14-09/30/15 \$ 290,000											
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Page: 139		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A Page: 139											
10. SUBJECT OF AMENDMENT: Revision to the downstate region qualifications for out-of-state acute hospitals. (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 HCRA Operations & Financial Analysis 99 Washington Ave - One Commerce Plaza Suite 1430 Albany, NY 12210											
13. TYPED NAME: Jason A. Helgeson													
14. TITLE: Medicaid Director Department of Health													
15. DATE SUBMITTED: March 31, 2014													
<table border="1"> <tr> <td colspan="2">FOR REGIONAL OFFICE USE ONLY</td> </tr> <tr> <td>17. DATE RECEIVED:</td> <td>18. DATE APPROVED: JUN 19 2014</td> </tr> <tr> <td>19. APPROVED BY:</td> <td>20. SIGNATURE OF REGIONAL GOVERNOR:</td> </tr> <tr> <td>21. TYPED NAME: Penny H. Brown</td> <td>22. SIGNATURE: [Signature]</td> </tr> <tr> <td>23. COMMENTS:</td> <td></td> </tr> </table>				FOR REGIONAL OFFICE USE ONLY		17. DATE RECEIVED:	18. DATE APPROVED: JUN 19 2014	19. APPROVED BY:	20. SIGNATURE OF REGIONAL GOVERNOR:	21. TYPED NAME: Penny H. Brown	22. SIGNATURE: [Signature]	23. COMMENTS:	
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23. COMMENTS:													

New York
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Out-of-state providers.

1. For discharges occurring on and after December 1, 2009, rates of payment for inpatient hospital services provided by out-of-state providers in accordance with the prior approval requirements shall be as follows:
 - a. the weighted average of inpatient rates, including a teaching adjustment where applicable, in effect for similar services for hospitals located in the downstate region of New York State shall apply with regard to services provided by out-of-state providers located in the New Jersey counties of Sussex, Passaic, Bergen, Hudson, Essex, Union, Middlesex and Monmouth, in the Pennsylvania county of Pike, and in the Connecticut counties of Fairfield and Litchfield;
 - b. For rates effective beginning March 13, 2014, the weighted average of inpatient rates, including a teaching adjustment where applicable, in effect for similar services for hospitals located in the downstate region of New York State shall also apply with regard to services provided by out-of-state providers located in cities where the city's population census is 500,000 or greater based on the U. S. Department of Commerce, United States Census Bureau. This population test will be updated when the acute inpatient rates are updated to a new cost base and will remain constant while the cost base is in effect. For implementing the census population test, the latest census data that is available at that time will be used;
 - c. the weighted average of inpatient rates, including a teaching adjustment where applicable, in effect for similar services for hospitals located in the upstate region of New York State shall apply with regard to all other out-of-state providers;
 - d. high cost outlier rates of payment shall be calculated in accordance with the Outlier and Transfer Cases Rates of Payment section of this Attachment, with the exception of the wage equalization factor (WEF) being based upon the weighted average of the upstate or downstate region; and
 - e. the weighted average of the capital component of the inpatient rates in effect for similar services for hospitals located in New York State shall apply with regard to services provided by out-of-state providers.
2. Notwithstanding any inconsistent provision of this Section, in the event the Department determines that an out-of-state provider is providing services that are not available within New York State, the Department may negotiate payment rates and conditions with such provider; provided however, such payments shall not exceed the provider's usual and customary charges for such services.
3. For purposes of this Section, 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.

TN #14-20Supersedes TN #10-33-BApproval Date JUN 19 2014Effective Date MAR 13 2014