

## **Table of Contents**

**State/Territory Name: New York**

**State Plan Amendment (SPA) #: 15-0053**

The 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

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DMCHO: SA

August 23, 2018

Donna Frescatore  
Medicaid Director  
New York State Department of Health  
One Commerce Plaza, Suite 1211  
Albany, NY 12210.

Dear Ms. Frescatore:

This is to notify you that New York State Plan Amendment (SPA) #15-0053 has been approved for adoption into the State Medicaid Plan with an effective date of July 1, 2015. This SPA revises the Ambulatory Patient Group (APG) methodology for hospital-based clinic and ambulatory surgery services, including emergency room services, to reflect the recalculated weights with component updates effective July 1, 2015. In addition, the reweighting requirement using updated Medicaid claims data is revised from no less frequently than every three years to no less frequently than every four years.

If you have any questions, please contact me or Stephen Abbott of this office. I may be reached at (212) 264-2424, and Mr. Abbott at (518) 396-3810, ext. 113.

Sincerely,

A large black rectangular box redacting the signature of Michael Melendez.

Michael Melendez, LMSW  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

cc: R. Holligan      R. Dayette  
    R. Weaver      S. Abbott  
    M. Tabakov     M. Lopez

TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:  
15-0053

2. STATE  
New York

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE  
July 1, 2015

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:  
§1902(a) of the Social Security Act, and 42 CFR 447

7. FEDERAL BUDGET IMPACT: (in thousands)

a. FFY 07/01/15-09/30/15 \$ ~~25.84~~ 44.43

b. FFY 10/01/15-09/30/16 \$ ~~103.36~~ 47.73

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B: 1(e)(2), 1(e)(2.2), 1(i), ~~1(e), 1(e), 1(e)~~

8/22/18

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (If Applicable):

Attachment 4.19-B: 1(e)(2), 1(e)(2.2), 1(i), ~~1(e), 1(e), 1(e)~~

8/22/18

10. SUBJECT OF AMENDMENT:

July 2015 Hospital OP APG Weight Adjustments  
(FMAP = 50%)

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Jason A. Helgerson

14. TITLE: Medicaid Director  
Department of Health

15. DATE SUBMITTED: SEP 29 2015

16. RETURN TO:

New York State Department of Health  
Division of Finance and Rate Setting  
99 Washington Ave - One Commerce Plaza  
Suite 1460  
Albany, NY 12210

17. DATE RECEIVED:

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:  
AUGUST 23, 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
JULY 01, 2015

21. TYPED NAME:  
MICHAEL MELENDEZ

20. SIGNATURE OF REGIONAL OFFICIAL:

22. TITLE:  
Division of Medicaid & Children's Health

23. REMARKS:

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](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](http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm) Click on "Contacts."

**3M APG Crosswalk, version 3.10; updated as of [01/01/15] 07/01/15:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/crosswalk/index.htm](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 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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 10/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/bundling/](http://www.health.ny.gov/health_care/medicaid/rates/bundling/) Click on "2011"

**APG 3M Definitions Manual Versions; updated as of [01/01/15] 07/01/15:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/crosswalk/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/crosswalk/index.htm)

**APG Investments by Rate Period; updated as of 01/01/11:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Investments by Rate Period."

**APG Relative Weights; updated as of [01/01/15] 07/01/15:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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; updated as of [01/01/11] 07/01/15:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/apg/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm) Click on "Ancillary Policy."

TN           #15-0053          Supersedes TN           #15-0015          Approval Date           08/23/2018          Effective Date           07/01/2015

New York  
1(e)(2.2)

**No Capital Add-on APGs; updated as of 07/01/13:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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 04/01/12 and 07/01/12:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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 [04/01/13] 07/01/15:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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 01/01/15:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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 10/01/12:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Rate Codes Subsumed by APGs – Hospital Article 28."

**Statewide Base Rate APGs; updated as of 01/01/14:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Statewide Base Rate APGs."

**Uniform Packaging Ancillaries; updated as of 01/01/12:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Uniform Packaging APGs."

TN           #15-0053          

Supersedes TN           #15-0015          

Approval Date           08/23/2018          

Effective Date           07/01/2015

**New York  
1(i)**

**Reimbursement Methodology – Hospital Outpatient**

- I. The criteria for using a procedure-based weight or the relative weight in the methodology is as follows: If a procedure-based weight is available for a particular procedure code, then the procedure-based weight is used. If a procedure-based weight is not available for a particular procedure code, then the relative weight (i.e., "APG weight") is used.
- II. The initial calculation of the APG relative weights were developed using line level charges from 2005 New York Medicaid claims converted to cost using the ratio of cost to charges methodology. The line level costs were brought up to the APG level to determine the average cost of each APG.
  - a. Effective July 16, 2015, [T] the APG relative weights will be updated no less frequently than every [three] four years. These APG and weights are set as of December 1, 2008, and are effective for specified services on and after that date. A link to the list of APGs and their relative weights is available in the APG Reimbursement Methodology – Reimbursement Components section.
  - b. The APG relative weights will be reweighted prospectively. The initial reweighting will be based on Medicaid claims data from the December 1, 2008 through September 30, 2009 period. Subsequent reweightings will be based on Medicaid claims data from the most recent twelve month period and will be based on complete and accurate line level procedure and charge data and ratio of cost to charge data.
  - c. The Department will correct material errors of any given APG relative weight. Such corrections will make use of benchmarking data consisting of payment information from other payers (including Medicare) reimbursing comparable services. Corrections to material errors in individual APG relative weights will be made on a prospective basis.
- III. Case mix index is an expression of the average paid APG weight for a given peer group after consolidation, packaging, and discounting. Case mix indices will be calculated by running applicable claims data through the latest version of the APG software to determine the average final APG weight of the visits. Outlier claims or claim lines may be excluded from this calculation to assure overall accuracy of the final case mix. The initial calculation of case mix indices for periods prior to January 1, 2010, will be based on Medicaid data from the December 1, 2008, through April 30, 2009 period. The January 1, 2010, calculation of case-mix indices will be based on Medicaid data for the period December 1, 2008, through September 30, 2009. Subsequent calculations will be based on Medicaid claims data from the most recent twelve-month period.

**TN**           #15-0053          

**Approval Date**           08/23/2018          

**Supersedes TN**           #14-0035          

**Effective Date**           07/01/2015



## Abbott, Stephen C. (CMS/CMCHO)

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**From:** Deyette, Regina L (HEALTH) <Regina.Deyette@health.ny.gov>  
**Sent:** Thursday, August 16, 2018 2:16 PM  
**To:** CMS SPA\_Waivers\_NewYork\_R02  
**Cc:** Melendez, Michael (CMS/CMCHO); Holligan, Ricardo E. (CMS/CMCHO); McKnight, Nicole M. (CMS/CMCHO); Tabakov, Maria C. (CMS/CMCHO); Abbott, Stephen C. (CMS/CMCHO); LaVenía, Peter A (HEALTH); Levesque, Michelle M (HEALTH); Yungandreas, Jennifer (HEALTH)  
**Subject:** RAI Response (15-0053) (July 2015 Hosp OP APG Weight Adjustments)  
**Attachments:** RAI Response (15-0053) (8-16-18).pdf

Attached for your review and approval is RAI response for NY SPA 15-0053. As always, please let us know if you have any questions or concerns.

The State authorizes the following pen and ink changes to the HCFA179 form:

Box 7 (please revise to read): **FFY 07/01/15-09/30/15 \$44.43**  
**FFY 10/01/15-09/30/16 \$47.73**

Box 8 (please revise to read): **Attachment 4.19-B: 1(e)(2), 1(e)(2.2), 1(i)**

Box 9 (please revise to read): **Attachment 4.19-B: 1(e)(2), 1(e)(2.2), 1(i)**

Thank you  
Regina

### **Regina L. Deyette**

Medicaid State Plan Coordinator  
Division of Finance and Rate Setting

### **New York State Department of Health**

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Albany, NY 12237  
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