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State/Territory Name: New York

State Plan Amendment (SPA) #: 16-0046

This file contains the following documents in the order listed:

- 1) Approval Letter
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- 3) Approved SPA Pages



DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS

DMCHO: JH:SPA-NY-16-0046-Approval

December 14, 2016

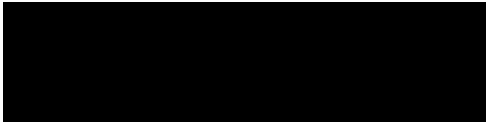
Jason Helgeson
State Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs
New York State Department of Health
Corning Tower (OCP-1211)
Albany, New York 12237

Dear Commissioner Helgeson:

This is to notify you that New York State Plan Amendment (SPA) 16-0046 has been approved for adoption into the State Medicaid Plan with an effective date of July 28, 2016. This State Plan Amendment establishes additional payments to Medicaid safety net Federally Qualified Health Centers (FQHCs) to sustain access to services. Enclosed are copies of SPA 16-0046 and the HCFA- 179 form, as approved.

If you have any questions or wish to discuss this SPA further, please contact Joanne Hounsell at (212) 616-2446.

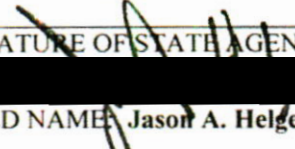
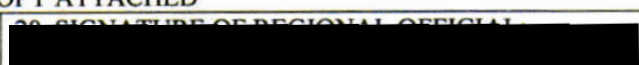
Sincerely,



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

Enclosures: Form HCFA-179
State Plan Pages

cc: J. Ulberg
R. Deyette
M. Levesque
R. Weaver
J. Guhl
R. Holligan
N. McKnight
M. Varon
S. Jew
J. Hounsell
M. Lopez

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 16-0046	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 July 28, 2016	
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: (in thousands) a. FFY 07/28/16-09/30/16 \$15,950.00 b. FFY 10/01/16-09/30/17 \$71,012.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Amendment 4.19-B: 2(am); 2(am)(1); 2(am)(1.1); 2(am)(1.2)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
10. SUBJECT OF AMENDMENT: Medicaid Safety Net Payment-FQHC (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 Division of Finance and 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: SEP 29 2016			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: DECEMBER 14, 2016	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JULY 28, 2016		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: MICHAEL MELENDEZ		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIVISION OF MEDICAID & CHILDREN'S HEALTH	
23. REMARKS:			

**New York
2(am)**

Federally Qualified Health Centers (FQHCs) Safety Net Payment

1. For the period July 28, 2016, through March 31, 2017, \$127,600,000 of additional payments, and for annual state fiscal years thereafter, \$92,650,000 of additional payments will be made to eligible Medicaid safety net Federally Qualified Health Centers (FQHCs) to sustain access to services. The amount of \$92,650,000 is subject to modification by the transfers described in paragraphs (2) and (3) of this section.
 - a. "Eligible Medicaid safety net Federally Qualified Health Centers", for purposes of this section, will mean voluntary non-profit and publicly sponsored diagnostic and treatment centers licensed under Article 28 or Article 31, and must meet the following criteria: deliver comprehensive range of health care services; provide at least 5% of their annual visits to uninsured individuals; have a process in place to collect payment from third party payers; and received Federally Qualified Health Center or Rural Health Center status from the Health Resources & Services Administration (HRSA).
 - b. The base year data used for the period commencing on July 28, 2016 through March 31, 2017 will be the 2014 certified cost report and will be advanced one year thereafter for each subsequent period. In order to be included in the distribution calculation, a provider must timely submit a certified cost report for the base year used in the distribution calculation.
 - c. New providers which do not have a full year cost or visit experience in the base year used for the distribution may qualify to be included in the distribution as follows:
 - i. The provider meets the criteria in paragraph (1)(a).
 - ii. The provider must be eligible to receive a Medicaid rate in New York State.
 - iii. The provider must submit a request to the Department of Health to participate in the distribution. This request must include annualized patient visits, by payer source, which are certified by the Chief Executive Officer, or a similar executive position.
 - iv. The effective date to be included in the distribution will be the first state fiscal year distribution calculation after the provider qualifies to be included based on the requirements in paragraphs (1)(c)(i) through (1)(c)(iii) (herein after referred to as paragraph (1)(c)) or the first state fiscal year distribution calculation after the date a request is made to the Department of Health to be included in the distribution, whichever is later.
 - v. The distribution method applied to a new provider that qualifies to be included in the distribution based on paragraph (1)(c) of this section will be in accordance with the distribution method for other providers in this section. However, the annual distribution for a provider that qualifies based on paragraph (1)(c) of this section will not exceed \$100,000.
 - vi. The distribution for a provider that qualifies based on paragraph (1)(c) of this section will be included in the total safety net distribution amount as described in paragraph (1) of this section.

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**New York
2(am)(1)**

Federally Qualified Health Centers (FQHCs) Safety Net Payment

- d. Each eligible FQHC will qualify for a rate add-on based on its percentage of uninsured visits to total visits according to the following tiers:

% of eligible uninsured visits to total visits							
Upstate				Downstate			
Low (At Least)	High (Less Than)	Amt	Tier	Low (At Least)	High (Less Than)	Amt	Tier
0%	5%	\$0	0	0%	5%	\$0	0
5%	10%	\$15	1	5%	15%	\$32	1
10%	15%	\$25	2	15%	20%	\$42	2
15%	20%	\$36	3	20%	25%	\$53	3
20%	25%	\$48	4	25%	35%	\$65	4
25% or more		\$61	5	35% or more		\$78	5

- e. Safety net payments will be calculated by multiplying each facility's rate add-on, based on the tiers in paragraph (1)(d), by the number of Medicaid fee-for-service and Medicaid managed care visits reported in the base year certified cost report.
- f. The safety net rate adjustment for each eligible FQHC that is determined based on the tier system will be scaled based on the ratio of the total funds allocated for distribution, using the tier system, to the total statewide safety net payment that is available for all eligible FQHCs.
- g. The payments for this alternative payment method, which are made pursuant to this section, will be made quarterly as aggregate payments to eligible FQHCs and will not be subject to subsequent adjustment or reconciliation.

2. In the event that a provider that is included in the Diagnostic and Treatment Centers (D&TCs) Safety Net Payment State Only program receives FQHC designation during a state fiscal year, the newly designated FQHC will be removed from the D&TCs Safety Net Payment State Only program and included in this section as follows:

- a. The effective date of the transfer will be the later of the following:
- i. The first state fiscal year distribution calculation after the FQHC designated approval date; or
 - ii. The first state fiscal year distribution calculation after the date the Department of Health is notified of the FQHC designation.
- b. The funds that were allocated to the new FQHC provider in the D&TCs Safety Net Payment State Only program will be transferred to this FQHCs Safety Net Payment section based on the prior state fiscal year calculation distribution.

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Effective Date JULY 28, 2016

**New York
2(am)(1.1)**

Federally Qualified Health Centers (FQHCs) Safety Net Payment

- i. The transfer of funds will occur at the same time the newly designated FQHC provider is included in this FQHCs Safety Net Payment section distribution.
 - ii. Due to the transfer of the newly designated FQHC's funds to this FQHCs Safety Net Payment section, the total value of the additional payment, as described in paragraph (1) of this section for the additional annual payment, will increase.
- c. In no event will the sum of the total safety net distribution amount of the FQHCs Safety Net Payment in this section and the D&TCs Safety Net Payment State Only program exceed \$151,500,000 for the period July 28, 2016, through March 31, 2017, and \$110,000,000 for the annual state fiscal periods thereafter.
- i. At the time each state fiscal year distribution is developed, the Department of Health will report to the Centers for Medicare and Medicaid Services the providers that have received or lost FQHC designation and the funds transferring between the FQHCs Safety Net Payment in this section and the D&TCs Safety Net Payment State Only program.
3. In the event that a provider that is included in this FQHCs Safety Net Payment section loses its FQHC designation, the FQHCs Safety Net Payment distribution to the provider, that was calculated for the state fiscal year in which the date falls of when the provider lost its FQHC designation, will be reduced as follows:
- a. The distribution pertaining to the Medicaid managed care visits and the distribution pertaining to the Federal Financial Participation portion of the Medicaid fee-for-service visits applied to the tier add-on payment will no longer be paid to the provider as of the date the FQHC loses its designation. The remaining portion of the distribution pertaining to the Medicaid fee-for-service visits after the Federal Financial Participation will be paid as a State Only payment.
 - b. The amount of the reduction of the distribution to the provider will be calculated based on the number of days remaining in the distribution period from the date the FQHC loses its designation.
 - c. The funds from paragraphs 3(a) and 3(b) will be preserved until the fourth quarterly aggregate payment as the provider may regain their FQHC designation during the same state fiscal year and would then be entitled to their distribution from the date they regained the FQHC designation.
 - d. In the event the provider does not regain their FQHC status, any remaining funds pertaining to the Medicaid managed care visits from paragraphs (3)(a) and 3(b) of this section will be redistributed to the other eligible FQHC providers based on the proportion of their distribution to the total distribution and included in the fourth quarterly aggregate payment. The remaining funds pertaining to the Federal Financial Participation portion of the Medicaid fee-for-service visits will not be redistributed.

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Effective Date JULY 28, 2016

New York
2(am)(1.2)

Federally Qualified Health Centers (FQHCs) Safety Net Payment

- e. The provider will be removed from the distribution calculated in the FQHC Safety Net Payment section and included in section for the D&TCs Safety Net Payment State Only program in the first state fiscal year distribution calculation subsequent to the date they lost their FQHC designation.
- f. The funds allocated to the provider in this FQHC Safety Net Payment section will be transferred to the D&TC Safety Net Payment State Only program based on the portion of the distribution pertaining to the Medicaid fee-for-service visits applied to the tier add-on payment. The transfer of funds will be at the same time the provider is included in the D&TC Safety Net Payment State Only program distribution, as stated in paragraph (3)(e) of this section, decreasing the total value of the additional payment as described on paragraph (1) of this section.

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