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State/Territory Name: New York

State Plan Amendment (SPA) #: 20-0037

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

September 14, 2020

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

Reference: TN 20-0037

Dear Ms. Frescatore:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 20-0037. This amendment proposes to eliminate the residual equity reimbursement.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447.

This is to inform you that Medicaid State plan amendment 20-0037 is approved effective April 2, 2020. The CMS-179 and the amended plan page is attached.

If you have any additional questions or need further assistance, please contact Charlene Holzbaur at 609-882-4796 or Charlene.Holzbaur@cms.hhs.gov.

Sincerely,

[Redacted Signature]

For
Rory Howe
Acting Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 0 — 0 0 3 7

2. STATE

New York

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)
TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 2, 2020

5. TYPE OF PLAN MATERIAL (*Check One*)☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

§1902(n)(5) of the Social Security Act, and 42 CFR 447
(a)

7. FEDERAL BUDGET IMPACT

a. FFY 04/02/20-09/30/20 \$ (6,950,000)b. FFY 10/01/20-09/30/21 \$ (13,900,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment: 4.19-D Page: 82

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment: 4.19-D Page: 82

10. SUBJECT OF AMENDMENT

Eliminate Residual Nursing Home Equity Payments
(FMAP=50%)11. GOVERNOR'S REVIEW (*Check One*)☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME

Donna Frescatore

14. TITLE

Medicaid Director, Department of Health

15. DATE SUBMITTED June 30, 2020

16. RETURN TO

New York State Department of Health
Division of Finance and Rate Setting
99 Washington Ave – One Commerce Plaza
Suite 1432
Albany, NY 12210**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

June 30, 2020

18. DATE APPROVED

9/14/20

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

April 2, 2020

20. SIGNATURE OF REGIONAL OFFICIAL

For

21. TYPED NAME

Rory Howe

22. TITLE

Acting Director, FMG

23. REMARKS

State requested pen and ink box 6 to 1902(a)

New York
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factor for any facility for which he determines that continued capital cost reimbursement is appropriate; provided, however, that such payment factor [shall] will not exceed one half of the capital cost reimbursement received by such facility in the final year of useful facility life.

Effective on April 2, 2020, and thereafter, the capital cost component of the rate for corporation and partnership-based residential health care facilities will be adjusted to reflect the removal of residual equity reimbursement. Effective on June 4, 2020, and thereafter, the capital cost component of the rate for all other residential health care facilities will be adjusted to reflect the removal of residual equity reimbursement.

(8) Capital improvement cost reimbursement.

- (i) The capital improvement cost [shall] will be reimbursed by adjusting the initial allowed facility cost, capital indebtedness, equity determinations and limitations as stated in paragraph (5) of this subdivision, to include the capital improvement cost.
- (ii) Adjustments in accordance with subparagraph (i) of this paragraph [shall] will be made in the following manner:
 - (a) if the cost of an improvement is \$100,000 or more, and certificate of need approval has been granted by the commissioner, then component useful life for the improvement will be permitted. Such component useful life will be equivalent to the estimated asset life in accordance with the *Medicare Provider Reimbursement Manual* or the remaining useful life of the facility, whichever is less. Where a capital improvement adjusts the expected useful life of the facility beyond the remaining portion of the original useful facility life, the limitation set