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State/Territory Name: NY

State Plan Amendment (SPA) #: 20-0057

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
Financial Management Group

March 9, 2022

Brett Friedman
Acting Medicaid Director
New York State Department of Health
99 Washington Ave – One Commerce Plaza Suite 1432
Albany, NY 12210

RE: TN 20-0057

Dear Mr. Friedman:

We have reviewed the proposed New York State Plan Amendment (SPA) to Attachment 4.19-B transmittal number 20-0057, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 25, 2020. New York State Department of Health updates the Ambulatory Patient Group (APG) methodology for Freestanding Clinics.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Kristina Mack-Webb at 617-565-1225 or Kristina.Mack-Webb@cms.hhs.gov

Sincerely,

Todd McMillion
Director
Division of Reimbursement Review

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

1. TRANSMITTAL NUMBER  20-0057
2. STATE New York

3. PROGRAM IDENTIFICATION: 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
July 1, 2020

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
a. FFY 07/01/2009/30/20 $ (7,500.00)

b. FFY 10/01/20-09/30/21 $ (30,000.00)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment: 4.19B Pages: 2(g)(2), 2(g)(3), 2(g)(3.1), 2(k), 2(l)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment: 4.19B Pages: 2(g)(2), 2(g)(3), 2(g)(3.1), 2(k), 2(l)

10. SUBJECT OF AMENDMENT
July 2020 APG Updates for Freestanding Clinic (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
September 25, 2020

FOR REGIONAL OFFICE USE ONLY

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

17. DATE RECEIVED
September 25, 2020

18. DATE APPROVED
March 9, 2022

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME
Todd McMillion

22. TITLE
Director, Division of Reimbursement Review

23. REMARKS
State authorized pen and ink change to box 8 and 9
1905(a)(9) Clinic Services

APG Reimbursement Methodology – Freestanding Clinics

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. 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 Click on “Contacts.”

3M APG Crosswalk*:
http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm Click on “3M Versions and Crosswalks,” then on “3M APG Crosswalk” toward bottom of page, and finally on “Accept” at bottom of page.

APG Alternative Payment Fee Schedule; updated as of 01/01/11:

APG Consolidation Logic; logic is from version 3.15.20.4, updated as of 10/01/20:
http://www.health.ny.gov/health_care/medicaid/rates/bundling/ Click on “2020”

APG 3M Definitions Manual; version 3.15 updated as of 07/01/20 and 10/01/20:

APG Investments by Rate Period; updated as of 07/01/10:
http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on “Investments by Rate Period.”

APG Relative Weights; updated as of 07/01/20:

Associated Ancillaries; updated as of 01/01/20:

*Older 3M APG crosswalk versions available upon request.
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Carve-outs; updated as of 10/01/12. The full list of carve-outs is contained in Never Pay APGs and Never Pay Procedures:

Coding Improvement Factors (CIF); updated as of 04/01/12 and 07/01/12:
http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm  Click on “CIFs by Rate Period.”

If Stand Alone, Do Not Pay APGs; updated 01/01/15:
http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm  Click on “If Stand Alone, Do Not Pay APGs.”

If Stand Alone, Do Not Pay Procedures; updated 01/01/19:
http://www.health.state.ny.us/health_care/medicaid/rates/methodology/index.htm  Click on “If Stand Alone, Do Not Pay Procedures.”

Modifiers; updated as of 07/01/18:

Never Pay APGs; updated as of 01/01/20:

Never Pay Procedures; updated as of 07/01/20:

No-Blend APGs; updated as of 01/01/20:
http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm  Click on “No Blend APGs.”

No-Blend Procedures; updated as of 01/01/11:

No Capital Add-on APGs: updated as of 01/01/20:
http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm  Click on “No Capital Add-on APGs.”

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Supersedes TN #20-0010  
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No Capital Add-on Procedures; updated as of 07/01/17:

Non-50% Discounting APG List; updated as of 07/01/20:
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  Click on “Rate Codes Carved Out of APGs for Article 28 facilities.”

Rate Codes Subsumed by APGs; updated as of 01/01/11 and 07/01/11:
http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm  Click on “Rate Codes Subsumed by APGs – Freestanding Article 28.”

Statewide Base Rate APGs; updated as of 01/01/20:
http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm  Click on “Statewide Base Rate APGs.”

Packaged Ancillaries in APGs; updated as of 01/01/20:
http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm  Click on “Packaged Ancillaries in APGs.”

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Supersedes TN ________ #20-0010 ________ Effective Date ________ July 1, 2020 ________
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Reimbursement Methodology – Freestanding Clinics

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 hospital 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. The APG relative weights will be updated at the time the New York State enacted budget provides for a revision to APG rates. These APG and weights are set as of September 1, 2009, 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 – Freestanding Clinics section.

b. The APG relative weights will be re-weighted prospectively. The initial reweighting will be based on Medicaid claims data for hospitals from the December 1, 2008 through September 30, 2009 period. Subsequent reweightings will be based on Medicaid hospital 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. The 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 freestanding D&TC and ambulatory surgery center 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 index. Recalculations of case mix indices for periods prior to January 1, 2010, will be based on freestanding D&TC and ambulatory surgery center Medicaid data for 2007. Such revisions for the period commencing January 1, 2010, will be based on such data from the January 1, 2009 through November 15, 2009 period. Subsequent recalculations will be based on freestanding D&TC and ambulatory surgery center Medicaid claims data from the most recent twelve month period.

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Supersedes TN #19-0048 Effective Date July 1, 2020
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IV. The APG base rates will be updated at the time the APG relative weights are updated in accordance with the Reimbursement Methodology – Freestanding Clinics section, paragraph II(a). Updates for periods prior to January 1, 2010, will be based on claims data from 2007. The update commencing January 1, 2010, will be based on claims data from the January 1, 2009 through November 15, 2009 period, and subsequent updates will be based on Medicaid claims data from the most recent twelve-month period, and will be based on complete and accurate billing data. APG base rates will be rebased each time the APG relative weights are reweighted.

a. If it is determined by the Department that an APG base rate is materially incorrect, the Department will correct that base rate prospectively so as to align aggregate reimbursement with total available funding.

V. APG base rates will initially be calculated using the total operating reimbursement for services and associated ancillaries and the associated number of visits for services moving to APG reimbursement for the period January 1, 2007 to December 31, 2007. APG payments will also reflect an investment of $9.375 million for dates of service from September 1, 2009 through November 30, 2009, and $50 million for each annual period thereafter. A link to the allocation of all APG investments across peer groups for all periods is available in the APG Reimbursement Methodology – Freestanding Clinic section. The case mix index will initially be calculated using 2005 claims data.

a. The calculation of total operating reimbursement for services and associated ancillaries and the number of visits will be calculated based on historical claims data. Calculations for periods prior to January 1, 2010, will be based on Medicaid claims data for 2007. Calculations for the period commencing January 1, 2010, will be based on Medicaid claims data for the period January 1, 2009 through November 15, 2009. Subsequent calculations will be based on Medicaid freestanding clinic and ambulatory surgery center claims data from the most recent twelve-month period and will be based on complete and accurate data.

b. The estimated case mix index will be calculated using the appropriate version of the 3M APG software based on claims data. This initial estimate will be adjusted prior to January 1, 2010, based on Medicaid freestanding clinic and ambulatory surgery center claims data from 2007. For January 1, 2010, the case mix index will be recalculated using January 1, 2009, to November 15, 2009, claims data. Any subsequent modifications will be based on Medicaid freestanding clinic and ambulatory surgery center 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.