

Table of Contents

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

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



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 2 0 — 0 0 5 7	2. STATE New York
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE July 1, 2020	

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (*Check One*)

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

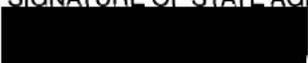
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

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(I)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Attachment: 4. 19B Pages: 2(g)(2), 2(g)(3), 2(g)(3.1), 2(k), 2(I)

10. SUBJECT OF AMENDMENT
**July 2020 APG Updates for Freestanding Clinic
(FMAP=50%)**

11. GOVERNOR'S REVIEW (*Check One*)

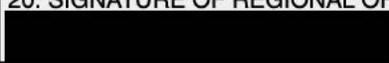
- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	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
13. TYPED NAME Donna Frescatore	
14. TITLE Medicaid Director, Department of Health	
15. DATE SUBMITTED September 25, 2020	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED September 25, 2020	18. DATE APPROVED March 9, 2022
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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

New York
2(g)(2)

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:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Alternative Payment Fee Schedule."

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:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "3M Versions and Crosswalk."

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:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Weights, Proc Weights, and APG Fee Schedule Amounts."

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

http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm Click on "Ancillary Policy."

*Older 3M APG crosswalk versions available upon request.

TN #20-0057

Supersedes TN #20-0010

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Effective Date July 1, 2020

New York
2(g)(3.1)

1905(a)(9) Clinic Services

No Capital Add-on Procedures; updated as of 07/01/17:

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 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."

TN #20-0057

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**New York
2(k)**

1905(a)(9) Clinic Services**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 re-weightings 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.

TN #20-0057 **Approval Date** March 9, 2022
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**New York
2(I)**

1905(a)(9) Clinic Services

- 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.

TN # 20-0057	Approval Date <u>March 9, 2022</u>
Supersedes TN #09-06	Effective Date <u>July 1, 2020</u>