

## **Table of Contents**

**State/Territory Name: New York**

**State Plan Amendment (SPA) #: NY-23-0051**

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



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**Financial Management Group**

September 18, 2023

Amir Bassiri  
State Medicaid Director  
New York State Department of Health  
99 Washington Ave  
One Commerce Plaza, Suite 1432  
Albany, NY 12210

RE: State Plan Amendment (SPA) NY-23-0051

Dear Director Bassiri:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State Plan submitted under transmittal number (TN) NY-23-0051. This State Plan Amendment extends the Indigent Care Pool (ICP) Methodology through December 31, 2025, and, as part of the state's Fiscal Year 2024 Enacted Budget, implements a \$85.4 million (gross) reduction in ICP payments to voluntary hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State Plan Amendment NY-23-0051 is approved effective April 1, 2023. The CMS-179 and the amended plan pages are attached.

If you have any questions or need further assistance, please contact James Francis at 857-357-6378 or via email at [James.Francis@cms.hhs.gov](mailto:James.Francis@cms.hhs.gov).

Sincerely,



Rory Howe  
Director

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

1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 5 1</u>	2. STATE <u>NY</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>April 1, 2023</b>
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5. FEDERAL STATUTE/REGULATION CITATION <b>§ 1905(a)(1) Inpatient Hospital Services</b>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>04/01/23-09/30/23</u> \$ <u>351,937,500</u> b. FFY <u>10/01/23-09/30/24</u> \$ <u>469,250,000</u>
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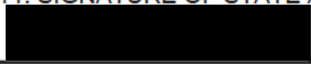
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <b>Attachment 4.19-A Part I: Pages 161(d), 161(h), 161(j), 161(j)(1)</b>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Attachment 4.19-A Part I: Pages 161(d), 161(h), 161(j)</b>
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9. SUBJECT OF AMENDMENT  
**Indigent Care Pool Extender and Pool Reduction**

10. 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

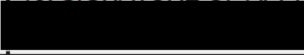
OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. 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
12. TYPED NAME <b>Amir Bassiri</b>	
13. TITLE <b>Medicaid Director</b>	
14. DATE SUBMITTED <b>June 29, 2023</b>	

**FOR CMS USE ONLY**

16. DATE RECEIVED <b>June 29, 2023</b>	17. DATE APPROVED <b>September 18, 2023</b>
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL <b>April 1, 2023</b>	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL <b>Rory Howe</b>	21. TITLE OF APPROVING OFFICIAL <b>Director, Financial Management Group</b>

22. REMARKS

New York  
161(d)

**1905(a)(1) Inpatient Hospital Services**

**Indigent Care Pool Reform – effective January 1, 2013**

The provisions of this section will be effective for the period January 1, 2013 through December 31, 2025.

**(a) Indigent Care Pool Reform Methodology.** Each hospital's uncompensated care nominal need will be calculated in accordance with the following:

- 1. Inpatient Uncompensated Care.** Inpatient units of service for uninsured (self-pay and charity) patients, as reported in Exhibit 32 of the Institutional Cost Report (ICR) for the calendar year two years prior to the distribution year for each inpatient service area which has a distinct reimbursement rate, excluding hospital-based residential health care facility (RHCF) and hospice units of service, will be multiplied by the applicable Medicaid inpatient rates in effect for January 1 of the distribution year.

Medicaid inpatient rates for acute and psychiatric services will be the statewide base price adjusted for hospital-specific factors including an average case mix adjustment plus all rate add-ons except the public goods surcharge. Medicaid inpatient rates for all other inpatient services will be the per diem rate, excluding the public goods surcharge add-on. Units of service for acute care services will be uninsured patient discharges; units of service for all other inpatient services will be uninsured patient days, not including alternate level of care (ALC) days.

- 2. Outpatient Uncompensated Care.** Outpatient units of service for those uninsured (self-pay and charity) patients reported in Exhibit 33 of the ICR for the calendar year two years prior to the distribution year, excluding referred ambulatory services and home health units of service, will be multiplied by the average paid Medicaid outpatient rates that reflect the exclusive utilization of the ambulatory patient groups (APG) rate-setting methodology; however, for those services for which APG rates are not available the applicable Medicaid rate in effect for January 1 of the distribution year will be utilized. The outpatient rates used are exclusive of the public goods surcharge.

Units of service for ambulatory surgery services will be uninsured procedures, not including those which result in inpatient admissions; units of service for all other outpatient services will be uninsured visits, not including those which result in inpatient admissions.

TN     #23-0051    

Approval Date September 18, 2023

Supersedes TN     #20-0040    

Effective Date April 1, 2023

**New York  
161(h)**

**1905(a)(1) Inpatient Hospital Services**

**3. Transition Pool.** An eight-year transition pool utilizing a floor/ceiling model has been established to help hospitals avoid large funding swings. The transition pool funding will be generated through a redistribution of dollars from those hospitals which experience an increase in distributions using the new Indigent Care Reform Methodology to those that experience a decrease. Transition amounts will be determined based on a comparison of the distributions for the applicable calendar year 2013 through 2020 to an average of the annual distributions for the three year period January 1, 2010 through December 31, 2012.

A separate transition pool will be established for major government general hospitals and voluntary general hospitals. Individual hospital gains and losses in each pool will be capped by means of the following transition adjustments. Any adjustments provided pursuant to this subparagraph will not apply to distributions relative to calendar years beyond 2019.

**TN**     **#23-0051**    

**Supersedes TN**     **#20-0040**    

**Approval Date**     September 18, 2023    

**Effective Date**     **April 1, 2023**



New York  
161(j)(1)

1905(a)(1) Inpatient Hospital Services

**9. Reconciliation and Redistribution of Overpayments.** The modeled distribution of hospital-specific ICP annual payments will be refreshed based on updated ICR and DSH Audit data. Any over or under payment will be reconciled and redistributed as soon as possible. The total pool amount is fixed; therefore, it is anticipated that any overpayments and underpayments will be balanced within the most recent schedule of hospital-specific ICP annual payments for the applicable State Plan Rate Year (SPRY) calculated pursuant to the approved State Plan and applicable State Law, calculated utilizing the most recently available data.

In the case of underpayments, the State will adjust the facility’s payment going forward to ensure that the total amount received for each SPRY reflects the updated ICP Award Amount. In the case of overpayments, the State will immediately move any overpayment amount to a 100% State Share liability by adjusting ICP claiming. The State will then repay the liability by reducing future ICP dollars. When this is not possible, funds may be recouped by the State in order to resolve any overpayments which cannot be resolved by reducing or adjusting future Indigent Care Pool Payments. In all circumstances, the ICP payment amounts will be subject to a final reconciliation wherein it is ensured that no facility receives more than its individual model amount nor a Federal share in excess of its hospital specific DSH limit.

TN           #23-0051          

Approval Date September 18, 2023

Supersedes TN   NEW  

Effective Date April 1, 2023