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State/Territory Name: NY

State Plan Amendment (SPA): NY-23-0086

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

September 20, 2023

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

RE: New York Plan Amendment (SPA) Transmittal Number 23-0086

Dear Director Bassiri:

We have reviewed the proposed New York State Plan Amendment (SPA) to Attachment 4.19-B submitted under TN-23-0086, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 30th, 2023. This plan proposes to increase the operating cost component of hospital based Federally Qualified Health Center (FQHC) and Rural Health clinic (RHC) rates by 6.5%.

Based upon the information provided by the State, we have approved the amendment with an effective date of April 1st, 2023. 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 Jerica Bennett at 1-410-786-1167 or jerica.bennett@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

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 3 — 0 0 8 6

2. STATE

N Y

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
~~1905(a)(2)(B) Rural Health Clinic (RHC) Svcs and 1905(a)(2)(C) Federally Qualif~~
~~§ 1905(a)(2)(A) Outpatient Hosp Svc; 1905(a)(9) Clinic Svc Health Ctr~~

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 04/01/23-09/30/23 \$ 1,000,000
b. FFY 10/01/23-09/30/24 \$ 2,000,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B: Page 2(c)(iv), 2(c)(iv)(1)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B: Page 2(c)(iv)

9. SUBJECT OF AMENDMENT

6.5% Investment-FQHC(Hospital) -NI

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

12. TYPED NAME

Amir Bassiri

13. TITLE

Medicaid Director

14. DATE SUBMITTED June 30, 2023

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

FOR CMS USE ONLY

16. DATE RECEIVED
06/30/23

17. DATE APPROVED
September 20, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
04/01/23

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

Pen and ink changes

Box 5: Federal Statute/Regulation Citation: 1905(a)(2)(B) Rural Health Clinic (RHC) Services and 1905(a)(2)(C) Federally Qualified Health Centers (FQHC) Services

**New York
2(c)(iv)**

1905(a)(2)(B) Rural Health Clinic (RHC) Services and 1905(a)(2)(C) Federally Qualified Health Centers (FQHC) Services

Prospective Payment System Reimbursement as of January 1, 2001 for and Rural Health Clinics including FQHCs located on Native American reservations and operated by Native American tribes or Tribal Organizations pursuant to applicable Federal Law and for which State licensure is not required.

For services provided on and after January 1, 2001 and prior to October 1, 2001, all-inclusive rates shall be calculated by the Department of Health, based on the lower of the facilities' allowable operating cost per visit or the peer group ceiling plus allowable capital cost per visit. The base for this calculation shall be the average of cost data submitted by facilities for both the 1999 and 2000 base years.

For each twelve month period following September 30, 2001, the operating cost component of such rates of payment shall reflect the operating cost component in effect on September 30th of the prior period as increased by the percentage increase in the Medicare Economic Index and as adjusted pursuant to applicable regulations to take into account any increase or decrease in the scope of services furnished by the facility. Effective May 1, 2015 and each October 1 thereafter, rates of payment for the group psychotherapy and individual off-site services will be increased by the percentage increase in the Medicare Economic Index.

Supplementary increases in Medicaid rates of payment for these providers which is paid for the purpose of recruitment and retention of non-supervisory workers or workers with direct patient care responsibility, in accordance with the provisions of the Workforce Recruitment and Retention section of this Attachment, are in addition to the standard Medicaid operating cost component calculation. As such, they are not subject to trend adjustments. These supplementary increases shall be in effect through June 30, 2005.

Rates of payments to facilities which first qualify as federally qualified health centers on or after October 1, 2000 shall be computed as above provided, however, that the operating cost component of such rates shall reflect an average of the operating cost components of rates of payments issued to other FQHC facilities during the same rate period and in the same geographic region, and with similar case load, and further provided that the capital cost component of such rates shall reflect the most recently available capital cost data for such facility as reported to the Department of Health. Effective May 1, 2011, the geographic regions will consist of the Downstate Region, which includes the five counties comprising New York City and the counties of Nassau, Suffolk, Westchester, Rockland, Orange, Putnam, and Dutchess and the Upstate Region, which includes all counties in the State other than those counties included in the Downstate Region. For each twelve-month period following the rate period in which such facilities commence operation, the operating cost components of rates of payment for such facilities shall be computed as described above.

Effective for the dates of service on or after April 1, 2022, the operating cost component of all-inclusive rates and the rates of payment for the group psychotherapy and individual off-site services will be increased by one percent. Also, effective for the dates of service on or after April 1, 2023, the operating cost component of all-inclusive rates and the rates of payment for the group psychotherapy and individual off-site services for hospital based FQHCs and Rural Health Clinics will be increased by six and one-half percent (6.5%). The increases in Medicaid rates of payment for these providers are in addition to the standard Medicaid operating cost component calculation, which is increased by the percentage increase in the Medicare Economic Index every October 1.

TN #23-0086

Approval Date September 20, 2023

Supersedes TN #22-0067

Effective Date April 01, 2023

**New York
2(c)(iv)(1)**

**1905(a)(2)(B) Rural Health Clinic (RHC) Services and 1905(a)(2)(C) Federally
Qualified Health Centers (FQHC) Services**

For services provided on and after April 1, 2016 the cost of long acting reversible contraceptives (LARC) will be separated from the PPS reimbursement. Reimbursement for LARC will be based on actual acquisition cost. The facility must submit a separate claim to be reimbursed for the actual acquisition cost of the LARC device.

TN **#23-0086**

Approval Date September 20, 2023

Supersedes TN **#22-0067**

Effective Date **April 01, 2023**