

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations, CMSO

Deborah Bachrach
Deputy Commissioner
New York State Department of Health
Corning Tower
Empire State Plaza
Albany, New York 12237

SEP 23 2009

RE: TN 09-11

Dear Ms. Bachrach:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-11. Effective May 1, 2009, this amendment provides for expanding and restructuring certain aspects of New York's Disproportionate Share Hospital (DSH) payments.

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 regulations at 42 CFR 447 Subpart C. I am pleased to inform you that New York 09-11 is approved effective May 1, 2009 and have enclosed the HCFA-179 and the approved plan page.


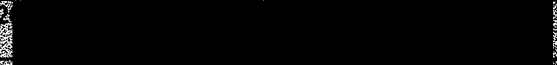
If you have any questions, please contact Tom Brady at 518-396-3810 or Rob Weaver at 410-786-5914.

Sincerely,



Y Cindy Mann
Director
Center for Medicaid and State Operations (CMSO)

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 09-11	2. STATE New York
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE May 1, 2009	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(a) of the Social Security Act, and 42 CFR 447		7. FEDERAL BUDGET IMPACT: a. FFY 05/1/09-09/30/09 \$130.5 million b. FFY 10/01/09-09/30/10 \$169.3 million	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A pages 188(b), 188(b)(A), 188(b)(B), 188(b)(C), 188(b)(D), 188(b)(E), 188(b)(1), 188(b)(2), 188(b)(3) & 188(b)(4)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A pages 188(b), 188(b)(1), 188(b)(2), & 188(b)(3)	
10. SUBJECT OF AMENDMENT: Hospital Indigent Care/PEP Conversion			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGN: 	16. RETURN TO: New York State Department of Health Corning Tower Empire State Plaza Albany, New York 12237		
13. TYPED NAME: Deborah Bachrach			
14. TITLE: Deputy Commissioner Department of Health			
15. DATE SUBMITTED: June 26, 2009			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:	18. DATE APPROVED: 9-23-09		
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: MAY - 1 2009			
21. TYPED NAME: William Lasowski	Deputy Director, CMSA		
23. REMARKS:			

**New York
188(b)**

**Attachment 4.19-A
(04/09)**

qualified for distributions pursuant to §86-1.66 of this Subpart, shall be adjusted as follows:

(i) For each category specified in this subdivision, 50 percent of the amount by which the allocation calculated pursuant to subdivisions (d)(2), (h) and (i) of this section for rate periods commencing on and after January 1, 1997 exceeds the projected distribution calculated pursuant to subdivision (d)(2) of this section for 1996 and, if applicable, §86-1.84 of this Subpart for 1996 shall be reserved by the Commissioner for allocation to general hospitals within such category that would experience a loss based on each such general hospital's proportionate share of the aggregate losses for all general hospitals within such category, provided however, that the amount reserved within a category shall not exceed the aggregate amount of losses within such category.

(k) Supplemental indigent care distributions. From funds in the pool for each year, except as otherwise provided for in this section, \$27 million shall be reserved on an annual basis for the periods January 1, 2000 through [December 31, 2010] May 1, 2009, to be distributed to each hospital based on each hospital's proportional annual reduction to their projected distribution from the New York State Health Care Reform Act Professional Education Pool, relative to the statewide annual reduction to said pool, as authorized by State law, up to the hospital specific disproportionate share payment limits.

Effective May 1, 2009 through December 31, 2009:

- (1) Each hospital eligible for supplemental indigent care distributions in 2008 shall receive 90% of its 2008 annual award amount as Medicaid DSH payment.
- (2) \$307 million shall be distributed to facilities designated by the Department as teaching hospitals as of December 31, 2008, to compensate such facilities for Medicaid and self pay losses. The payment amounts apply consistently to all teaching hospitals, and are reasonably related to costs, based on Medicare GME payments as a proxy, and are pursuant to the following schedule of payments:

TN #09-11 _____

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Supersedes TN #08-14 _____

Effective Date MAY - 1 2009

**New York
188(b)(A)**

**Attachment 4.19-A
(04/09)**

<u>Hospital</u>	<u>Calendar Year 2009</u>
	\$ 307,000,000
	Uninsured Distribution to Teaching Hospitals
<u>ALBANY MEDICAL CENTER HOSPITAL</u>	\$ 7,207,099
<u>ST PETERS HOSPITAL</u>	\$ 1,001,662
<u>ALBANY MEDICAL CENTER SOUTH CLINICAL CAMPUS</u>	\$ 3,880
<u>UNITED HEALTH SERVICES, INC</u>	\$ 1,140,730
<u>OLEAN GENERAL HOSPITAL</u>	\$ 24,817
<u>ERIE COUNTY MEDICAL CENTER</u>	\$ 597,922
<u>MERCY HOSPITAL OF BUFFALO</u>	\$ 319,739
<u>ROSWELL PARK MEMORIAL INSTITUTE</u>	\$ 1,652,987
<u>KALEIDA HEALTH</u>	\$ 4,938,527
<u>HIGHLAND HOSPITAL OF ROCHESTER</u>	\$ 2,845,852
<u>ROCHESTER GENERAL HOSPITAL</u>	\$ 3,553,825
<u>STRONG MEMORIAL HOSPITAL</u>	\$ 11,695,895
<u>THE UNITY HOSPITAL OF ROCHESTER</u>	\$ 572,019
<u>GLEN COVE HOSPITAL</u>	\$ 471,540
<u>WINTHROP UNIVERSITY HOSPITAL</u>	\$ 6,071,885
<u>SOUTH NASSAU COMMUNITIES HOSPITAL</u>	\$ 530,429
<u>NASSAU UNIVERSITY MEDICAL CENTER</u>	\$ 1,783,090
<u>NORTH SHORE UNIVERSITY HOSPITAL</u>	\$ 13,118,952
<u>ST FRANCIS HOSPITAL OF ROSLYN</u>	\$ 425,667
<u>ST ELIZABETH MEDICAL CENTER</u>	\$ 7,889
<u>FAXTON - ST LUKE'S HEALTHCARE</u>	\$ 23,436
<u>COMMUNITY-GENERAL HOSPITAL OF GREATER SYRACUSE</u>	\$ 196,351
<u>ST JOSEPHS HOSPITAL HEALTH CENTER</u>	\$ 2,697,040
<u>UNIVERSITY HOSPITAL SUNY HEALTH SCIENCE CENTER</u>	\$ 6,987,635
<u>CROUSE HOSPITAL</u>	\$ 958,865
<u>MARY IMOGENE BASSETT HOSPITAL</u>	\$ 472,619
<u>ELLIS HOSPITAL</u>	\$ 960,657
<u>ST CHARLES HOSPITAL</u>	\$ 249,445

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New York
188(b)(B)

Attachment 4.19-A
(04/09)

<u>Hospital</u>	<u>Calendar Year 2009</u>
	<u>\$ 307,000,000</u>
	<u>Uninsured Distribution to Teaching Hospitals</u>
UNIVERSITY HOSPITAL AT STONY BROOK	\$ 13,197,922
HUNTINGTON HOSPITAL	\$ 64,200
GOOD SAMARITAN HOSPITAL OF WEST ISLIP	\$ 589,318
BENEDICTINE HOSPITAL	\$ 459,898
KINGSTON HOSPITAL	\$ 430,512
MOUNT VERNON HOSPITAL	\$ 115,045
SOUND SHORE MEDICAL CENTER	\$ 155,810
WESTCHESTER MEDICAL CENTER	\$ 16,611,342
BRONX-LEBANON HOSPITAL CENTER	\$ 37,193
JACOBI MEDICAL CENTER	\$ 2,082,896
MONTEFIORE HOSPITAL & MEDICAL CENTER	\$ 24,605,332
LINCOLN MEDICAL & MENTAL HEALTH CENTER	\$ 3,019,391
NORTH CENTRAL BRONX HOSPITAL	\$ 754,891
BROOKLYN HOSPITAL	\$ 5,938,856
CONEY ISLAND HOSPITAL	\$ 995,496
KINGS COUNTY HOSPITAL CENTER	\$ 3,882,475
LONG ISLAND COLLEGE HOSPITAL	\$ 3,448,174
NY METHODIST HOSPITAL OF BROOKLYN	\$ 3,807,310
KINGSBROOK JEWISH MEDICAL CENTER	\$ 121,313
WYCKOFF HEIGHTS HOSPITAL	\$ 1,230,117
STATE UNIVERSITY HOSPITAL DOWNSTATE MEDICAL CENTER	\$ 4,116,253
WOODHULL MEDICAL AND MENTAL HEALTH CENTER	\$ 876,601
INTERFAITH MEDICAL CENTER	\$ 831,511
BELLEVUE HOSPITAL CENTER	\$ 2,636,659
BETH ISRAEL MEDICAL CENTER	\$ 12,615,285
HARLEM HOSPITAL CENTER	\$ 2,002,465
HOSPITAL FOR SPECIAL SURGERY	\$ 3,247,177
LENOX HILL HOSPITAL	\$ 12,658,212
MANHATTAN EYE EAR AND THROAT HOSPITAL	\$ 416,294
MEMORIAL HOSPITAL FOR CANCER AND ALLIED DISEASES	\$ 5,831,787
METROPOLITAN HOSPITAL CENTER	\$ 1,570,125

TN #09-11 _____

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Supersedes TN New

Effective Date MAY - 1 2009

**New York
188(b)(C)**

**Attachment 4.19-A
(04/09)**

<u>Hospital</u>	<u>Calendar Year 2009</u>
	<u>\$ 307,000,000</u>
	<u>Uninsured Distribution to Teaching Hospitals</u>
<u>MOUNT SINAI HOSPITAL</u>	<u>\$ 18,689,832</u>
<u>NY EYE AND EAR INFIRMARY</u>	<u>\$ 407,797</u>
<u>ST LUKES - ROOSEVELT HOSPITAL CENTER</u>	<u>\$ 8,823,583</u>
<u>SVCMC ST VINCENTS-MANHATTAN</u>	<u>\$ 5,342,595</u>
<u>GOLDWATER MEMORIAL HOSPITAL</u>	<u>\$ 10,006</u>
<u>COLER MEMORIAL HOSPITAL</u>	<u>\$ 639</u>
<u>NYU HOSPITALS CENTER</u>	<u>\$ 13,483,008</u>
<u>NEW YORK PRESBYTERIAN HOSPITAL</u>	<u>\$ 27,337,202</u>
<u>ELMHURST HOSPITAL</u>	<u>\$ 2,226,463</u>
<u>JAMAICA HOSPITAL</u>	<u>\$ 1,185,404</u>
<u>LONG ISLAND JEWISH-HILLSIDE MEDICAL CENTER</u>	<u>\$ 18,206,316</u>
<u>QUEENS HOSPITAL CENTER</u>	<u>\$ 554,077</u>
<u>NY MED CTR OF QUEENS</u>	<u>\$ 3,178,354</u>
<u>FOREST HILLS HOSPITAL</u>	<u>\$ 1,334,742</u>
<u>STATEN ISLAND UNIVERSITY HOSPITAL</u>	<u>\$ 5,084,762</u>
<u>RICHMOND UNIVERSITY MEDICAL CENTER</u>	<u>\$ 2,274,908</u>

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**New York
188(b)(D)**

**Attachment 4.19-A
(04/09)**

(k) Supplemental indigent care distributions continued.

- (3) \$16 million shall be proportionally distributed to non-teaching hospitals based on their proportion of uninsured losses as determined according to the methodology stated on plan page 188(b)(3) paragraph (c).
- (4) Effective December 1, 2009, \$25 million shall be distributed to non-major public hospitals having Medicaid discharges of 40% or greater from data reported in each hospital's 2007 annual cost report, based on each hospital's decrease in Medicaid revenues resulting from the actions stated on plan page 145(b) and the inpatient and outpatient reimbursement methodology changes effective December 1, 2009.

For annual periods beginning January 1, 2010, funds shall be distributed to general hospitals as follows:

- (1) \$269.5 million shall be reserved and distributed to non-major public teaching hospitals, from regional allotments specified below and be distributed to each eligible facility based on their proportional share of uncompensated care as defined on plan page 188(b)(3) paragraph (c) as offset by disproportionate share payments as defined by plan pages 185, 188, 188(b), 188(b)(1), and 188(b)(2):

Region	Revised Regional Distribution
<u>Long Island</u>	<u>\$ 31,171,915</u>
<u>New York City</u>	<u>\$181,778,400</u>
<u>Northern Metropolitan</u>	<u>\$ 14,526,351</u>
<u>Northeast</u>	<u>\$ 8,130,067</u>
<u>Utica/Watertown</u>	<u>\$ 502,271</u>
<u>Central</u>	<u>\$ 10,052,989</u>
<u>Rochester</u>	<u>\$ 16,615,910</u>
<u>Western</u>	<u>\$ 6,722,096</u>
<u>Statewide</u>	<u>\$269,500,000</u>

TN #09-11 _____

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Supersedes TN #NEW _____

Effective Date MAY - 1 2009

**New York
188(b)(E)**

**Attachment 4.19-A
(04/09)**

- (2) \$25 million shall be reserved and distributed to non-major public hospitals eligible for payments based upon each facility's proportion of uninsured losses as determined according to the methodology stated on plan page 188(b)(3) paragraph (c).
- (3) \$16 million shall continue to be proportionally distributed to non-teaching hospitals based on their proportion of uninsured losses as determined according to the methodology as stated on plan page 188(b)(3) paragraph (c).
- (4) \$25 million shall be distributed to non-major public hospitals having Medicaid discharges of 40% or greater from data reported in each hospital's 2007 annual cost report, based on each hospital's decrease in Medicaid revenues resulting from the actions stated on plan page 145(b) and the inpatient and outpatient reimbursement methodology changes effective December 1, 2009.

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**New York
188(b)(1)**

**Attachment 4.19-A
(04/09)**

(l) High Need Indigent Care Adjustment Pool. Funds allocated pursuant to State law shall be deposited as authorized and used for the purpose of making Medicaid disproportionate share payments within the limits established on an annualized basis pursuant to §86-1.87 of this Subpart, except as otherwise provided for in this section, for the period January 1, 2000 through December 31, 2010, in accordance with the following:

(1) From the funds in the pool each year:

(i) Each eligible rural hospital shall receive a payment of \$140,000 on an annualized basis for the period January 1, 2000 through [December 31, 2010] September 30, 2009. Effective on and after October 1, 2009, each eligible rural hospital shall receive a payment of \$126,000 on an annualized basis, provided as a disproportionate share payment; provided, however, that if such payment pursuant to this subparagraph exceeds a hospital's applicable disproportionate share limit, then the total amount in excess of such limit shall be provided as a nondisproportionate share payment in the form of a grant directly from this pool;

(ii) Each such hospital shall also receive an amount calculated by multiplying the facility's uncompensated care need by the appropriate percentage from the following scale based on hospital rankings developed in accordance with each eligible rural hospital's weight as defined by this section:

Rank	Percentage Coverage of Uncompensated Care Need
1-9	60.0%
10-17	52.5%
18-25	45.0%
26-33	37.5%
34-41	30.0%
42-49	22.5%
50-57	15.0%
58+	7.5%

(iii) "Eligible rural hospital", as used in this subdivision, shall mean a general hospital classified as a rural hospital for purposes of determining payment for inpatient services provided to beneficiaries of title XVIII of the federal social security act (Medicare) or under state regulations, or a general hospital with a service area which has an average population of less than 175 persons per square mile, or a general hospital which has a service area which has an average population of less than two hundred persons per square mile measured as population density by zip code.

TN #09-11 _____

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**New York
188(b)(2)**

**Attachment 4.19-A
(04/09)**

The average population of the service area is calculated by multiplying annual patient discharges by the population density per square mile of the county of origin or zip code as applicable for each patient discharge and dividing by total discharges. Annual patient discharges shall be determined using discharge data for the 1997 rate year, as reported to the commissioner by October 1, 1998. Population density shall be determined utilizing United States census bureau data for 1997.

(iv) "Eligible rural hospital weight", as used in this subdivision, shall mean the result of adding, for each eligible rural hospital:

(a) The eligible rural hospital's targeted need, as defined in paragraph (5) of subdivision (b) of this section, minus the mean targeted need for all eligible rural hospitals, divided by the standard deviation of the targeted need of all eligible rural hospitals; and

(b) The mean number of beds of all eligible rural hospitals minus the number of beds for an individual hospital, divided by the standard deviation of the number of beds for all eligible rural hospitals.

(2) From the funds in the pool each year, except as otherwise provided for in this section, \$36 million on an annualized basis for the periods January 1, 2000 through December 31, 2010, of the funds not distributed in accordance with paragraph (1) of this subdivision, shall be distributed in accordance with the formula set forth in subdivision (h) of this section.

(3) From the funds in the pool each year, any funds not distributed in accordance with paragraphs (1) or (2) of this subdivision, shall be distributed in accordance with the formula set forth in subdivision (d) of this section.

TN #09-11 _____

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MAY - 1 2009

**New York
188(b)(3)**

**Attachment 4.19-A
(04/09)**

For annual periods beginning January 1, 2009 through December 31, 2010, disproportionate share hospital (DSH) payments pursuant to this section of the plan (§86-1.65) shall be reduced to 90 percent of the amount otherwise payable. In addition, DSH payments to each general hospital will be distributed in accordance with the following:

- (a) \$13.93 million will be distributed to major public hospitals and will be allocated proportionally, based on each facility's relative uncompensated care need as determined in accordance with (c);
- (b) \$70.77 million will be distributed to general hospitals other than major public general hospitals and will be allocated proportionally, based on each facility's relative uncompensated care need as determined in accordance with (c);
- (c) each facility's relative uncompensated care need amount will be determined by multiplying [reported inpatient and outpatient units of service from the calendar year two years prior to the distribution year, excluding referred ambulatory services units of service, for all uninsured patients by the applicable Medicaid rates, excluding prospective rate adjustments and rate add-ons, that were in effect for the calendar year two years prior to the distribution year.] inpatient units of services for all uninsured patients from the calendar year two years prior to the distribution year, excluding referred ambulatory units of services, by the applicable Medicaid inpatient rates in effect for such prior year, but not including prospective rate adjustments and rate add-ons, provided, however, that for distributions on and after January 1, 2010, the uncompensated amount for inpatient services shall utilize the inpatient rates in effect as of July 1 of the prior year; and:

by multiplying outpatient units of service for all uninsured patients from the calendar year two years prior to the distribution year, including emergency department services and ambulatory surgery services, but excluding referred ambulatory services units of service, by 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 outpatient rate shall be the rate in effect for the calendar year two years prior to the distribution year.

For distributions on and after January 1, 2010, each facility's uncompensated need amount will be reduced by the sum of all payment amounts collected from such patients. The total uncompensated care need for each facility will then be adjusted by application of the existing nominal need scale.

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**New York
188(b)(4)**

**Attachment 4.19-A
(04/09)**

- (d) i. Continuing annually for periods on and after January 1, 2009, no general hospital will receive DSH payment distributions that exceed the costs incurred by such hospital during the distribution period for providing inpatient and outpatient hospital services to Medicaid eligible patients or, uninsured patients. Such costs will be net of monies received from non-DSH related Medicaid payments and collections from uninsured patients.
- ii. DSH payment reductions will first be made from the public general hospital indigent care adjustment payments pursuant to §86-1.91 of this plan, and then from payments pursuant to this section of the plan (§86-1.65).

TN #09-11 _____

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