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State/Territory Name: **New York**

State Plan Amendment (SPA) #: **15-0004**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

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



Financial Management Group

NOV 25 2015

Jason A. Helgeson
State Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs
NYS Department of Health
Corning Tower, (OCP – 1211)
Albany, NY 12237

RE: TN 15-0004

Dear Commissioner Helgeson:

We have received the proposed amendment to Attachment 4.19-A-Part III of your Medicaid State plan submitted under transmittal number (TN) 15-0004. Effective July 1, 2015, this amendment clarifies that Psychiatric Treatment Facilities for Children and Youth (PRTF) providers are permitted to access medically necessary drugs by utilizing fee-for-service pharmacies beginning with the date a child is determined Medicaid eligible.



We conducted our review of the 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. This letter is to inform you that New York 15-0004 is approved effective July 1, 2015. We are enclosing the CMS-179 and the approved plan page.

If you have any questions, please contact Patricia Vasquez at (212) 616-2470 or Betsy Pinho at (518) 396-3810 ext. 111.

Sincerely,



Kristin Fan
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 15-0004	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 July 1, 2015	
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: § 1902(a) of the Social Security Act, and 42 CFR 447		7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY 07/01/15-09/30/15 \$ (17.86) b. FFY 10/01/15-09/30/16 \$ (71.45)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att 4.19-A – Part III: Page 3		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Att 4.19-A – Part III: Page 3	
10. SUBJECT OF AMENDMENT: RTF Drug Carve-Out Rebases (FMAP = 50%)			
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. 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 1460 Albany, NY 12210	
13. TYPED NAME: Jason A. Helgerson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: SEP 29 2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: NOV 25 2015	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2015		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Faw		22. TITLE: Deputy Director, FMC	
23. REMARKS:			

New York

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B. RESIDENTIAL TREATMENT FACILITIES FOR CHILDREN AND YOUTH

Medicaid rates for Residential Treatment Facilities for Children and Youth ("RTFs") are established prospectively, based upon actual costs and patient days as reported on cost reports for the fiscal year two years prior to the rate year. The RTF fiscal year and rate year are for the twelve months July 1 through June 30. Actual patient days are subject to a maximum utilization of 96 percent and a minimum utilization of 93 percent. For the rate years July 1, 1994 through June 30, 1995 and July 1, 1995 through June 30, 1996 the base year for both rate years for the purpose of setting rates will be July 1, 1992 through June 30, 1993.

Effective July 1, 2011 through June 30, 2012, the rate of payment shall be that which was in effect June 30, 2011.

Effective July 1, 2012 through June 30, 2013, the rate of payment shall be that which was in effect June 30, 2011.

Effective [September 1, 2012] July 1, 2015, such rate of payment will be lowered to reflect the removal of pharmaceutical costs, except as provided for in Section 1, below.

1. OPERATING COSTS

Allowable operating costs are subject to the review and approval of the Office of Mental Health, and will exclude eligible pharmaceuticals which will be reimbursed using the Fee-for-Service Program through the Medicaid formulary administered by the New York State Department of Health. The Fee-for-Service Program will be utilized for the purchase of eligible pharmaceuticals commencing on the date the child is determined to be Medicaid eligible. [Notwithstanding this program change, for those children who are deemed eligible for Medicaid subsequent to admission, and the eligibility is retroactive to date of admission, and who have received clinically documented necessary medications during the entire first 90 days of their stay, the pharmacy will bill the Medicaid formulary for the medications provided to the child beginning on day 91 of the stay.] The cost of medications provided to the [Medicaid eligible] child before the determination of Medicaid eligibility [during the first 90 days of stay] will be the responsibility of the RTF, and considered an allowable cost in the development of the provider's reimbursement rate for inpatient stays. In determining the allowability of costs, the Office of Mental Health reviews the categories of cost, described below, with consideration given to the special needs of the patient population to be served by the RTF. The categories of costs include:

- (i) Clinical Care. This category of costs includes salaries and fringe benefits for clinical staff.
- (ii) Other than Clinical Care. This category of costs includes the costs associated with administration, maintenance and child support.

Allowable per diem operating costs in the category of clinical care are limited to the lesser of the reported costs or the amount derived from the number of clinical staff approved by the Commissioner multiplied by a standard salary and fringe benefit amount. Clinical services such as dental services, purchased on a contractual basis will be considered allowable and not subject to the clinical standard if the services are not uniformly provided by all RTFs and thus not considered by the Commissioner in the establishment of the approved staffing levels.

TN #15-0004 _____

Supersedes TN #13-0049 _____

Approval Date NOV 25 2015

Effective Date JUL 01 2015