

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 CHIP Services (CMCS)

Jason A. Helgerson
State Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs
NYS Department of Health
Empire State Plaza
Corning Tower, Room 1466
Albany, NY 12237

AUG -1 2012

RE: TN 12-021

Dear Mr. Helgerson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-021. This amendment proposes to increase rates for inpatient hospital services by reducing the reduction to the statewide price.

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. This is to inform you that New York 12-021 is approved effective May 1, 2012 and I have enclosed the HCFA-179 and the approved plan page.

If you have any questions, please contact Tom Brady at 518-396-3810 or

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Mann". The signature is written in a cursive, flowing style.

Cindy Mann
Director, CMCS

Enclosures

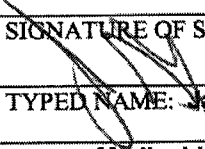
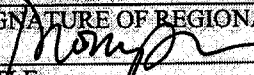
**New York
106(a)**

**Attachment 4.19-A
(04/12)**

4. To establish the Transition II Pool, effective October 20, 2010, the statewide base price will be reduced such that the level of total Medicaid payments shall be decreased for the periods specified on the 'Transition II Pool' section by the corresponding Transition II fund amount.
5. For the period effective July 1, 2011 through March 31, 2012, the statewide base price will be reduced such that the level of total Medicaid payments are decreased by \$24.2 million.
6. For the period May 1, 2012, through March 31, 2013, and for state fiscal year periods on and after April 1, 2013, the statewide base price shall be adjusted such that total Medicaid payments are decreased for each such period by \$19,200,000.

TN #12-21
Supersedes TN #11-47-B

Approval Date AUG - 1 2012
Effective Date MAY - 1 2012

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 12-21	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, 2012	
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 05/01/12 – 09/30/12 (\$ 4,363,636) b. FFY 10/01/12 – 09/30/13 (\$ 10,036,364)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A: page 106(a)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A: page 106(a)	
10. SUBJECT OF AMENDMENT: Continued reduction to inpatient statewide base price (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 Corning Tower Empire State Plaza Albany, New York 12237	
13. TYPED NAME: Jason A. Helgerson			
14. TITLE: Medicaid Director & Deputy Commissioner Department of Health			
15. DATE SUBMITTED: June 4, 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: AUG - 1 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: MAY - 1 2012		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

OS Notification

State/Title/Plan Number: NY-12-021
Type of Action: SPA Approval
Required Date for State Notification: September 01, 2012

Fiscal Impact:

FY 2012	(\$4,363,636 million) FFP
FY 2013	(\$10,036,364 million) FFP

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

Eligibility Simplification: No

Provider Payment Increase: No

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: 0

Reduces Benefits: No

Detail:

This amendment proposes to reduce the reduction to the statewide base price. The State reimburses inpatient hospital services using a prospective payment system very similar to Medicare. The State establishes a uniform statewide average price for hospital services and then applies relative weights and other factors to set a price for each DRG. In the prior rate year, the State implemented a reduction in the statewide price which resulted in a savings of \$24.2 million. In this amendment, NY is continuing the reduction, but reducing it to result in a savings of \$19.2 million. The net effect of this change is a slight increase of \$5 million relative to the prior year rates. The State scored this SPA as a savings relative to no reduction in the statewide price. Absent this amendment, the reduction would have expired and the State plan would revert to the full statewide price.

NY State provided satisfactory responses to the standard funding and access questions. Since this change is actually an increase to rates in the immediately prior period, the State does not anticipate any negative impact on access. NY State assured CMS it has adequate bed capacity for hospital services and an elaborate system for monitoring access including utilization at the provider and beneficiary level as well as by geographic area and for particular services. Further, hospital providers obtain approval from the State before discontinuing services and the State has not received any such requests.

The State has not detected any indications from providers or recipients that access is an issue.

Other Considerations:

This amendment has not generated significant outside interest.
We do not recommend the Secretary contact the governor.

Affordable Care Act Impact

1. This SPA complies with the conditions of the MOE provision of section 1902(gg) of the Act for continued funding under the Medicaid program.

2. The State does not require local political subdivisions to contribute amounts toward the non-Federal share of the State's expenditures at a greater percentage than would have been required on December 31, 2009.

3. This State is not a Disaster-Recovery FMAP Adjustment State as defined in Patient Protection and Affordable Care Act.

Include either: 1) an explanation of why the SPA did not require tribal consultation or 2) a description of how the State met the tribal consultation requirements.

Were any same page or corresponding page concerns identified? No

If so, does the OSN indicate that a companion letter will be issued with the approval letter, and does the OSN describe all of the issues that will be identified in that letter?

CMS Contacts: Rob Weaver, NIRT 410-786-5914 / Tom Brady, NIRT 518-396-3810 x109