



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

NOV 18 2016

National Institutional Reimbursement Team
Attention: Mark Cooley
CMS, CMCS
7500 Security Boulevard, M/S S3-14-28
Baltimore, MD 21244-1850

Re: SPA #17-0011
Inpatient Hospital Services

Dear Mr. Cooley:

The State requests approval of the enclosed amendment #17-0011 to the Title XIX (Medicaid) State Plan for inpatient hospital services to be effective January 1, 2017 (Appendix I). This amendment is being submitted based upon enacted legislation. A summary of the proposed amendment is contained in Appendix II.

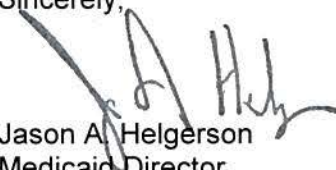
This amendment is submitted pursuant to §1902(a) of the Social Security Act (42 USC 1396a(a)) and Title 42 of the Code of Federal Regulations (CFR), Part 447, Subpart C.

Notice of the changes in the methods and standards for setting payment rates for general hospital inpatient services were given in the New York State Register on October 19, 2016, and November 23, 2016.

Copies of pertinent sections of proposed State regulations are enclosed for your information (Appendix III). In addition, responses to the five standard funding questions are also enclosed (Appendix V).

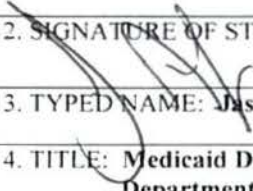
If you have any questions regarding this matter, please do not hesitate to contact John E. Ulberg, Jr., Medicaid Chief Financial Officer, Division of Finance and Rate Setting, Office of Health Insurance Programs at (518) 474-6350.

Sincerely,



Jason A. Helgeson
Medicaid Director
Office of Health Insurance Programs

Enclosures
cc: Mr. Michael Melendez
Mr. Tom Brady

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 17-0011	2. STATE New York
		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 January 1, 2017	
5. TYPE OF PLAN MATERIAL <i>(Check One)</i> : <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 <i>(Separate Transmittal for each amendment)</i>			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1905(r)(5) of the Social Security Act and 42 CFR 447		7. FEDERAL BUDGET IMPACT: <i>(in thousands)</i> a. FFY 01/01/17-09/30/17 \$ 66.50 b. FFY 10/01/17-09/30/18 \$ 88.70	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A: Pages 105(a), 110(b), 115.1, 116		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT <i>(If Applicable)</i> : Attachment 4.19-A: Pages 105(a), 110(b), 115.1, 116	
10. SUBJECT OF AMENDMENT: Minimum Wage – Hospital Inpatient Acute, Critical Access, and Physical Medical Rehabilitation Rates (FMAP = 50%)			
11. GOVERNOR'S REVIEW <i>(Check One)</i> : <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 Bureau of Federal Relations & Provider Assessments 99 Washington Ave – One Commerce Plaza Suite 1432 Albany, NY 12210	
13. TYPED NAME: Jason A. Helgerson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: NOV 18 2016			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED:	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			

Appendix I
2017 Title XIX State Plan
First Quarter Amendment
Amended SPA Pages

**New York
110(b)**

7. Hospitals will furnish to the Department such reports and information as will be required by the Department to access the cost, quality, and health system needs for medical education. Such reports and information will include, but not be limited to, the Indirect Medical Education Survey.
 - a. For rates beginning on December 1, 2009 through June 30, 2014, the ratio of residents and fellows to beds will be based on the medical education statistics for the hospital for the period ended June 30, 2005 as contained in the survey document submitted by the hospital to the Department as of June 30, 2009.
 - b. For rates beginning on and after July 1, 2014, the ratio of residents and fellows to bed will be based on the medical education statistics for the hospital for the period ended June 30, 2010 as contained in the survey document submitted by the hospital to the Department as of June 30, 2013.
8. For rates beginning January 1, 2017 through December 31, 2017, a minimum wage payment per discharge will be calculated based on minimum wage costs as defined in the Definitions Section and will be added to the case payment rates.
 - a. A per discharge add-on to the rates will be developed by multiplying the minimum wage costs by a Medicaid percentage pursuant to 2(a) of this section, divided by Medicaid acute discharges, as defined in 21(a) of the Definitions Section.

TN #17-0011

Approval Date _____

Supersedes TN #14-0021

Effective Date _____

New York
115.1

exception that the pediatric ventilator services will not be held to the 110% ceiling of the regional average costs.

(3) For a provider without a full year of pediatric ventilator cost experience in the base year utilized for the physical medical rehabilitation rate calculation, until such time the base year for the physical medical rehabilitation rates is updated, budgeted costs and statistics will be utilized to calculate the pediatric ventilator rate. If at the time the base year utilized for updating the physical medical rehabilitation rates does not include a full year of pediatric ventilator costs and statistics, the original budgeted costs and statistics will continue to be used until the subsequent time the base year for the physical medical rehabilitation rate is updated.

(4) The combined rate for the physical medical rehabilitation services and the pediatric ventilator services will be based on the proportion of Medicaid days for these services in the same base year that was used for rate development. If budgeted costs and statistics are utilized, budgeted Medicaid days will be used for the pediatric ventilator services.

iv. For days of service occurring between January 1, 2017 through December 31, 2017, minimum wage costs, as defined in the Definitions Section, will be added to the calculation of the operating component, as described in section ii, for hospitals affected by an increase to minimum wage.

2. *Chemical dependency rehabilitation inpatient services* shall qualify for reimbursement pursuant to this paragraph for periods on and after December 1, 2009, only if such services are provided in a hospital specializing in such services or in a distinct unit within a general hospital designated for such services and only if:

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Supersedes TN #16-0029

Approval Date _____

Effective Date _____

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- a. The services provided in such hospital or unit are limited to chemical dependency rehabilitation care and do not include chemical dependency related inpatient detoxification and/or withdrawal services; or
- b. Such hospital or unit is licensed to provide such services pursuant to both the Public Health Law and the Mental Hygiene Law and meets the applicable alcohol and/or substance abuse rehabilitation standards set forth in regulations;
 - i. Any such unit within a hospital must be in a designated area and consist of designated beds providing only chemical dependency rehabilitation inpatient services with adequate adjoining supporting spaces and assigned personnel qualified by training and/or by experience to provide such services and in accordance with any applicable criteria regarding the provision of such services issued by the New York State Office of Alcohol and Substance Abuse Services.
 - ii. For days of service occurring on and after December 1, 2009, the operating component of rates of payment for inpatient services for facilities subject to this subdivision shall be a per diem amount reflecting the facility's reported 2005 operating costs as submitted to the Department prior to July 1, 2009, not including reported direct medical education costs, and held to a ceiling of 110% of the average of such costs in the region in which the facility is located, as described in paragraph (9) of this section. Such rates shall reflect trend adjustments in accordance with the applicable provisions of this Attachment.

3. *Critical access hospitals.*

- a. Rural hospitals shall qualify for inpatient reimbursement as critical access hospitals for periods on and after December 1, 2009, only if such hospitals are designated as critical access hospitals in accordance with the provisions of Title XVIII (Medicare) of the federal Social Security Act.
- b. For days of service occurring on and after December 1, 2009, the operating component of rates of payment for inpatient services for facilities subject to this subdivision shall be a per diem amount reflecting the facility's reported 2005 operating costs as submitted to the Department prior to July 1, 2009, and held to a ceiling of 110% of the average of such costs for all such designated hospitals statewide. Such rates shall reflect trend factor adjustments in accordance with the applicable provisions of this Attachment.
- c. For days of service occurring between January 1, 2017 through December 31, 2017, minimum wage costs, as defined in the Definitions Section, will be added to the calculation of the operating component, as described in section b, for hospitals affected by an increase to minimum wage.

4. *Cancer hospitals.*

- a. Hospitals shall qualify for inpatient reimbursement as cancer hospitals for periods on and after December 1, 2009, only if such hospitals were, as of December 31, 2008, designated as comprehensive cancer hospitals in accordance with the provisions of Title XVIII (Medicare) of the federal Social Security Act.

TN #17-0011

Approval Date _____

Supersedes TN #09-0034

Effective Date _____

Appendix II
2017 Title XIX State Plan
First Quarter Amendment
Summary

SUMMARY
SPA #17-0011

This State Plan Amendment proposes to include minimum wage adjustments to current Medicaid reimbursement methodologies for Article 28 hospitals as a result of enacted legislation for minimum wage.

Appendix III
2017 Title XIX State Plan
First Quarter Amendment
Authorizing Provisions

SPA #17-0011
Chapter 54 of the Laws of 2016

PART K

Section 1. Subdivision 1 of section 652 of the labor law, as amended by section 1 of part P of chapter 57 of the laws of 2013, is amended to read as follows:

1. Statutory. Every employer shall pay to each of its employees for each hour worked a wage of not less than:

\$4.25 on and after April 1, 1991,
\$5.15 on and after March 31, 2000,
\$6.00 on and after January 1, 2005,
\$6.75 on and after January 1, 2006,
\$7.15 on and after January 1, 2007,
\$8.00 on and after December 31, 2013,
\$8.75 on and after December 31, 2014,
\$9.00 on and after December 31, 2015, and until December 31, 2016, or, if greater, such other wage as may be established by federal law pursuant to 29 U.S.C. section 206 or its successors
or such other wage as may be established in accordance with the provisions of this article.

(a) New York City. (i) Large employers. Every employer of eleven or more employees shall pay to each of its employees for each hour worked in the city of New York a wage of not less than:

\$11.00 per hour on and after December 31, 2016,
\$13.00 per hour on and after December 31, 2017,
\$15.00 per hour on and after December 31, 2018, or, if greater, such other wage as may be established by federal law pursuant to 29 U.S.C. section 206 or its successors or such other wage as may be established in accordance with the provisions of this article.

(ii) Small employers. Every employer of ten or less employees shall pay to each of its employees for each hour worked in the city of New York a wage of not less than:

\$10.50 per hour on and after December 31, 2016,
\$12.00 per hour on and after December 31, 2017,
\$13.50 per hour on and after December 31, 2018,
\$15.00 per hour on and after December 31, 2019, or, if greater, such other wage as may be established by federal law pursuant to 29 U.S.C. section 206 or its successors or such other wage as may be established in accordance with the provisions of this article.

(b) Remainder of downstate. Every employer shall pay to each of its employees for each hour worked in the counties of Nassau, Suffolk and Westchester a wage not less than:

\$10.00 per hour on and after December 31, 2016,
\$11.00 per hour on and after December 31, 2017,
\$12.00 per hour on and after December 31, 2018,
\$13.00 per hour on and after December 31, 2019,
\$14.00 per hour on and after December 31, 2020,
\$15.00 per hour on and after December 31, 2021,

S. 6406--C

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or, if greater, such other wage as may be established by federal law pursuant to 29 U.S.C. section 206 or its successors or such other wage as may be established in accordance with the provisions of this article.

(c) Remainder of state. Every employer shall pay to each of its employees for each hour worked outside of the city of New York and the

counties of Nassau, Suffolk, and Westchester, a wage of not less than:
\$9.70 on and after December 31, 2016,
\$10.40 on and after December 31, 2017,
\$11.10 on and after December 31, 2018,
\$11.80 on and after December 31, 2019,
\$12.50 on and after December 31, 2020,
and on each following December thirty-first, a wage published by the
commissioner on or before October first, based on the then current mini-
imum wage increased by a percentage determined by the director of the
budget in consultation with the commissioner, with the result rounded to
the nearest five cents, totaling no more than fifteen dollars, where the
percentage increase shall be based on indices including, but not limited
to, (i) the rate of inflation for the most recent twelve month period
ending June of that year based on the consumer price index for all urban
consumers on a national and seasonally unadjusted basis (CPI-U), or a
successor index as calculated by the United States department of labor,
(ii) the rate of state personal income growth for the prior calendar
year, or a successor index, published by the bureau of economic analysis
of the United States department of commerce, or (iii) wage growth; or,
if greater, such other wage as may be established by federal law pursu-
ant to 29 U.S.C. section 206 or its successors or such other wage as may
be established in accordance with the provisions of this article.
(d) The rates and schedules established in paragraphs (a) and (b) of
this subdivision shall not be deemed to be the minimum wage under this
subdivision for purposes of the calculations specified in subdivisions
one and two of section five hundred twenty-seven of this chapter.

**Appendix IV
2017 Title XIX State Plan
First Quarter Amendment
Public Notice**

said lands of the New York State Electric and Gas Corporation, a distance of 238.00 feet to an iron pipe set on the northerly bounds of aforementioned East and West Road, Parcel No. 29, thence westerly along said northerly bounds North 89° 48' 15" West a distance of 170.00 feet to the point or place of beginning, containing 0.93 acre of land, more or less.

AS shown on a map entitled "Survey of House No. 980", dated March 8, 2012 with a final revision date of March 11, 2014 and filed in the New York State Office of General Services as OGS Map No. 2525.

This abandonment shall be effective as of the date of approval of this declaration by the Commissioner of General Services or her duly authorized representative.

New York State Department
of Corrections and Community
Supervision

By: Anthony J. Annucci, Acting
Commissioner

New York State Office of General
Services

Approved: RoAnn M. Destito,
Commissioner

PUBLIC NOTICE

Department of Health

Pursuant to 42 CFR Section 447.205, the Department of Health hereby gives public notice of the following:

The Department of Health proposes to amend the Title XIX (Medicaid) State Plan for institutional, non-institutional, and long term care services to comply with enacted statutory provisions. The following changes are proposed:

All Services

Effective on or after December 31, 2016, the Department of Health will adjust rates to take into account increased labor costs resulting from statutorily required increases in the New York State minimum wage. Under the statute, increases in the minimum wage will be phased in over a number of years until the minimum wage is \$15 per hour in all regions of the State, and Medicaid rates will be adjusted in those years to account for such increases.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2016/2017 is approximately \$8,500,000 and state fiscal year 2017/2018 is approximately \$47,300,000.

The public is invited to review and comment on this proposed State Plan Amendment (SPA), copies of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. In addition, approved SPA's beginning in 2011, are also available for viewing on this website.

Copies of the proposed State Plan Amendments will be on file in each local (county) social services district and available for public review.

For the New York City district, copies will be available at the following places:

New York County
250 Church Street
New York, New York 10018

Queens County, Queens Center
3220 Northern Boulevard
Long Island City, New York 11101

Kings County, Fulton Center
114 Willoughby Street
Brooklyn, New York 11201

Bronx County, Tremont Center
1916 Monterey Avenue
Bronx, New York 10457

Richmond County, Richmond Center
95 Central Avenue, St. George
Staten Island, New York 10301

For further information and to review and comment, please contact: Department of Health, Division of Finance and Rate Setting, 99 Washington Ave., One Commerce Plaza, Suite 1460, Albany, NY 12210, e-mail: spa_inquiries@health.ny.gov

PUBLIC NOTICE

**New York State and Local Retirement Systems
Unclaimed Amounts Payable to Beneficiaries**

Pursuant to the Retirement and Social Security Law, the New York State and Local Retirement Systems hereby gives public notice of the amounts payable to beneficiaries.

The State Comptroller, pursuant to Sections 109 (a) and 409 (a) of the Retirement and Social Security Law has received, from the New York State and Local Retirement Systems, a listing of beneficiaries or estates having unclaimed amounts in the Retirement System. A list of the names contained in this notice is on file and open to public inspection at the office of the New York State and Local Retirement Systems located at 110 State St., in the City of Albany, New York.

Set forth below are the names and addresses (last known) of beneficiaries and estates appearing from the records of the New York State and Local Retirement Systems, entitled to the unclaimed benefits.

At the expiration of six months from the date of publication of this list of beneficiaries and estates, unless previously paid to the claimant, the amounts shall be deemed abandoned and placed in the pension accumulation fund to be used for the purpose of said fund.

Any amounts so deemed abandoned and transferred to the pension accumulation fund, may be claimed by the executor or administrator of the estates or beneficiaries so designated to receive such amounts, by filing a claim with the State Comptroller. In the event such claim is properly made, the State Comptroller shall pay over to the estates or to the person or persons making such claim, the amount without interest.

- ANDERSON,TRACE PLAINVIEW CT
- ANTHONY,LAWRENCE F ESTATE OF CAMDEN NY
- BALESZEN,MARY ESTATE OF ALBANY NY
- BECKER,MARY D ESTATE OF ALBANY NY
- BENOIT,ALICE T ESTATE OF TITUSVILLE NY
- BISSONETTE,MICHAEL G MASTIC BEACH NY
- BOLLINGER,FLORENCE C ESTATE OF BALLSTON SPA NY
- BROWN,LOUIS E,JR ROCKVILLE CENTER NY
- BROWN,RHOMAS J BROOKLYN NY
- BUCHANAN,ELIZABETH JANE NORTH BABYLON NY
- BUCHANAN,KIM POUGHKEEPSIE NY
- CAIN,AMY BETH DEER PARK NY
- CASALI,DEBRA M CARMEL NY
- CHAMBERS,MAGGIE RALEIGH DC
- CHAMBLEE JR,MILTON ALBANY VA
- CHAUVERS,BRENDA BUFFALO NY
- CHAUVERS,DOUGLAS BUFFALO NY
- CHRISTY,DENISE BUFFALO NY
- CLEARY,SHEILA ESTATE OF GAITHERSBURG MD
- COMBS,DEXTER ALLEN WASHINGTON DC
- CONKLIN,PAUL R MIDDLETOWN NY
- CONKLING,VIRGINIA TONAWANDA NY
- COOKE,CHARLES A NORTH MEDFORD NY
- COOKE,CHRISTINA SELDEN NY
- DABBRACCIO,ELIA ESTATE OF LOUDONVILLE NY
- DAVIS,NICHOLAS ULSTER PARK NY
- DE DIVITIS,GERALDINE SPRING VALLEY NY

Public Notice
NYS Department of Health

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All Services

The Department's proposal to adjust rates to take into account increased labor costs resulting from statutorily required increases in the New York State minimum wage is being amended to reflect a revision in the Medicaid expenditures. Under the statute, increases in the minimum wage will be phased in over a number of years until the minimum wage is \$15 per hour in all regions of the State, and Medicaid rates will be adjusted in those years to account for such increases.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2016/2017 is approximately \$18,000,000 and state fiscal year 2017/2018 is approximately \$104,000,000.

The public is invited to review and comment on this proposed State Plan Amendment (SPA), copies of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. In addition, SPAs approved since 2011 are also available for viewing on this website.

Copies of the proposed State Plan Amendments will be on file in each local (county) social services district and available for public review.

For the New York City district, copies will be available at the following places:

New York County
250 Church Street
New York, New York 10018

Queens County, Queens Center
3220 Northern Boulevard
Long Island City, New York 11101

Kings County, Fulton Center
114 Willoughby Street
Brooklyn, New York 11201

Bronx County, Tremont Center
1916 Monterey Avenue
Bronx, New York 10457

Richmond County, Richmond Center
95 Central Avenue, St. George
Staten Island, New York 10301

For further information and to review and comment, please contact:

New York State Department of Health
Division of Finance and Rate Setting
99 Washington Ave – One Commerce Plaza
Suite 1460
Albany, New York 12210
spa_inquiries@health.ny.gov

Appendix V
2017 Title XIX State Plan
First Quarter Amendment
Responses to Standard Funding Questions

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**APPENDIX V
HOSPITAL SERVICES
State Plan Amendment #17-0011**

CMS Standard Funding Questions (NIRT Standard Funding Questions)

The following questions are being asked and should be answered in relation to all payments made to all providers under Attachment 4.19-A of your state plan.

- 1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.)**

Response: Providers do retain the payments made pursuant to this amendment. However, this requirement in no way prohibits the public provider, including county providers, from reimbursing the sponsoring local government for appropriate expenses incurred by the local government on behalf of the public provider. The State does not regulate the financial relationships that exist between public health care providers and their sponsoring governments, which are extremely varied and complex. Local governments may provide direct and/or indirect monetary subsidies to their public providers to cover on-going unreimbursed operational expenses and assure achievement of their mission as primary safety net providers. Examples of appropriate expenses may include payments to the local government which include reimbursement for debt service paid on a provider's behalf, reimbursement for Medicare Part B premiums paid for a provider's retirees, reimbursement for contractually required health benefit fund payments made on a provider's behalf, and payment for overhead expenses as allocated per federal Office of Management and Budget Circular A-87 regarding Cost Principles for State, Local, and Indian Tribal Governments. The existence of such transfers should in no way negate the legitimacy of these facilities' Medicaid payments or result in reduced Medicaid federal financial participation for the State. This position was further supported by CMS in review and approval of SPA 07-07C when an on-site audit of these transactions for New York City's Health and Hospitals Corporation was completed with satisfactory results.

- 2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state**

share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local government entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:

- (i) a complete list of the names of entities transferring or certifying funds;
- (ii) the operational nature of the entity (state, county, city, other);
- (iii) the total amounts transferred or certified by each entity;
- (iv) clarify whether the certifying or transferring entity has general taxing authority; and,
- (v) whether the certifying or transferring entity received appropriations (identify level of appropriations).

Response: Payments made to service providers under the provisions of this SPA are funded through a budget appropriation received by the State agency that oversees medical assistance (Medicaid), which is the Department of Health.

The source of the appropriation is the Medicaid General Fund Local Assistance Account, which is part of the Global Cap. The Global Cap is funded by General Fund and HCRA resources.

There are no additional provider taxes levied and no existing taxes have been modified.

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.

Response: The payments authorized for this provision are not supplemental or enhanced payments.

4. Please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State

owned or operated, non-state government owned or operated, and privately owned or operated). Please provide a current (i.e. applicable to the current rate year) UPL demonstration. Under regulations at 42 CFR 447.272, States are prohibited from setting payment rates for Medicaid inpatient services that exceed a reasonable estimate of the amount that would be paid under Medicare payment principals.

Response: State staff are working to finalize the 2015 UPL demonstration, which the 2017 is contingent upon.

- 5. Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?**

Response: The rate methodology included in the approved State Plan for institutional services is prospective payment. We are unaware of any requirement under current federal law or regulation that limits individual provider payments to their actual costs.

ACA Assurances:

- 1. Maintenance of Effort (MOE). Under section 1902(gg) of the Social Security Act (the Act), as amended by the Affordable Care Act, as a condition of receiving any Federal payments under the Medicaid program during the MOE period indicated below, the State shall not have in effect any eligibility standards, methodologies, or procedures in its Medicaid program which are more restrictive than such eligibility provisions as in effect in its Medicaid program on March 10, 2010.**

MOE Period.

- **Begins on: March 10, 2010, and**
- **Ends on: The date the Secretary of the Federal Department of Health and Human Services determines an Exchange established by a State under the provisions of section 1311 of the Affordable Care Act is fully operational.**

Response: 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. Section 1905(y) and (z) of the Act provides for increased FMAPs for expenditures made on or after January 1, 2014 for individuals determined eligible under section 1902(a)(10)(A)(i)(VIII) of the Act. Under section 1905(cc) of the Act, the increased FMAP under sections 1905(y) and (z) would not be available for States that 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.**

Prior to January 1, 2014 States may potentially require contributions by local political subdivisions toward the non-Federal share of the States' expenditures at percentages greater than were required on December 31, 2009. However, because of the provisions of section 1905(cc) of the Act, it is important to determine and document/flag any SPAs/State plans which have such greater percentages prior to the January 1, 2014 date in order to anticipate potential violations and/or appropriate corrective actions by the States and the Federal government.

Response: This SPA would [] / would not [✓] violate these provisions, if they remained in effect on or after January 1, 2014.

3. Please indicate whether the State is currently in conformance with the requirements of section 1902(a)(37) of the Act regarding prompt payment of claims.

Response: This State does comply with the requirements of section 1902(a)(37) of the Act regarding prompt payment of claims.

Tribal Assurance:

Section 1902(a)(73) of the Social Security Act the Act requires a State in which one or more Indian Health Programs or Urban Indian Organizations furnish health care services to establish a process for the State Medicaid agency to seek advice on a regular ongoing basis from designees of Indian health programs whether operated by the Indian Health Service HIS Tribes or Tribal organizations under the Indian Self Determination and Education Assistance Act ISDEAA or Urban Indian Organizations under the Indian Health Care Improvement Act.

IHCIA Section 2107(e)(I) of the Act was also amended to apply these requirements to the Children's Health Insurance Program CHIP. Consultation is required concerning Medicaid and CHIP matters having a direct impact on Indian health programs and Urban Indian organizations.

a) Please describe the process the State uses to seek advice on a regular ongoing basis from federally recognized tribes Indian Health Programs and Urban Indian Organizations on matters related to Medicaid and CHIP programs and for consultation on State Plan Amendments waiver proposals waiver extensions waiver amendments waiver renewals and proposals for demonstration projects prior to submission to CMS.

b) Please include information about the frequency inclusiveness and process for seeking such advice.

c) Please describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment when it occurred and who was involved.

Response: Tribal consultation was performed in accordance with the State's tribal consultation policy as approved in SPA 11-06, and documentation of such is included

with this submission. To date, no feedback has been received from any tribal representative in response to the proposed change in this SPA.