



Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, M.D., M.P.H.
Commissioner

MEGAN E. BALDWIN
Acting Executive Deputy Commissioner

June 30, 2023

Todd McMillion
Director
Department of Health and Human Services
Centers for Medicare and Medicaid Services
233 North Michigan Ave, Suite 600
Chicago, IL 60601

Re: SPA #23-0046
Inpatient Hospital Services

Dear Mr. McMillion:

The State requests approval of the enclosed amendment #23-0046 to the Title XIX (Medicaid) State Plan for inpatient hospital services to be effective April 1, 2023 (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 was given in the New York State Register on March 29, 2023. A copy of pertinent sections of enacted legislation is 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 State Plan Amendment submission, please do not hesitate to contact Regina Deyette, Medicaid State Plan Coordinator, Division of Finance and Rate Setting, Office of Health Insurance Programs at (518) 473-3658.

Sincerely,

Amir Bassiri
Medicaid Director
Office of Health Insurance Programs

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 4 6</u>	2. STATE <u>NY</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> 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)(1) Inpatient Hospital Services

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 04/01/23-09/30/23 \$ 2,500,000
b. FFY 10/01/23-09/30/24 \$ 2,500,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A Part II: Page 5(b)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-A Part II: Page 5(b)


9. SUBJECT OF AMENDMENT

2023 State Public UPL Payment

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	17. DATE APPROVED
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

20. TYPED NAME OF APPROVING OFFICIAL

19. SIGNATURE OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Appendix I
2023 Title XIX State Plan
Second Quarter Amendment
Amended SPA Pages

Appendix II
2023 Title XIX State Plan
Second Quarter Amendment
Summary

SUMMARY
SPA #23-0046

This State Plan Amendment proposes to extend supplemental payments made for inpatient hospital services in State government owned hospitals. These payments reflect adjustments to qualifying hospitals.

Appendix III
2023 Title XIX State Plan
Second Quarter Amendment
Authorizing Provisions

STATE OF NEW YORK

S. 8003

A. 9003

SENATE - ASSEMBLY

January 18, 2022

IN SENATE -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means

AN ACT making appropriations for the support of government

AID TO LOCALITIES BUDGET

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. a) The several amounts specified in this chapter for aid to
2 localities, or so much thereof as shall be sufficient to accomplish the
3 purposes designated by the appropriations, are hereby appropriated and
4 authorized to be paid as hereinafter provided, to the respective public
5 officers and for the several purposes specified.

6 b) Where applicable, appropriations made by this chapter for expendi-
7 tures from federal grants for aid to localities may be allocated for
8 spending from federal grants for any grant period beginning, during, or
9 prior to, the state fiscal year beginning on April 1, 2022 except as
10 otherwise noted.

11 c) The several amounts named herein, or so much thereof as shall be
12 sufficient to accomplish the purpose designated, being the undisbursed
13 and/or unexpended balances of the prior year's appropriations, are here-
14 by reappropriated from the same funds and made available for the same
15 purposes as the prior year's appropriations, unless herein amended, for
16 the fiscal year beginning April 1, 2022. Certain reappropriations in
17 this chapter are shown using abbreviated text, with three leader dots
18 (an ellipsis) followed by three spaces (...) used to indicate where
19 existing law that is being continued is not shown. However, unless a
20 change is clearly indicated by the use of brackets [] for deletions and
21 underscores for additions, the purposes, amounts, funding source and all
22 other aspects pertinent to each item of appropriation shall be as last
23 appropriated.

24 For the purpose of complying with the state finance law, the year,
25 chapter and section of the last act reappropriating a former original
26 appropriation or any part thereof is, unless otherwise indicated, chap-
27 ter 53, section 1, of the laws of 2021.

28 d) No moneys appropriated by this chapter shall be available for
29 payment until a certificate of approval has been issued by the director
30 of the budget, who shall file such certificate with the department of
31 audit and control, the chairperson of the senate finance committee and
32 the chairperson of the assembly ways and means committee.

33 e) Notwithstanding any provision of law to the contrary, for purposes
34 of any appropriation made by this chapter which authorizes spending in
35 an amount net of refunds, rebates, reimbursements, credits, repayments,
36 and/or disallowances, "refunds" shall mean funds received to the state
37 resulting from the overpayment of monies, "rebates" shall mean funds

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[] is old law to be omitted.

1 received to the state resulting from a return of a full or partial
2 amount previously paid, as for goods or services, serving as a
3 reduction, discount or rebate to the original payment amount,
4 "reimbursements" shall mean funds received to the state as repayment in
5 an equivalent amount for goods or services, including but not limited to
6 personal service costs, incurred by the state in the first instance
7 being provided to a third party for their benefit and partially or in
8 full financed by such third party, "credit" shall mean monies made
9 available to the state that reduce the amount owed to a third party,
10 including but not limited to billing errors, rebates, and prior overpay-
11 ments, "repayment" shall mean the return of monies as pay back for
12 expenses incurred, and "disallowance" shall mean monies made available
13 to the state that were not allowed or accepted officially by the
14 intended recipient, based on a determination the payment is not accepta-
15 ble and/or valid. When the office of the state comptroller receives any
16 such refunds, rebates, reimbursements, credits, repayments, and/or
17 disallowances, he or she shall credit the refunded, rebated, reimbursed,
18 credited, repaid, and disallowed amount back to the original appropri-
19 ation and reduce expenditures in the year which such credit is received
20 regardless of the timing of the initial expenditure.

21 f) Notwithstanding any other provision of law to the contrary, if the
22 state or any agency thereof incurs any costs associated with administer-
23 ing the rent regulation program in accordance with subdivision (c) of
24 section 8 of chapter 576 of the laws of 1974, as amended, for a city
25 having a population of one million or more, the director of the budget
26 may direct any other state agency or agencies making payments to such
27 city, or any department, agency, or instrumentality thereof, to perma-
28 nently reduce the amount of any other payment or payments owed to such
29 city or any department, agency, or instrumentality thereof pursuant to
30 any appropriation set forth in this chapter. Provided however, that such
31 reduction shall be in an amount equal to the costs incurred by the state
32 or agency thereof in accordance with subdivision (c) of section 8 of
33 chapter 576 of the laws of 1974 and provided further that such direction
34 shall be made in writing by the director of the budget. If the director
35 of the budget makes such direction pursuant to the authority set forth
36 herein, the impacted city shall not make the payments required by subdivi-
37 sion (c) of section 8 of chapter 576 of the laws of 1974, as amended,
38 and the division of housing and community renewal shall notify such city
39 in writing of what payment or payments will be reduced and the amount of
40 such reduction. To the extent a city of one million or more or any
41 department, agency, or instrumentality thereof is entitled to any cash
42 disbursement authorized by any appropriation contained in this chapter,
43 such entitlement shall be reduced commensurate with reductions in
44 payments made in accordance with this part.

45 g) Notwithstanding any provision of law to the contrary, upon enact-
46 ment of this chapter of the laws of 2022 containing the aid to locali-
47 ties budget bill for the state fiscal year 2022-2023, all appropriations
48 and reappropriations contained in chapter 53 of the laws of 2021, which
49 would otherwise lapse by operation of law on March 31, 2023 are hereby
50 repealed.

51 h) The appropriations contained in this chapter shall be available for
52 the fiscal year beginning on April 1, 2022 except as otherwise noted.

53

DEPARTMENT OF HEALTH

AID TO LOCALITIES 2022-23

1 ation covering fiscal year 2022-23 shall
2 supersede and replace any duplicative (i)
3 reappropriation for this item covering
4 fiscal year 2022-23, and (ii) appropri-
5 ation for this item covering fiscal year
6 2022-23 set forth in chapter 53 of the
7 laws of 2021 (29807) 11,000,000

8 For services and expenses for nursing homes
9 to increase resident facing staffing
10 services provided by registered nurses,
11 licensed practical nurses and certified
12 nursing assistants sufficient to attain
13 the highest practicable physical, mental
14 and psychological well-being of each resi-
15 dent of such facilities as further speci-
16 fied in a chapter of the laws of 2021.
17 Provided however, that nursing homes which
18 spend less than 70 percent of revenues on
19 direct resident care or less than 40
20 percent of revenues on resident-facing-
21 staffing shall not be eligible for monies
22 authorized herein. Provided further howev-
23 er, that no monies shall be available for
24 expenditure from this appropriation unless
25 submitted in a plan by the commissioner of
26 the department of health and approved by
27 the director of the budget (59025) 187,000,000

28 For services and expenses related to
29 providing healthcare and mental hygiene
30 worker bonuses; provided, however, that
31 funds shall not be made available pursuant
32 to this appropriation for services and
33 expenses related to providing healthcare
34 and mental hygiene worker bonuses unless
35 the legislature shall pass the appropriate
36 chapter law of 2022 which adds section
37 367-w to the social services law in a form
38 identical to that submitted by the
39 executive in budget bill S8007/A9007 as
40 part of the fiscal year 2022-2023 budget
41 submission 861,248,000

42 For the state share of medical assistance
43 services expenses incurred by the depart-
44 ment of health for the provision of
45 medical assistance including services to
46 people with developmental disabilities for
47 mental hygiene stabilization.

48 Notwithstanding any provision of law to the
49 contrary, the portion of this appropri-
50 ation covering fiscal year 2022-23 shall
51 supersede and replace any duplicative (i)
52 reappropriation for this item covering
53 fiscal year 2022-23, and (ii) appropri-
54 ation for this item covering fiscal year
55 2022-23 set forth in chapter 53 of the
56 laws of 2021 (29561) 466,794,000

57 For services and expenses of the medical
58 assistance program including medical
59 services provided at state facilities
60 operated by the office of mental health,
61

DEPARTMENT OF HEALTH

AID TO LOCALITIES 2022-23

1 the office for people with developmental
 2 disabilities and the office of addiction
 3 services and supports.
 4 Notwithstanding any provision of law to the
 5 contrary, the portion of this appropri-
 6 ation covering fiscal year 2022-23 shall
 7 supersede and replace any duplicative (i)
 8 reappropriation for this item covering
 9 fiscal year 2022-23, and (ii) appropri-
 10 ation for this item covering fiscal year
 11 2021-22 set forth in chapter 53 of the
 12 laws of 2020 (26961)10,000,000,000
 13
 14 Program account subtotal49,987,336,000
 15 -----

16
 17 Special Revenue Funds - Federal
 18 Federal Health and Human Services Fund
 19 Medicaid Direct Account - 25106
 20

21 For services and expenses for the medical
 22 assistance program, including administra-
 23 tive expenses for local social services
 24 districts, pursuant to title XIX of the
 25 federal social security act or its succes-
 26 sor program.

27 Notwithstanding section 40 of the state
 28 finance law or any other law to the
 29 contrary, all medical assistance appropri-
 30 ations made from this account shall remain
 31 in full force and effect in accordance, in
 32 the aggregate, with the following sched-
 33 ule: not more than 52 percent for the
 34 period April 1, 2022 to March 31, 2023;
 35 and the remaining amount for the period
 36 April 1, 2023 to March 31, 2024.

37 The moneys hereby appropriated are to be
 38 available for payment of aid heretofore
 39 accrued or hereafter accrued to munici-
 40 palities, and to providers of medical
 41 services pursuant to section 367-b of the
 42 social services law, and for payment of
 43 state aid to municipalities and to provid-
 44 ers of family care where payment systems
 45 through the fiscal intermediaries are not
 46 operational.

47 Notwithstanding any inconsistent provision
 48 of law, funding made available by these
 49 appropriations shall support direct salary
 50 costs and related fringe benefits within
 51 the medical assistance program associated
 52 with any minimum wage increase that takes
 53 effect during the timeframe of these
 54 appropriations, pursuant to section 652 of
 55 the labor law. Each eligible organization
 56 in receipt of funding made available by
 57 these appropriations may be required to
 58 submit written certification, in such form
 59 and at such time the commissioner may
 60 prescribe, attesting to the total amount
 61 of funds used by the eligible organiza-
 62 tion, how such funding will be or was used

Appendix IV
2023 Title XIX State Plan
Second Quarter Amendment
Public Notice

and Hospitals Corporation, for services provided by such DTC and those provided by a county operated freestanding mental health or substance abuse DTC. Distributions shall be based on each eligible facility's proportionate share of the sum of all DTC and clinic visits for all eligible facilities receiving payments for the base year two years prior to the rate year. The proportionate share payments may be added to rates of payment or made as aggregate payments to eligible facilities.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective April 1, 2023, and each state fiscal year thereafter, this amendment proposes to revise the calculation to extract data later on in the calendar year for the applicable dates of service. The current authority to make supplemental payments for services provided by physicians, nurse practitioners and physician assistants will continue.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2023, the Department of Health will adjust rates for Assisted Living Program (ALP) providers by a 5% across the board increase to the most recently active Operating rate in effect on March 31, 2023, for each provider.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$18 million.

Effective on or after April 1, 2023, the Department of Health will adjust rates for Adult Day Health Care providers by a 5% across the board increase to the most recently active Operating rate in effect on March 31, 2023, for each provider.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$838,000.

Effective on and after April 1, 2023, this notice provides for a temporary rate adjustment with an aggregate payment totaling no less than \$7.5 million annually for Critical Access Hospitals (CAHs), for the periods April 1, 2023, through March 31, 2024, and April 1, 2024, through March 31, 2025. Funding will be allocated to financially distressed hospitals with plans to reconfigure operations by improving financial management, improving quality of care and service delivery and/or improving operational efficiency and cost effectiveness.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$7.5 million and contained in the budget for state fiscal year 2024-2025 is \$7.5 million.

Effective on and after April 1, 2023, this notice provides for a temporary rate adjustment with an aggregate payment amount totaling no less than \$10 million annually, for Essential Community Providers (ECPs) for the periods April 1, 2023, through March 31, 2024, and April 1, 2024, through March 31, 2025. Funding will be allocated to financially distressed hospitals with plans to reconfigure operations by improving financial management, improving quality of care and service delivery and/or improving operational efficiency and cost effectiveness.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$10 million and contained in the budget for state fiscal year 2024-2025 \$10 million.

Effective on or after April 1, 2023, this notice proposes to establish Medical Assistance coverage and rates of payment for rehabilitative services for individuals residing in OMH-licensed residential settings who have been diagnosed with an eating disorder, in order to provide appropriate care and treatment to adults and children with eating disorders.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$4 million.

Effective on or after May 1, 2023, the NYS Medicaid Program proposes to reimburse enrolled ambulance services for administration of vaccinations performed by Emergency Medical Technicians (EMT) / Paramedics employed by the ambulance service. This proposal is

intended to ensure ongoing access to vaccinations after the end of the federal COVID-19 Public Health Emergency.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-24 is \$35,000.

Effective March 11, 2021 and ending on the last day of the first calendar quarter that begins one year after the last day of the emergency period described in section 1135(g)(1)(B) of the Social Security Act, the Medicaid program assures coverage of COVID-19 vaccines and administration of the vaccines, COVID-19 treatment, including specialized equipment and therapies (including preventive therapies), and COVID-19 testing consistent with the Centers for Disease Control and Prevention (CDC) recommendations.

There is no estimated change to annual gross Medicaid expenditures as a result of this proposed amendment.

Effective December 1, 2021 and ending on the last day of the first calendar quarter that begins one year after the last day of the emergency period described in section 1135(g)(1)(B) of the Social Security Act, the Medicaid program proposes to reimburse providers for medically necessary COVID-19 vaccine counseling for children under 21 at a fee of \$25.00 per session.

There is no estimated change to annual gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2023, the Department of Health will adjust rates statewide to reflect up to a twenty-five percent rate increase for all services provided by School-based Mental Health Outpatient Treatment and Rehabilitative Service (SBMH MHOTRS) programs licensed by the Office of Mental Health.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$9.2 million.

Effective on or after April 1, 2023, Medicaid will increase the APG Base Rates by ten percent for School Based Health Centers (SBHC).

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$2.8 million.

Effective on or after April 1, 2023, a Supplemental Payment Program will be established to reimburse eligible Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs) and Diagnostic and Treatment Centers (DTCs) for potential loss of funding associated with the 340B Drug Pricing Program due to State policy change. Additionally, this Amendment clarifies the reimbursement methodology for the Supplemental Payment Wrap Program for FQHCs and RHCs which provides supplemental payments that are equal to 100% of the difference between the facility's reasonable cost per visit rate and the amount per visit reimbursed by the Medicaid managed care health plan.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$250 million.

Institutional Services

Effective on or after April 1, 2023, this proposal continues the supplemental upper payment limit payments made to general hospitals, other than major public general hospitals under institutional services of \$339 million annually.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

For state fiscal year beginning April 1, 2023 through March 31, 2024, this proposal continues adjustments for hospital inpatient services provided on and after April 1, 2012, to public general hospitals, other than those operated by the State of New York or the State University of New York, located in a city with a population of over one million and receiving reimbursement of up to \$1.08 billion annually based on criteria and methodology set by the Commissioner of Health, which the Commissioner may periodically set through a memorandum of understanding with the New York City Health and Hospitals Corporation. Such adjustments will be paid by means of one or more estimated payments. Payments to eligible public general hospitals may be added to rates of payment or made as aggregate payments.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

For state fiscal year beginning April 1, 2023, through March 31, 2024, this proposal continues supplemental payments to State government owned hospitals. These payments will not exceed the upper payment limit for inpatient services provided by state government-owned hospitals when aggregated with other Medicaid payments.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective for dates of service on or after April 1, 2023, the Department of Health will adjust inpatient rates for hospital providers, certified under Article 28 of the Public Health Law, by an additional five percent (5%) across the board increase to the operating portion of the rates.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$186.5 million.

Effective on or after April 1, 2023, and each state fiscal year (SFY) thereafter, this proposal would reduce the size of the voluntary hospital Indigent Care Pool by an additional \$85.4 million (gross). This reduction would be additive to the \$150 million (gross) reduction implemented in the FY 2021 Enacted Budget, for a total reduction of \$235.4 million. Similar to the previous \$150 million reduction, the \$85.4 million reduction would only apply to voluntary hospitals whose public payor (Medicare and Medicaid) mix is less than the statewide average. Additionally, hospitals qualifying as Enhanced Safety Net Hospitals under PHL 2807-c would be exempt from this reduction.

The estimated net aggregate decrease in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is (\$85.4 million).

Effective for the period January 1, 2023, through December 31, 2025, indigent care pool payments will be made using an uninsured unit's methodology. Each hospital's uncompensated care need amount will be determined as follows:

- Inpatient units of service for the cost report period two years prior to the distribution year (excluding hospital-based residential health care facility (RHCF) and hospice) will be multiplied by the average applicable Medicaid inpatient rate in effect for January 1 of the distribution year;
- Outpatient units of service for the cost report period two years prior to the distribution year (excluding referred ambulatory and home health) will be multiplied by the average applicable Medicaid outpatient rate in effect for January 1 of the distribution year (exclusive of the public goods surcharge);
- Inpatient and outpatient uncompensated care amounts will then be summed and adjusted by a statewide adjustment factor and reduced by cash payments received from uninsured patients; and
- Uncompensated care nominal need will be based on a weighted blend of the net adjusted uncompensated care and the Medicaid inpatient utilization rate. The result will be used to proportionally allocate and make Medicaid disproportionate share hospital (DSH) payments in the following amounts:
 - \$139.4 million to major public general hospitals, including hospitals operated by public benefit corporations; and
 - \$884.5 million to general hospitals, other than major public general hospitals.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Long Term Care Services

Effective on or after April 1, 2023, this proposal continues additional payments to non-state government operated public residential health care facilities, including public residential health care facilities located in Nassau, Westchester, and Erie Counties, but not excluding public residential health care facilities operating by a town or city within a county, in aggregate amounts of up to \$500 million. The amount allocated to each eligible public RHCF will be in accordance with the previously approved methodology, provided, however that patient days shall be utilized for such computation reflecting actual

reported data for 2021 and each representative succeeding year as applicable. Payments to eligible RHCF's may be added to rates of payment or made as aggregate payments.

There is no change to the annual gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2023, the Department of Health will adjust rates for Nursing Home (NH) providers by a 5% across the board increase to the most recently active Operating rate in effect on March 31, 2023, for each provider.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023-2024 is \$314 million.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district.

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 1432, Albany, NY 12210, spa_inquiries@health.ny.gov

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 non-institutional services to comply with SSL 365-a (2)(jj). The following changes are proposed:

Non-Institutional Services

Effective on or after April 1, 2023, Medicaid will reimburse for services provided by certified dietitians and nutritionists to eligible populations.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2023/2024 is \$520,000.

Effective on or after April 1, 2023, Medicaid will reimburse for the services of Community Health Workers for services rendered to eligible populations. A Community Health Worker is a public health worker that reflects the community served (through lived experience that may include, but is not limited to pregnancy and birth, housing status, mental health conditions or substance use, shared race, ethnicity, language, or community of residence), and functions as a liaison between healthcare systems, social services, and community-based

Appendix V
2023 Title XIX State Plan
Second Quarter Amendment
Responses to Standard Funding Questions

INSTITUTIONAL SERVICES
State Plan Amendment #23-0046

CMS Standard Funding Questions

The following questions are being asked and should be answered in relation to all payments made to all providers reimbursed pursuant to a methodology described in Attachment 4.19-A of the 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 receive and retain 100 percent of total Medicaid expenditures claimed by the State and the State does not require any provider to return any portion of such payments to the State, local government entities, or any other intermediary organization.

- 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: The Non-Federal share Medicaid provider payment is funded by a combination of the following funds/funding sources through enacted appropriations authority to the Department of Health (DOH) for the New York State Medicaid program or is funded by an IGT transferred from the counties.

Payment Type	Non-Federal Share Funding	4/1/22 – 3/31/23	
		Non-Federal	Gross
Hospital Inpatient Normal Per Diem	General Fund; Special Revenue Funds; County Contribution	\$2.199B	\$4.398B
Residential Treatment Facilities Normal Per Diem	General Fund; County Contribution	\$40M	\$80M
Hospital Inpatient Supplemental	General Fund	\$39M	\$77M
Indigent Care Pool	General Fund; Special Revenue Funds	\$342M	\$685M
Voluntary UPL	General Fund	\$184M	\$367M
Indigent Care Pool Adjustment	General Fund; IGT	\$206M	\$412M
Disproportionate Share Program	General Fund; IGT	\$1.377B	\$2.754B
State Public Inpatient UPL	General Fund	\$8M	\$16M
Non-State Government Inpatient UPL	IGT	\$254M	\$507M
Totals		\$4.648B	\$9.297B

A. **General Fund:** Revenue resources for the State’s General Fund includes taxes (e.g., income, sales, etc.), and miscellaneous fees (including audit recoveries). Medicaid expenditures from the State’s General Fund are authorized from Department of Health Medicaid.

- 1) New York State Audit Recoveries: The Department of Health collaborates with the Office of the Medical Inspector General (OMIG) and the Office of the Attorney General (AG) in recovering improperly expended Medicaid funds. OMIG conducts and coordinates the investigation, detection, audit, and review of Medicaid providers and recipients to ensure they are complying with all applicable laws and regulation. OMIG recovers any improper payments through cash collections and voided claim recoveries. Cash collections are deposited into the State’s General Fund to offset Medicaid costs.

In addition to cash collections, OMIG finds inappropriately billed claims within provider claims. To correct an error, OMIG and DOH process the current accurate

claim, and reduce this claim by the inappropriate claim value to recoup the previous overclaim and decrease state spending.

B. Special Revenue Funds:

- 1) Health Care Reform Act (HCRA) Resource Fund: as authorized in section 92-dd of New York State Finance Law and was established in 1996, pursuant to New York State Public Health Law 2807-j and 2807-s (surcharges), 2807-c (1 percent), and 2807-d-1 (1.6 percent). HCRA resources include:
 - Surcharge on net patient service revenues for Inpatient Hospital Services.
 - The rate for commercial payors is 9.63 percent.
 - The rate for governmental payors, including Medicaid, is 7.04 percent.
 - Federal payors, including Medicare, are exempt from the surcharge.
 - 1 percent assessment on General Hospital Inpatient Revenue.
 - 1.6 percent Quality Contribution on Maternity and Newborn (IP) Services.

- 2) Health Facility Cash Assessment Program (HFCAP) Fund: Pursuant to New York State Public Health Law 2807-d, the total state assessment on each hospital's gross receipts received from all patient care services and other operating income, excluding gross receipts attributable to payments received pursuant to Title XVIII of the federal Social Security Act (Medicare), is 0.35 percent.

NOTE: New York's Health Care taxes are either broad based and uniform (as in all HFCAP assessments except for the Personal Care Provider Cash Assessment) or have a specific exemption known as the "D'Amato provision (Federal PHL section 105-33 4722 (c))" which allows the HCRA surcharges to exist in their current format. The single tax which has been determined by the State to be an impermissible provider tax is the HFCAP charge on Personal Care Providers. The State does not claim any Federal dollars for the surcharge collected in this manner in order to comply with all Federal provider tax rules.

C. Additional Resources for Non-Federal Share Funding:

County Contribution: In State Fiscal Year 2006, through enacted State legislation (Part C of Chapter 58 of the laws of 2005), New York State "capped" the amount localities contributed to the non-Federal share of providers claims. This was designed to relieve pressure on county property taxes and the NYC budget by limiting local contributions having New York State absorb all local program costs above this fixed statutory inflation rate (3% at the time).

However, in State Fiscal Year 2013 New York State provided additional relief to Localities by reducing local contributions annual growth from three percent to zero over a three-year period. Beginning in State Fiscal Year 2016, counties began paying a fixed cost in perpetuity as follows:

Entity	Annual Amount
New York City	\$4.882B

Suffolk County	\$216M
Nassau County	\$213M
Westchester County	\$199M
Erie County	\$185M
Rest of State (53 Counties)	\$979M
Total	\$6.835B

By eliminating the growth in localities Medicaid costs, the State has statutorily capped total Statewide County Medicaid expenditures at 2015 levels. All additional county Medicaid costs are funded by the State through State funding as described above. DOH provides annual letters to counties providing weekly contributions. Contributions are deposited directly into State escrow account and used to offset 'total' State share Medicaid funding.

NOTE: The Local Contribution is not tied to a specific claim or service category and instead is a capped amount based on 2015 county spending levels as stated above. Each deposit received is reviewed and compared to the amount each county is responsible to contribute to the Medicaid program to verify the county funds received are eligible for Medicaid expenses.

D. IGT Funding:

New York State requests the transfer of the IGT amounts from entities prior to the release of payments to the providers. The entities transferring IGT amounts are all units of government, and the nonfederal share is derived from state or local tax revenue funded accounts only. The providers keep and retain Medicaid payments. Please note that entities have taxing authority, and the State does not provide appropriations to the entities for IGTs.

Provider	Entity Transferring IGT Funds	4/1/22-3/31/23 IGT Amount
Bellevue Hospital Center	New York City	\$171M
Coney Island Hospital	New York City	\$9M
City Hospital Center at Elmhurst	New York City	\$17M
Harlem Hospital Center	New York City	\$91M
Henry J Carter Spec Hospital	New York City	(\$8M)
Jacobi Medical Center	New York City	\$106M
Kings County Hospital Center	New York City	\$136M
Lincoln Medical & Mental Health Center	New York City	\$88M
Metropolitan Hospital Center	New York City	\$67M
North Central Bronx Hospital	New York City	\$12M
Queens Hospital Center	New York City	\$18M
Woodhull Medical and Mental Health Center	New York City	\$37M
Erie County Medical Center	Erie County	\$49M
Lewis County General Hospital	Lewis County	\$1M
Nassau County Medical Center	Nassau County	\$66M

Westchester County Medical Center	Westchester County	\$143M
Wyoming County Community Hospital	Wyoming County	\$1M
NYC Health + Hospitals	New York City	\$254M
Total		\$1.258B

- 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: Please see list of supplemental payments below:

Payment Type	Private	State Government	Non-State Government	4/1/22-3/31/23 Gross Total
Indigent Care Pool/Voluntary UPL \$339M Guarantee	\$912M	\$8M	\$133M	\$1.052B
Indigent Care Pool Adjustment	\$0	\$86M	\$326M	\$412M
Disproportionate Share Program	\$0	\$1.071B	\$1.684B	\$2.754B
Vital Access Program	\$77M	\$0	\$0	\$77M
State Public Inpatient UPL	\$0	\$16M	\$0	\$16M
Non-State Government Inpatient UPL	\$0	\$0	\$507M	\$507M
Total	\$989M	\$1.181B	\$2.649B	\$4.819B

The Medicaid payments authorized under this State Plan Amendment are supplemental payments and total \$10 million for State Fiscal Year 2023-24. Please note that the dollar amount currently listed in the plan page is a placeholder and will be updated once the calculation is completed.

- 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: The inpatient UPL demonstration utilizes cost-to-payment and payment-to-payment methodologies to estimate the upper payment limit for each class of providers. The State is in the process of completing the 2023 inpatient UPL as well as the Procedural

Manual which describes the methodology for eligible providers and will be submitting both documents to CMS.

- 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: Providers do not receive payments that in the aggregate exceed their reasonable costs of providing services. If any providers received payments that in the aggregate exceeded their reasonable costs of providing services, the State would recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report.

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: The State complies 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 17-0065, 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.