

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

August 25, 2020

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Donna Frescatore  
Medicaid Director  
NYS Department of Health  
One Commerce Plaza  
Suite 1211  
Albany, NY 12210

Reference: TN 20-0038

Dear Ms. Frescatore:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 20-0038. This amendment proposes to reduce the capital component of nursing home rates.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447.

This is to inform you that Medicaid State plan amendment 20-0038 is approved effective April 2, 2020. The CMS-179 and the amended plan page is attached.

If you have any additional questions or need further assistance, please contact Charlene Holzbaur at 609-882-4796 or [Charlene.Holzbaur@cms.hhs.gov](mailto:Charlene.Holzbaur@cms.hhs.gov).

Sincerely,

[Redacted Signature]

For

Karen Shields  
Acting Director

Enclosures

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

1. TRANSMITTAL NUMBER _____	2. STATE
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE	

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (*Check One*)

- NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT


COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION  XXXX (a)	7. FEDERAL BUDGET IMPACT a. FFY _____ \$ XXXXX (8,000.00) b. FFY _____ \$ XXXXXX (16,000.00)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> )

10. SUBJECT OF AMENDMENT

11. GOVERNOR'S REVIEW (*Check One*)


- GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO
13. TYPED NAME	
14. TITLE	
15. DATE SUBMITTED June 30, 2020	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED June 30, 2020	18. DATE APPROVED 8/25/20
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL April 2, 2020	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Karen Shields	22. TITLE Acting Director, FMG

23. REMARKS

State requests pen and ink Box 7 to increase amounts  
amounts in thousands

State requests pen and ink Box 6 to 1902(a)

New York  
42

- xii. Utilization Review
  - xiii. Other Ancillary
  - xiv. Plant Operations and maintenance – (cost for facilities and real estate and occupancy taxes only).
- (3) The allowable facility specific non-comparable component of the rate [shall] will be reimbursed at a payment rate equal to adjusted reported non-comparable costs, after first deducting capital costs and allowable items not subject to trending, divided by the facility's total 1983 patient days.

**(g) Capital Component of the Rate.**

The allowable facility specific capital component of the rate [shall] will include allowable capital costs determined in accordance with section 86-2.19, 86-2.20, 86-2.21 and 86-2.22 of this Subpart and costs of other allowable items determined by the department to be non-trendable divided by the facility's patient days in the base year determined applicable by the department.

(g)(1) Effective on and after April 2, 2020, the capital component of all Medicaid rates for residential health care facilities will be reduced by 5%.

(h) A facility's payment rate for 1986 and subsequent rate years [shall] will be equal to the sum of the operating portion of the rate as defined in paragraph (2) of subdivision (b) of this section and the capital component as defined in subdivision (g) of this section.

**(i) Specialty Facilities.**

Facilities which provide extensive nursing, medical, psychological and counseling support services to children with diverse and complex medical, emotional and social problems [shall] will be considered

TN #20-0038

Approval Date August 25, 2020

Supersedes TN #86-4

Effective Date April 2, 2020