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State/Territory Name: New York

State Plan Amendment (SPA) #: 15-0059

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
New York Regional Office
26 Federal Plaza, Room 37-100
New York, NY 10278



DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS

DMCHO: JH:SPA-NY-15-0059-Approval

November 28, 2017

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

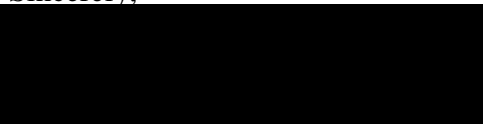
Dear Deputy Commissioner Helgerson:

This is to notify you that New York State Plan Amendment (SPA) #15-0059 has been approved for adoption into the State Medicaid Plan with an effective date of January 1, 2016. This SPA amends the provisions of the capital component reimbursement methodology of Article 28 Freestanding Clinics.

Enclosed are copies of the Plan Page for SPA #15-0059 and the HCFA-179 form, as approved.

If you have any questions regarding this amendment, please call Joanne Hounsell at 212.616.2446 or e-mail at joanne.hounsell@cms.hhs.gov.

Sincerely,



Michael Melendez, LMSW
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosures: HCFA-179 Form
State Plan Page

cc: J. Ulberg
R. Deyette
P. LaVenía
M. Levesque

R. Weaver
R. Holligan
N. McKnight
M. Tabakov

S. Jew
J. Hounsell
M. Lopez

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 15-0059	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, 2016
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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)

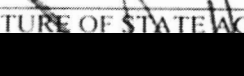
6. FEDERAL STATUTE/REGULATION CITATION: § 1902(a) of the Social Security Act, and 42 CFR 447	7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY 01/01/16-09/30/16 \$ 75.00 b. FFY 10/01/16-09/30/17 \$ 100.00
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B: 2(o)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B: 2(o)
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10. SUBJECT OF AMENDMENT:
2016 DTC APG Capital Cost Update (FMAP = 50%)

11. GOVERNOR'S REVIEW (Check One):

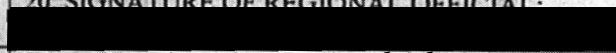
GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: New York State Department of Health Division of Finance and Rate Setting 99 Washington Ave – One Commerce Plaza Suite 1460 Albany, NY 12210
13. TYPED NAME: Jason A. Helgeson	
14. TITLE: Medicaid Director Department of Health	
15. DATE SUBMITTED: NOV 24 2015	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: NOVEMBER 28, 2017
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: JANUARY 01, 2016	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: MICHAEL MELENDEZ	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health

23. REMARKS:

**New York
2(o)**

APG Rate Computation – Freestanding Clinics

The following is a description of the methodology to be utilized in calculating rates of payment for freestanding clinics and ambulatory surgery center services under the Ambulatory Patient Group classification and reimbursement system.

- I. Claims containing ICD-10 diagnostic and CPT-4/HCPCS procedure codes are submitted to the Department on appropriate forms or in the accepted electronic format.
- II. Claims are reviewed electronically to assign each valid procedure code to the appropriate APG using the APG software logic. Invalid codes will be assigned to an error APG and not given further consideration in the payment process.
- III. Each valid APG on the claim is assigned a relative weight. At this time the software logic also determines an allowed weight based upon whether each APG on the claim is to be paid in full, packaged, consolidated, or discounted.
- IV. The allowed weights for each valid APG on the claim are then summed to arrive at the final weight for this claim. This final weight is multiplied by an operating base rate that is specific to the peer group to which the claim has been assigned resulting in the APG operating cost reimbursement amount for this claim. For freestanding clinic services, capital will continue to be paid as an add-on using the existing, previously approved methodology. Beginning January 1, 2016, and every January 1 thereafter, the capital add-on for Article 28 freestanding clinic services shall be the result of dividing the total allowable capital costs associated with Article 28 services by the Article 28 total number of visits or procedures. The allowable capital costs and visits or procedures will be based on the 2-year prior certified Ambulatory Health Care Facility (AHCF) annual cost report submitted to the Department of Health. If a clinic fails to file a base year AHCF cost report with the required documents, the clinic will receive no capital add-on for Article 28 freestanding clinic services for the rate period. The capital cost component for ambulatory surgery services shall be the result of dividing the total amount of capital cost reimbursement paid to such facilities pursuant to the current Products of Ambulatory Surgery (PAS) system for the 2007 calendar year for the Upstate Region and for the Downstate Region and then dividing each such regional total amount by the total number of claims paid through the PAS system within each such region for the 2007 calendar year.
- V. A separate base rate calculation shall be calculated for each peer group established by the Department. All Medicaid reimbursement paid to facilities for services moving to the APG reimbursement system (e.g., freestanding clinic and ambulatory surgery center services) during the 2007 calendar year and associated ancillary payments will be added to an investment of \$9.375 million for dates of service from September 1, 2009 through November 30, 2009, and \$50 million for each annualized period thereafter to form the numerator. A link to the base rates can be found in the APG Reimbursement Methodology – Freestanding Clinics section. The peer group specific case mix index multiplied by the coding improvement factor and the 2007 base year visits will form the denominator resulting in a base rate for that peer group.

TN #15-0059

Supersedes TN #15-0013

Approval Date 11/28/2017

Effective Date 01/01/2016