

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

March 17, 2021

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

RE: TN 21-0005

Dear Ms. Frescatore:

We have reviewed the proposed New York State Plan Amendment (SPA) to Attachment 4.19-B transmittal number 21-0005, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 30, 2020. New York State Department of Health will establish weekly Opioid Treatment Program (OTP) bundled fees as a permanent alternative to the OTP Ambulatory Patient Group (APG) methodology.

Based upon the information provided by the State, we have approved the amendment with an effective date of April 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Tamara Sampson at 214-767-6431 or Tamara.Sampson@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER
2 1 — 0 0 0 5

2. STATE
New York

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)
TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

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

4. PROPOSED EFFECTIVE DATE
~~January 1, 2021~~ April 1, 2021

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
a. FFY 01/01/21-09/30/21 \$ ~~(344.87)~~ \$1,247.54
b. FFY 10/01/21-09/30/22: \$ ~~(459.82)~~ \$2,495.07

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B: Pages 1(p)(iii), 10(a.7)

Attachment 4.19-B Pages: 1(p)(iii), 1(p)(iv), 10(a.7), 10(a.8)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

NEW

10. SUBJECT OF AMENDMENT

OASAS Opioid Treatment Programs (OTP) Weekly Bundles (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

13. TYPED NAME
Donna Frescatore

14. TITLE
Medicaid Director, Department of Health

15. DATE SUBMITTED
December 30, 2020

16. 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 REGIONAL OFFICE USE ONLY

17. DATE RECEIVED
December 30, 2020

18. DATE APPROVED
3/17/2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
April 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME
Todd McMillion

22. TITLE
Director, FMG Division of Reimbursement Review

23. REMARKS

P&I to Blocks 4, 7, and 8 as agreed to with New York.

**New York
1(p)(iii)**

OASAS Opioid Treatment Programs (OTPs) Alternative Reimbursement Methodology – Hospital Weekly Bundles

Effective April 1, 2021, OASAS will establish regional weekly bundled payments for hospital-based opioid treatment programs. Such payments will be available as an alternative to the reimbursement under the Ambulatory Patient Group (APG) fee methodology already in place for OTPs. Programs may bill any given week of OTP service for any given patient under either methodology (APGs or the bundled payment methodology), but not both. When billing under the bundled payment methodology programs may bill only one of the four weekly rate codes shown below for each week. All such bundled payments will be subject to approval by the NYS Division of the Budget.

For purposes of these bundled payments there will be two regions, downstate and upstate, with the regional assignment based on program location. The downstate region includes the following counties: New York, Kings, Queens, Richmond, Bronx, Nassau, Suffolk, Westchester, Rockland, Putnam, Dutchess and Orange. The upstate region includes all other counties in the State.

The April 1, 2021 bundled payments and rate codes are as follows:

<u>Rate Code</u>	<u>Rate Code Description</u>	<u>April 1, 2021 (Downstate)</u>	<u>April 1, 2021 (Upstate)</u>
<u>7973</u>	<u>HOSPITAL OTP METHADONE DISPENSING OR COUNSELING</u>	<u>\$ 209.19</u>	<u>\$ 178.80</u>
<u>7974</u>	<u>HOSPITAL OTP METHADONE TAKE HOME</u>	<u>\$ 35.28</u>	<u>\$ 35.28</u>
<u>7975</u>	<u>HOSPITAL OTP BUPRENORPHINE DISPENSING OR COUNSELNG</u>	<u>\$ 260.59</u>	<u>\$ 222.73</u>
<u>7976</u>	<u>HOSPITAL OTP BUPRENORPHINE TAKE HOME</u>	<u>\$ 86.26</u>	<u>\$ 86.26</u>

The proposed bundled payments are based on service delivery that mirrors the Medicare OTP bundles in terms of both services and practitioners, as well as in terms of cost by practitioner for each service. Services covered by the bundled payment include:

- FDA-approved opioid agonist and antagonist treatment medications
- Dispensing and administering medications
- Substance use disorder counseling
- Individual and group therapy
- Toxicology testing
- Intake activities
- Periodic assessments

Room and board is not a covered service under the OTP bundled payment.

TN #21-0005 _____

Approval Date March 17, 2021

Supersedes TN #NEW _____

Effective Date April 1, 2021

New York
1(p)(iv)

OASAS Opioid Treatment Programs (OTPs) Alternative Reimbursement Methodology – Hospital Weekly Bundles (continued)

Each program furnishing OTP bundled services shall keep those records necessary to disclose the extent of services the program furnishes to beneficiaries and, on request, furnish to OASAS that information. Such information shall include, at minimum, the following: date of service; name of recipient; Medicaid identification number; name of practitioner providing each service; exact nature of the service, extent or units of service; and the place of service. OASAS will review such data in order to revise, as necessary, the bundled payments described herein.

OASAS will conduct regular programmatic reviews for compliance with state regulations and Federal law and issue corrective actions plans for any noted deficiencies. In addition, service frequency and utilization data will be collected and tracked by OASAS.

The bundled payments shown were calculated by regionalizing the statewide COVID bundled payments approved in the NYS disaster relief SPA, which are the 2019 base (unregionalized) Medicare bundled payments, using the OASAS OTP regional factor of 1.1700 (Downstate relative to Upstate) for freestanding facilities. The calculated payments are the same for hospitals and freestanding programs. The regional factor was applied assuming that the Downstate region would continue to have 94.41% of the methadone bundle service volume, which is the value found in the initial service period COVID bundle data used for the rate calculation. The pre-April 1 statewide bundled payments for rate code 7973 and 7975 were \$207.49 and \$258.47 respectively. The medication take home fees are identical to those of Medicare, which are not regionalized.

TN #21-0005

Approval Date March 17, 2021

Supersedes TN #NEW

Effective Date April 1, 2021

**New York
10(a.7)**

OASAS Opioid Treatment Programs (OTPs) Alternative Reimbursement Methodology – Freestanding Weekly Bundles

Effective April 1, 2021, OASAS will establish regional weekly bundled payments for freestanding opioid treatment programs. Such payments will be available as an alternative to the reimbursement under the Ambulatory Patient Group (APG) fee methodology already in place for OTPs. Programs may bill any given week of OTP service for any given patient under either methodology (APGs or the bundled payment methodology), but not both. When billing under the bundled payment methodology programs may bill only one of the four weekly rate codes shown below for each week. All such bundled payments will be subject to approval by the NYS Division of the Budget.

For purposes of these bundled payments there will be two regions, downstate and upstate, with the regional assignment based on program location. The downstate region includes the following counties: New York, Kings, Queens, Richmond, Bronx, Nassau, Suffolk, Westchester, Rockland, Putnam, Dutchess and Orange. The upstate region includes all other counties in the State.

The April 1, 2021 bundled payments and rate codes are as follows:

<u>Rate Code</u>	<u>Rate Code Description</u>	<u>April 1, 2021 (Downstate)</u>	<u>April 1, 2021 (Upstate)</u>
<u>7969</u>	<u>FREESTANDING OTP METHADONE DISPENSING OR COUNSELING</u>	<u>\$ 209.19</u>	<u>\$ 178.80</u>
<u>7970</u>	<u>FREESTANDING OTP METHADONE TAKE HOME</u>	<u>\$ 35.28</u>	<u>\$ 35.28</u>
<u>7971</u>	<u>FREESTANDING OTP BUPRENORPHINE DISPENSING OR COUNSELNG</u>	<u>\$ 260.59</u>	<u>\$ 222.73</u>
<u>7972</u>	<u>FREESTANDING OTP BUPRENORPHINE TAKE HOME</u>	<u>\$ 86.26</u>	<u>\$ 86.26</u>

The proposed bundled payments are based on service delivery that mirrors the Medicare OTP bundles in terms of both services and practitioners, as well as in terms of cost by practitioner for each service. Services covered by the bundled payment include:

- FDA-approved opioid agonist and antagonist treatment medications
- Dispensing and administering medications
- Substance use disorder counseling
- Individual and group therapy
- Toxicology testing
- Intake activities
- Periodic assessments

Room and board is not a covered service under the OTP bundled payment.

TN #21-0005 _____

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Supersedes TN #NEW _____

Effective Date April 1, 2021

New York
10(a.8)

OASAS Opioid Treatment Programs (OTPs) Alternative Reimbursement Methodology – Freestanding Weekly Bundles (continued)

Each program furnishing OTP bundled services shall keep those records necessary to disclose the extent of services the program furnishes to beneficiaries and, on request, furnish to OASAS that information. Such information shall include, at minimum, the following: date of service; name of recipient; Medicaid identification number; name of practitioner providing each service; exact nature of the service, extent or units of service; and the place of service. OASAS will review such data in order to revise, as necessary, the bundled payments described herein.

OASAS will conduct regular programmatic reviews for compliance with state regulations and Federal law and issue corrective actions plans for any noted deficiencies. In addition, service frequency and utilization data will be collected and tracked by OASAS.

The bundled payments shown were calculated by regionalizing the statewide COVID bundled payments approved in the NYS disaster relief SPA, which are the 2019 base (unregionalized) Medicare bundled payments, using the OASAS OTP regional factor of 1.1700 (Downstate relative to Upstate) for freestanding facilities. The calculated payments are the same for hospitals and freestanding programs. The regional factor was applied assuming that the Downstate region would continue to have 94.41% of the methadone bundle service volume, which is the value found in the initial service period COVID bundle data used for the rate calculation. The pre-April 1 statewide bundled payments for rate code 7973 and 7975 were \$207.49 and \$258.47 respectively. The medication take home fees are identical to those of Medicare, which are not regionalized.

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Effective Date April 1, 2021