

NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

September 30, 2011

Mr. Michael Melendez
Associate Regional Administrator
Department of Health & Human Services
Centers for Medicare & Medicaid Services
New York Regional Office
Division of Medicaid and Children's Health
26 Federal Plaza - Room 37-100 North
New York, New York 10278

RE: SPA #11-73
Non-Institutional Services

Dear Mr. Melendez:

The State requests approval of the enclosed amendment #11-73 to the Title XIX (Medicaid) State Plan for non-institutional services to be effective July 1, 2011 (Appendix I). This amendment is being submitted based on enacted legislation. A summary of the plan amendment is provided in Appendix II.

The State of New York reimburses these services through the use of rates that are consistent with and promote efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area as required by §1902(a)(30) of the Social Security Act and 42 CFR §447.204.

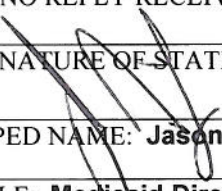
Copies of pertinent sections of enacted State statute are enclosed for your information (Appendix III). A copy of the public notice of this plan amendment, which was given in the New York State Register on June 29, 2011, is also enclosed for your information (Appendix IV). In addition, responses to the five standard funding questions are also enclosed (Appendix V).

If you have any questions regarding this State Plan submission, please do not hesitate to contact John E. Ulberg, Jr., Director, Division of Health Care Financing at (518) 474-6350.

Sincerely,


Jason A. Helgerson
Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: #11-73	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 July 1, 2011	
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 1902(a) of the Social Security Act, and 42 CFR 447		7. FEDERAL BUDGET IMPACT: a. FFY 7/1/11 – 9/30/11 \$ 65,280 b. FFY 10/1/11 – 9/30/12 \$274,176	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1-A Supplement Page 2(xiv)(a) Attachment 3.1-B Supplement Page 2(xiv)(a) Attachment 4.19-B Page 4(f)(1)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 3.1-A Supplement Page 2(xiv)(a) Attachment 3.1-B Supplement Page 2(xiv)(a) Attachment 4.19-B Page 4(f)(1)	
10. SUBJECT OF AMENDMENT: Diabetes Self Management Training (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 Corning Tower Empire State Plaza Albany, New York 12237	
13. TYPED NAME: Jason A. Helgerson			
14. TITLE: Medicaid Director & Deputy Commissioner Department of Health			
15. DATE SUBMITTED: September 30, 2011			
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
2011 Title XIX State Plan
Third Quarter Amendment
Non-Institutional Services
Amended SPA Pages

Pharmacists as Immunizers

The [F]fee schedule is developed by the Department of Health and approved by the Division of Budget. State developed fee schedules are the same as the fee schedule established for Physicians. Pharmacies participating in the New York State Medicaid program are reimbursed a vaccine administration fee established at the same rate paid to physicians. The reimbursement to the pharmacy is on behalf of the employed pharmacist, who as the licensed practitioner is the vaccine administrator. Except as otherwise noted in the plan, state developed fee schedules are the same for both governmental and private providers. The fee schedule and any annual/periodic adjustments to the fee schedule are published in the official New York State pharmacy provider manual, which can be found at:

[http://nyhealth.gov/health_care/medicaid/program/pharmacists as immunizers/fact sheet 10-14-10.htm](http://nyhealth.gov/health_care/medicaid/program/pharmacists_as_immunizers/fact_sheet_10-14-10.htm)

The agency's fee schedule is effective for services provided on or after October 15, 2009.

Diabetes Self-Management Training

The fee schedule is developed by the Department of Health and approved by the Division of Budget. State-developed fee schedules are the same as the fee schedule established for physicians. The fee schedule and any annual/periodic adjustments to the fee schedule are published in the official New York State physician provider manual, which can be found at:

[https://www.emedny.org/ProviderManuals/Physician/PDFS/Physician Manual Fee Schedule Sect2.xls](https://www.emedny.org/ProviderManuals/Physician/PDFS/Physician_Manual_Fee_Schedule_Sect2.xls)

The agency's fee schedule is effective for services provided on or after July 1, 2011.

Pharmacies participating in the New York State Medicaid program are reimbursed for Diabetes Self-Management Training (DSMT) at the same rate paid to physicians. The reimbursement to the pharmacy, which is accredited by a CMS approved national accreditation organization (NAO) such as the American Diabetes Association (ADA), American Association of Diabetes Educators (AADE) or Indian Health Services (IHS) is on behalf of the employed pharmacist who, as the licensed practitioner, is the DSMT Educator.

TN #11-73

Approval Date _____

Supersedes TN #09-63

Effective Date _____

Appendix II
2011 Title XIX State Plan
Third Quarter Amendment
Non-Institutional Services
Summary

Summary
SPA #11-73

The State Plan Amendment proposes to reimburse pharmacies for diabetes self-management training (DSMT) provided by a licensed pharmacist who is affiliated with a pharmacy that is accredited by a CMS approved national accreditation organization (NAO), such as the American Diabetes Association (ADA), American Association of Diabetes Educators (AADE), or the Indian Health Services (IHS).

Appendix III
2011 Title XIX State Plan
Third Quarter Amendment
Non-Institutional Services
Authorizing Provisions

Chapter 58 of the Laws of 2010

§ 35. Paragraph (q) of subdivision 2 of section 365-a of the social services law, as added by section 32 of part C of chapter 58 of the laws of 2008, is amended to read as follows:

(q) diabetes self-management training services for persons diagnosed with diabetes when such services are ordered by a physician, registered ~~[physician's]~~ physician assistant, registered nurse practitioner, or licensed midwife and provided by a licensed, registered, or certified health care professional, as determined by the commissioner of health, who is certified as a diabetes educator by the National Certification Board for Diabetes Educators, or a successor national certification board, or provided by such a professional who is affiliated with a program certified by the American Diabetes Association, the American Association of Diabetes Educators, the Indian Health Services, or any other national accreditation organization approved by the federal centers for medicare and medicaid services; provided, however, that the provisions of this paragraph shall not take effect unless all necessary approvals under federal law and regulation have been obtained to receive federal financial participation in the costs of health care services provided pursuant to this paragraph. Nothing in this paragraph shall be construed to modify any licensure, certification or scope of practice provision under title eight of the education law.

**Appendix IV
2011 Title XIX State Plan
Third Quarter Amendment
Non-Institutional Services
Public Notice**

MISCELLANEOUS NOTICES/HEARINGS

Notice of Abandoned Property Received by the State Comptroller

Pursuant to provisions of the Abandoned Property Law and related laws, the Office of the State Comptroller receives unclaimed monies and other property deemed abandoned. A list of the names and last known addresses of the entitled owners of this abandoned property is maintained by the office in accordance with Section 1401 of the Abandoned Property Law. Interested parties may inquire if they appear on the Abandoned Property Listing by contacting the Office of Unclaimed Funds, Monday through Friday from 8:00 a.m. to 4:30 p.m., at:

1-800-221-9311
or visit our web site at:
www.osc.state.ny.us

Claims for abandoned property must be filed with the New York State Comptroller's Office of Unclaimed Funds as provided in Section 1406 of the Abandoned Property Law. For further information contact: Office of the State Comptroller, Office of Unclaimed Funds, 110 State St., Albany, NY 12236.

PUBLIC NOTICE

Division of Criminal Justice Services
NYS DNA Subcommittee

Pursuant to Public Officers Law section 104, the Division of Criminal Justice Services gives notice of a meeting of the DNA Subcommittee to be held on:

Date: Friday, September 23, 2011
Time: 9:00 a.m.
Place: Empire State Development Corporation
(ESDC)
633 3rd Avenue
37th Floor
New York, NY

Identification and sign-in are required at this location. For further information, or if you need a reasonable accommodation to attend this meeting, contact Louis Stellato, Division of Criminal Justice Services, Office of Forensic Services, 4 Tower Place, Albany, NY 12203 (518-457-1901).

PUBLIC NOTICE

Office of Fire Prevention and Control

Pursuant to Section 176-b of the Town Law, the Office of Fire Prevention and Control hereby gives notice of the following:

Application for Waiver of the Limitation on Non-resident Members of Volunteer Fire Companies

An application for a waiver of the requirements of paragraph a of subdivision 7 of section 176-b of the Town Law, which limits the membership of volunteer fire companies to forty-five per centum of the actual membership of the fire company, has been submitted by the First Fire District, County of Oswego.

Pursuant to section 176-b of the Town Law, the non-resident

membership limit shall be waived provided that no adjacent fire department objects within sixty days of the publication of this notice.

Objections shall be made in writing, setting forth the reasons such waiver should not be granted, and shall be submitted to:

State Fire Administrator
State of New York
Office of Fire Prevention and Control
99 Washington Ave., Suite 500
Albany, NY 12210-2833

Objections must be received by the State Fire Administrator within sixty days of the date of publication of this notice.

In cases where an objection is properly filed, the State Fire Administrator shall have the authority to grant a waiver upon consideration of (1) the difficulty of the fire company or district in retaining and recruiting adequate personnel; (2) any alternative means available to the fire company or district to address such difficulties; and (3) the impact of the waiver on adjacent fire departments.

For further information, please contact: Deputy Chief Donald Fischer, State of New York, Office of Fire Prevention and Control, 99 Washington Ave., Suite 500, Albany, NY 12210-2833, (518) 474-6746, Donald.Fischer@dhses.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 to reflect the inclusion of reimbursement to pharmacies that are accredited by a CMS approved national accreditation organization (NAO), for Diabetes Self-Management Training (DSMT) when provided by a licensed pharmacist. Currently, CMS recognizes the American Diabetes Association (ADA), the American Association of Diabetes Educators (AADE) and Indian Health Services (IHS) as approved NAOs.

Effective July 1, 2011, reimbursement to pharmacies for DSMT services provided by licensed pharmacists shall be set at: \$20 for individual Diabetes self-management training services and \$11 for group Diabetes self-management training services.

Copies of the proposed state plan amendment are on file in each local (county) social services district and are available for public review.

For the New York City district, copies are 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

The public is invited to review and comment on this proposed state plan amendment.

For further information or to review and comment on this proposed state plan amendment, please contact or write: Patricia A. Keller, RPh., Department of Health, Office of Health Insurance Programs, Division of Policy and Program Guidance, Empire State Plaza, Rm. 720, Corning Tower, Albany, NY 12237, (518) 474-9219, (518) 473-5508 (FAX), PAK04@health.state.ny.us

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 inpatient hospital services to clarify recently enacted statutory provisions. The following provides clarification to previously noticed provisions:

Inpatient Hospital Services

- To clarify the previously noticed provision on March 30, 2011, regarding the denial of Medicaid payments for costs incurred for hospital acquired conditions (HACs), the following is list of conditions that, effective July 1, 2011, Medicaid will not pay the incremental cost associated with such condition when it is acquired within the hospital setting:

- A foreign object retained within a patient's body after surgery.
- The development of an air embolism within a patient's body.
- A patient blood transfusion with incompatible blood.
- A patient's development of stage III or stage IV pressure ulcers.
- Patient injuries resulting from accidental falls and other trauma, including, but not limited to fractures; dislocations; intracranial injuries; crushing injuries; burns; and electronic shock.
- A patient's manifestations of poor glycemic control, including, but not limited to diabetic ketoacidosis; nonketotic hyperosmolar coma; hypoglycemic coma; secondary diabetes with ketoacidosis; and secondary diabetes with hyperosmolarity.
- A patient's development of a catheter-associated urinary tract infection.
- A patient's development of a vascular catheter-associated infection.
- A patient's development of a surgical site infection following a coronary artery bypass graft - mediastinitis; bariatric surgery, including, but not limited to, laparoscopic gastric bypass, gastroenterostomy and laparoscopic gastric restrictive surgery; or orthopedic procedures, including, but not limited to, such procedures performed on the spine, neck, shoulder and elbow.
- Development of deep vein thrombosis or a pulmonary embolism in connection with a total knee replacement or a hip replacement excluding pediatric and obstetric patients.

A pediatric patient is defined as age 17 and under. An obstetric patient is defined when at least one primary or secondary diagnosis code include an indication of pregnancy. A list of such codes will be made available on the Department of Health website. There is no additional gross Medicaid savings attributed to this clarification.

- The potentially preventable readmission (PPR) methodology will be updated effective July 1, 2011. Rate adjustments will be based on a comparison of the actual and the expected number of PPRs, adjusted for benchmarks as determined by the Commissioner, in

a given hospital using 2009 Medicaid paid claims data; version 28.0 of the 3M Health Information System APR Software; excluding cases that grouped to the MDC 19 (Mental Diseases and Disorders) and MDC 20 (Alcohol/Drug Use and Alcohol/Drug Induced Organic Mental Disorders) categories; and excluding readmissions to facilities that are exempt from the case based payment system. There is no additional gross Medicaid savings attributed to the update of this methodology.

- The following is a clarification to current inpatient reimbursement methodologies in the State Plan that are currently in practice:
 - Regarding the statewide base price, discharges for non-comparable adjustments will no longer include patients who are transferred to a facility or unit that is exempt from the case-based system. However, newborns transferred to an exempt hospital for neonatal care will remain included as discharges for non-comparable adjustments.
 - The allowable costs of fixed capital associated with capital expense reimbursement no longer include hospitals financed according to Article 28-B of the Public Health Law (i.e., amortization instead of depreciation; approved expenses, such as interest, that are associated with both fixed capital and major movable equipment).
 - In order for interest to be considered an allowable cost for all medical facilities, it must exclude any costs or fees that were accumulated due to an interest rate swap agreement.
 - Each hospital is subject to a two-percent reduction in their rate if they fail to submit their fee to support the statewide planning and research cooperative system in accordance with the stated schedule. This rate reduction is an increase from the one-percent rate that was previously stated.
 - High cost outlier rates of payment for inpatient hospital services provided by out-of-state providers will be calculated in accordance with the outlier rates of payment methodology used for in-state hospitals. However, the single exception to this is the wage equalization factor which will be based on the weighted average of the upstate or downstate region. The downstate region of New York State shall apply with regard to services provided by out-of-state providers located in the New Jersey counties of Sussex, Passaic, Bergen, Hudson, Essex, Union, Middlesex and Monmouth, in the Pennsylvania county of Pike, and in the Connecticut counties of Fairfield and Litchfield.
 - Capital rates of payment for services provided by out-of-state providers will be the weighted average of the capital component of the inpatient rates for similar services in New York State hospitals.

There is no additional gross Medicaid savings or cost attributed to the clarification of these methodologies.

For all of these initiatives, there is no change in gross Medicaid expenditures for state fiscal year 2011/2012.

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

The public is invited to review and comment on these proposed state plan amendments.

For further information and to review and comment, please contact: Department of Health, Bureau of HCRA Operations & Financial Analysis, Corning Tower Bldg., Rm. 984, Empire State Plaza, Albany, NY 12237, (518) 474-1673, (518) 473-8825 (FAX), spa_inquiries@health.state.ny.us

PUBLIC NOTICE
Office of Mental Health

As a result of the enacted 2011-2012 State Budget, the New York State Office of Mental Health hereby gives notice that it is proposing to amend its Medicaid State Plan to reflect the continuation of the 2010-2011 rates for the 2011-2012 rate year for Residential Treatment Facilities for Children and Youth, effective July 1, 2011.

PUBLIC NOTICE
New York State Association of Counties
(NYSAC)

NYSAC is soliciting proposals from administrative service agencies relating to trust service, managed accounts, administration and/or funding of a Deferred Compensation Plan for the employees of NYSAC. They must meet the requirements of section 457 of the Internal Revenue Code and Section 5 of the State Finance Law, including all rules and regulations issued pursuant thereto.

A copy of the proposal questionnaire may be obtained from: NYSAC, Attn: Karen Catalfamo, Fiscal/Office Manager, 540 Broadway, Albany, NY 12207

All proposals must be received no later than 30 days from the date of publication in the New York State Register.

PUBLIC NOTICE
Oneida-Herkimer Solid Waste Authority
FINAL REQUEST FOR PROPOSALS (RFP)

TRANSPORTATION OF SOLID WASTE TO THE ONEIDA-HERKIMER LANDFILL FOR ONEIDA-HERKIMER SOLID WASTE MANAGEMENT AUTHORITY

Pursuant to New York State General Municipal Law, Section 120-w, the Oneida-Herkimer Solid Waste Authority hereby gives notice of the following:

The Oneida-Herkimer Solid Waste Authority (OHSWA) desires to procure an agreement for 5 years beginning 10/24/11 for transportation of non-recyclable waste from 2 transfer stations to the Oneida-Herkimer Landfill, Ava, NY. Responses to the Final RFP must be received by 1:00 p.m. 7/13/2011.

Copies of the Final RFP may be obtained at www.ohswa.org or through the contact below: James V. Biamonte, Contracting Officer, 1600 Genesee St., Utica, NY 13502

SALE OF FOREST PRODUCTS
Cortland Reforestation Area No. 6
Contract No. X007946

Pursuant to Section 9-0505 of the Environmental Conservation Law, the Department of Environmental Conservation hereby gives Public Notice of the following:

Sealed bids for 68.4 MBF more or less of sawtimber and 45 cords more or less of hardwood/pulpwood/firewood, located on Cortland Reforestation Area No. 6, Cuyler Hill State Forest, Stand E-13.1, will be accepted at the Department of Environmental Conservation, Contract Unit, 625 Broadway, 10th Fl., Albany, NY 12233-5027 until 11:00 a.m., Thursday, July 7, 2011.

For further information, contact: Mark Zubal, Senior Forester, Department of Environmental Conservation, Division of Lands and Forests, Region 7, 1285 Fisher Ave., Cortland, NY 13045-1090, (607) 753-3095 x217

SALE OF FOREST PRODUCTS
Delaware Reforestation Area No. 7
Contract No. X008228

Pursuant to Section 9-0505 of the Environmental Conservation Law, the Department of Environmental Conservation hereby gives Public Notice for the following:

Sealed bids for 425.7 MBF more or less of softwood sawtimber and 1.5 MBF more or less of misc. hardwood sawtimber, located on Delaware Reforestation Area No. 7, Stand A-20, will be accepted at the Department of Environmental Conservation, Bureau of Procurement & Expenditure Services, 625 Broadway, 10th Fl., Albany, NY 12233-5027 until 11:00 a.m., Thursday, July 7, 2011.

For further information, contact: Ben Peters, Senior Forester, Department of Environmental Conservation, Division of Lands and Forests, Region 4, 65561 State Hwy. 10, Suite 1, Stamford, NY 12167-9503, (607) 652-7365

Appendix V
2011 Title XIX State Plan
Third Quarter Amendment
Non-Institutional Services
Responses to Standard Funding Questions

NON-INSTITUTIONAL SERVICES
State Plan Amendment #11-73

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-B of this SPA. For SPAs that provide for changes to payments for clinic or outpatient hospital services or for enhanced or supplemental payments to physician or other practitioners, the questions must be answered for all payments made under the state plan for such service.

- 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 payments, a complete listing of providers that return a portion of their payments, 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 through 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 governmental 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 Local Assistance Account under the General Fund/Aid to Localities.

- 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. For clinic or outpatient hospital services 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.**

Response: This is not applicable.

- 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: This is not applicable.

Assurances:

- 1. In compliance with provisions of the Recovery Act, the State should provide assurances that they are in compliance with the terms of the Recovery Act concerning (1) Maintenance of Effort (MOE); (2) State or local match; (3) Prompt payment; (4) Rainy day funds; and (5) Eligible expenditures (e.g. no DSH or other enhanced match payments).**

Response: The State hereby provides assurances that it remains in compliance with the terms of the Recovery Act with regard to the requirements pertaining to the maintenance of effort, State or local match, prompt payment, rainy day funds, and eligible expenditures. In addition, the HHS Office of Inspector General has reviewed the State's compliance with the political subdivision requirement for increased FMAP under ARRA and found the State to be in compliance with this provision (Report A-02-09-01029).

- 2. The State needs to verify it is in compliance with the provisions of Section 5006 of the Recovery Act concerning tribal consultations for the SPA, or an explanation why the provisions did not apply in this instance.**

Response: On June 29, 2011, a package was sent to all Indian nation leaders, Urban Indian Organization leaders and Indian health clinic administrators. The package included a draft of SPA 11-73, along with a summary of the proposed SPA and a cover letter explaining the purpose of the package, the contents of the package, and an invitation to comment or request a personal meeting to discuss SPAs. To date, no comments or requests for a personal meeting have been received from tribal representatives.