



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

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 Operations
26 Federal Plaza - Room 37-100 North
New York, New York 10278

FEB 24 2017

RE: SPA #17-0018
Non-Institutional Services

Dear Mr. Melendez:

The State requests approval of the enclosed amendment #17-0018 to the Title XIX (Medicaid) State Plan for non-institutional services to be effective January 1, 2017 (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 proposed 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 October 19, 2016 and November 23, 2016, 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 Amendment submission, please do not hesitate to contact John E. Ulberg, Jr., Medicaid Chief Financial Officer, Division of Finance and Rate Setting, Office of Health Insurance Programs at (518) 474-6350.

Sincerely,

Jason A. Helgerson
Medicaid Director
Office of Health Insurance Programs

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 17-0018	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, 2017	
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 1905(r)(5) of the Social Security Act and 42 CFR 447		7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY 01/01/17-09/30/17 \$ 0.00 b. FFY 10/01/17-09/30/18 \$ 16.30	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B: Pages 1(k), 1(k)(1)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B: Pages 1(k), 1(k)(1)	
10. SUBJECT OF AMENDMENT: Minimum Wage – Hospital Outpatient (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 Bureau of Federal Relations & Provider Assessments 99 Washington Ave – One Commerce Plaza Suite 1432 Albany, NY 12210	
13. TYPED NAME: Jason A. Helgerson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: FEB 24 2017			
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
2017 Title XIX State Plan
First Quarter Amendment
Amended SPA Pages

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APG Rate Computation – Hospital Outpatient

The following is a description of the methodology to be utilized in calculating rates of payment for hospital outpatient department, ambulatory surgery, and emergency department services under the Ambulatory Patient Group classification and reimbursement system.

- I. Claims containing ICD-10-CM 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 hospital outpatient and emergency services, capital will continue to be paid as an add-on using the existing, previously approved methodology. 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 2005 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 2005 calendar year.

a. Minimum wage add-on.

- i. Minimum wage costs will mean the additional costs incurred beginning January 1, 2017, and thereafter, as a result of implementation of Chapter 54 of the Laws of 2016 for New York State, amending Section 652 of the Labor Law.
- ii. The 2017 Minimum wage costs will be developed based on collected survey data received and attested to by hospitals. If a hospital did not submit a survey, the hospital’s minimum wage costs will be calculated based on 2014 Institutional Cost Report (ICR) wage data.
- iii. In the subsequent year, the Department will survey hospitals utilizing the methodology employed in year one. Once the costs are included in an

TN #17-0018 Approval Date _____

Supersedes TN #15-0019 Effective Date _____

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ICR utilized in a base year, such reimbursement will be excluded from the rate.

- iv. A minimum wage add-on will be developed by multiplying minimum wage costs pursuant to (i) by a percentage of Medicaid visits to total visits, divided by total Medicaid visits for such services.

- 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., outpatient department, ambulatory surgery, and emergency department services) during the 2007 calendar year and associated ancillary payments will be added to an investment of \$178 million on an annualized basis for periods through November 30, 2009, and \$270 million on an annualized basis for periods thereafter to form the numerator. A link to the base rates can be found in the APG Reimbursement Methodology – Hospital Outpatient section.

- VI. The base rates will be adjusted for the carve in or out of services, not reimbursed as a discrete peer group, as described in the APG Base Rate Calculation 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 #17-0018

Approval Date _____

Supersedes TN #10-0041

Effective Date _____

Appendix II
2017 Title XIX State Plan
First Quarter Amendment
Summary

SUMMARY
SPA #17-0018

This State Plan Amendment proposes to include minimum wage adjustments to current Medicaid reimbursement methodologies for Article 28 hospitals as a result of enacted legislation for minimum wage.

Appendix III
2017 Title XIX State Plan
First Quarter Amendment
Authorizing Provisions

SPA #17-0018
Chapter 54 of the Laws of 2016

PART K

Section 1. Subdivision 1 of section 652 of the labor law, as amended by section 1 of part P of chapter 57 of the laws of 2013, is amended to read as follows:

1. Statutory. Every employer shall pay to each of its employees for each hour worked a wage of not less than:

\$4.25 on and after April 1, 1991,
\$5.15 on and after March 31, 2000,
\$6.00 on and after January 1, 2005,
\$6.75 on and after January 1, 2006,
\$7.15 on and after January 1, 2007,
\$8.00 on and after December 31, 2013,
\$8.75 on and after December 31, 2014,
\$9.00 on and after December 31, 2015, and until December 31, 2016, or, if greater, such other wage as may be established by federal law pursuant to 29 U.S.C. section 206 or its successors or such other wage as may be established in accordance with the provisions of this article.

(a) New York City. (i) Large employers. Every employer of eleven or more employees shall pay to each of its employees for each hour worked in the city of New York a wage of not less than:

\$11.00 per hour on and after December 31, 2016,
\$13.00 per hour on and after December 31, 2017,
\$15.00 per hour on and after December 31, 2018, or, if greater, such other wage as may be established by federal law pursuant to 29 U.S.C. section 206 or its successors or such other wage as may be established in accordance with the provisions of this article.

(ii) Small employers. Every employer of ten or less employees shall pay to each of its employees for each hour worked in the city of New York a wage of not less than:

\$10.50 per hour on and after December 31, 2016,
\$12.00 per hour on and after December 31, 2017,
\$13.50 per hour on and after December 31, 2018,
\$15.00 per hour on and after December 31, 2019, or, if greater, such other wage as may be established by federal law pursuant to 29 U.S.C. section 206 or its successors or such other wage as may be established in accordance with the provisions of this article.

(b) Remainder of downstate. Every employer shall pay to each of its employees for each hour worked in the counties of Nassau, Suffolk and Westchester a wage not less than:

\$10.00 per hour on and after December 31, 2016,
\$11.00 per hour on and after December 31, 2017,
\$12.00 per hour on and after December 31, 2018,
\$13.00 per hour on and after December 31, 2019,
\$14.00 per hour on and after December 31, 2020,
\$15.00 per hour on and after December 31, 2021,

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or, if greater, such other wage as may be established by federal law pursuant to 29 U.S.C. section 206 or its successors or such other wage as may be established in accordance with the provisions of this article.

(c) Remainder of state. Every employer shall pay to each of its employees for each hour worked outside of the city of New York and the

counties of Nassau, Suffolk, and Westchester, a wage of not less than:
\$9.70 on and after December 31, 2016,
\$10.40 on and after December 31, 2017,
\$11.10 on and after December 31, 2018,
\$11.80 on and after December 31, 2019,
\$12.50 on and after December 31, 2020,
and on each following December thirty-first, a wage published by the
commissioner on or before October first, based on the then current mini-
imum wage increased by a percentage determined by the director of the
budget in consultation with the commissioner, with the result rounded to
the nearest five cents, totaling no more than fifteen dollars, where the
percentage increase shall be based on indices including, but not limited
to, (i) the rate of inflation for the most recent twelve month period
ending June of that year based on the consumer price index for all urban
consumers on a national and seasonally unadjusted basis (CPI-U), or a
successor index as calculated by the United States department of labor,
(ii) the rate of state personal income growth for the prior calendar
year, or a successor index, published by the bureau of economic analysis
of the United States department of commerce, or (iii) wage growth; or,
if greater, such other wage as may be established by federal law pursu-
ant to 29 U.S.C. section 206 or its successors or such other wage as may
be established in accordance with the provisions of this article.
(d) The rates and schedules established in paragraphs (a) and (b) of
this subdivision shall not be deemed to be the minimum wage under this
subdivision for purposes of the calculations specified in subdivisions
one and two of section five hundred twenty-seven of this chapter.

**Appendix IV
2017 Title XIX State Plan
First Quarter Amendment
Public Notice**

said lands of the New York State Electric and Gas Corporation, a distance of 238.00 feet to an iron pipe set on the northerly bounds of aforementioned East and West Road, Parcel No. 29, thence westerly along said northerly bounds North 89° 48' 15" West a distance of 170.00 feet to the point or place of beginning, containing 0.93 acre of land, more or less.

AS shown on a map entitled "Survey of House No. 980", dated March 8, 2012 with a final revision date of March 11, 2014 and filed in the New York State Office of General Services as OGS Map No. 2525.

This abandonment shall be effective as of the date of approval of this declaration by the Commissioner of General Services or her duly authorized representative.

New York State Department
of Corrections and Community
Supervision

By: Anthony J. Annucci, Acting
Commissioner

New York State Office of General
Services

Approved: RoAnn M. Destito,
Commissioner

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 institutional, non-institutional, and long term care services to comply with enacted statutory provisions. The following changes are proposed:

All Services

Effective on or after December 31, 2016, the Department of Health will adjust rates to take into account increased labor costs resulting from statutorily required increases in the New York State minimum wage. Under the statute, increases in the minimum wage will be phased in over a number of years until the minimum wage is \$15 per hour in all regions of the State, and Medicaid rates will be adjusted in those years to account for such increases.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2016/2017 is approximately \$8,500,000 and state fiscal year 2017/2018 is approximately \$47,300,000.

The public is invited to review and comment on this proposed State Plan Amendment (SPA), copies of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. In addition, approved SPA's beginning in 2011, are also available for viewing on this website.

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

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 1460, Albany, NY
12210, e-mail: spa_inquiries@health.ny.gov

PUBLIC NOTICE

New York State and Local Retirement Systems Unclaimed Amounts Payable to Beneficiaries

Pursuant to the Retirement and Social Security Law, the New York State and Local Retirement Systems hereby gives public notice of the amounts payable to beneficiaries.

The State Comptroller, pursuant to Sections 109 (a) and 409 (a) of the Retirement and Social Security Law has received, from the New York State and Local Retirement Systems, a listing of beneficiaries or estates having unclaimed amounts in the Retirement System. A list of the names contained in this notice is on file and open to public inspection at the office of the New York State and Local Retirement Systems located at 110 State St., in the City of Albany, New York.

Set forth below are the names and addresses (last known) of beneficiaries and estates appearing from the records of the New York State and Local Retirement Systems, entitled to the unclaimed benefits.

At the expiration of six months from the date of publication of this list of beneficiaries and estates, unless previously paid to the claimant, the amounts shall be deemed abandoned and placed in the pension accumulation fund to be used for the purpose of said fund.

Any amounts so deemed abandoned and transferred to the pension accumulation fund, may be claimed by the executor or administrator of the estates or beneficiaries so designated to receive such amounts, by filing a claim with the State Comptroller. In the event such claim is properly made, the State Comptroller shall pay over to the estates or to the person or persons making such claim, the amount without interest.

ANDERSON,TRACE PLAINVIEW CT
ANTHONY,LAWRENCE F ESTATE OF CAMDEN NY
BALESZEN,MARY ESTATE OF ALBANY NY
BECKER,MARY D ESTATE OF ALBANY NY
BENOIT,ALICE T ESTATE OF TITUSVILLE NY
BISSONETTE,MICHAEL G MASTIC BEACH NY
BOLLINGER,FLORENCE C ESTATE OF BALLSTON SPA NY
BROWN,LOUIS E,JR ROCKVILLE CENTER NY
BROWN,RHOMAS J BROOKLYN NY
BUCHANAN,ELIZABETH JANE NORTH BABYLON NY
BUCHANAN,KIM POUGHKEEPSIE NY
CAIN,AMY BETH DEER PARK NY
CASALI,DEBRA M CARMEL NY
CHAMBERS,MAGGIE RALEIGH DC
CHAMBLEE JR,MILTON ALBANY VA
CHAUVERS,BRENDA BUFFALO NY
CHAUVERS,DOUGLAS BUFFALO NY
CHRISTY,DENISE BUFFALO NY
CLEARY,SHEILA ESTATE OF GAITHERSBURG MD
COMBS,DEXTER ALLEN WASHINGTON DC
CONKLIN,PAUL R MIDDLETOWN NY
CONKLING,VIRGINIA TONAWANDA NY
COOKE,CHARLES A NORTH MEDFORD NY
COOKE,CHRISTINA SELDEN NY
DABBRACCIO,ELIA ESTATE OF LOUDONVILLE NY
DAVIS,NICHOLAS ULSTER PARK NY
DE DIVITIS,GERALDINE SPRING VALLEY NY

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

Town of Amherst
Office of Refuse Control

On November 1st, 2016 the Town of Amherst awarded a contract to Modern Disposal Services, Inc. pursuant to Section One Hundred Twenty-W (120-W) of the General Municipal Law for Solid Waste Services. The validity of this contract or the procedures which led to this award may be hereafter contested only by action, suit, or proceeding commenced within sixty (60) days after the date of this notice and only upon the ground or grounds that: (1) such award or procedure was not authorized pursuant to that section, or (2) any of the provisions of that section which should be complied with at the date of this publication have not been substantially complied with, or (3) a conflict of interest can be shown in the manner in which the contract was awarded; or by action, suit or proceeding commenced on the grounds that such contract was awarded in violation of the provisions of the Constitution.

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 institutional, non-institutional, and long term care services to comply with enacted statutory provisions. The following changes are proposed:

All Services

The Department's proposal to adjust rates to take into account increased labor costs resulting from statutorily required increases in the New York State minimum wage is being amended to reflect a revision in the Medicaid expenditures. Under the statute, increases in the minimum wage will be phased in over a number of years until the minimum wage is \$15 per hour in all regions of the State, and Medicaid rates will be adjusted in those years to account for such increases.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2016/2017 is approximately \$18,000,000 and state fiscal year 2017/2018 is approximately \$104,000,000.

The public is invited to review and comment on this proposed State Plan Amendment (SPA), copies of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. In addition, SPAs approved since 2011 are also available for viewing on this website.

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:

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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 1460, 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 institutional care related to temporary rate adjustments to providers that are undergoing closure, merger, consolidation, acquisition or restructuring themselves or other health care providers. These payments are authorized by current State statutory and regulatory provisions.

The temporary rate adjustments have been reviewed and approved for St. Barnabas Hospital, with aggregate payment amounts totaling up to \$30,000,000 for the period January 1, 2017 through December 31, 2019.

Appendix V
2017 Title XIX State Plan
First Quarter Amendment
Responses to Standard Funding Questions

NON-INSTITUTIONAL SERVICES
State Plan Amendment #17-0018

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 the state plan. 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 Medicaid General Fund Local Assistance Account.

In addition, there are no new provider taxes nor have any existing taxes been modified.

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: The State and CMS are working to finalize the 2015 UPL demonstration, which the 2017 demonstration is contingent upon.

- 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: The rate methodologies included in the State Plan for outpatient hospital services are either cost-based subject to ceilings or based upon the Ambulatory Patient Group (APG) system. We are unaware of any requirement under current federal law or regulation that limits individual provider's payments to their actual costs.

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: This State does comply 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 11-0006, 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.