



December 30, 2021

Todd McMillon
Director
Department of Health and Human Services
Centers for Medicare and Medicaid Services
233 North Michigan Ave, Suite 600
Chicago, IL 60601

RE: SPA #21-0064
Non-Institutional Services

Dear Mr. McMillon:

The State requests approval of the enclosed amendment #21-0064 to the Title XIX (Medicaid) State Plan for non-institutional services to be effective November 1, 2021 (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.

A copy of pertinent sections of enacted legislation is enclosed for your information (Appendix III). Copies of the public notice of this plan amendment, which were given in the New York State Register on October 27, 2021, and will be clarified on January 19, 2022, are 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 Regina Deyette, Medicaid State Plan Coordinator, Division of Finance and Rate Setting, Office of Health Insurance Programs at (518) 473-3658.

Sincerely,

Brett R. Friedman
Acting Medicaid Director
Office of Health Insurance Programs

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	7. FEDERAL BUDGET IMPACT a. FFY _____ \$ 11,940,568.00 b. FFY _____ \$ _____
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

Rate Increases for Outpatient and Residential Addiction Services (OASAS)
Enhanced FMAP

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 Brett R. Friedman	
14. TITLE	
15. DATE SUBMITTED December 30, 2021	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED	18. DATE APPROVED
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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
2021 Title XIX State Plan
Fourth Quarter Amendment
Amended SPA Pages

**New York
10(a.1)**

Rehabilitative Services - Addiction Services

Addiction Residential Services

The New York State Office of Alcoholism and Substance Abuse Services establishes rates of reimbursement for the provision of rehabilitative services to persons in non-hospital freestanding residential addiction facilities under part 818. Allowable base year treatment costs are determined by application of principles developed for determining reasonable cost payments for direct and indirect costs consistent with 2 CFR 200 and 45 CFR 75. Utilizing only allowable treatment related costs; a provider-specific Medicaid treatment rate shall be established. Room and board related costs are not Medicaid reimbursable. All rates are published on the State website at:

<https://www.oasas.ny.gov/manicare/documents/IPRArt32.xlsx>

Reimbursement for all other non-hospital freestanding residential addiction facilities under Part 820 are paid based upon a Medicaid fee schedule established by the State of New York. The State developed fee schedule is the same for both governmental and private individual providers. The agency's fee schedule rate was set as of July 1, 2016 and is effective for services provided on or after that date. Except that rates established pursuant to Section 9817 of the American Rescue Plan Act of 2021 (ARP) will be effective November 1, 2021. All rates are published on the State website at:

<https://www.oasas.ny.gov/manicare/ResidentialAddictionServicesPart820.cfm>

The fee development methodology will build residential fees considering each component of provider costs as outlined below. These reimbursement methodologies will produce rates sufficient to enlist enough providers so that services under the plan are available to beneficiaries at least to the extent that these services are available to the general population, as required by 42 CFR 447.204. These rates comply with the requirements of Section 1902(a)(3) of the Social Security Act and 42 CFR 447.200, regarding payments and consistent with economy, efficiency, and quality of care. Provider enrollment and retention will be reviewed periodically to ensure that access to care and adequacy of payments are maintained. The Medicaid fee schedule will be equal to or less than the maximum allowable under the same Medicare rate, where there is a comparable Medicare rate. Room and board costs are not included in the Medicaid fee schedule.

A unit of service is defined according to the Healthcare Common Procedure Coding System approved code set per the national correct coding initiative unless otherwise specified.

TN #21-0064 _____

Approval Date _____

Supersedes TN #16-0004 _____

Effective Date November 1, 2021

**New York
10(a.3)**

Reimbursement Methodology

Beginning in July 2016, the fee development methodology will be based on the case mix index for similar New York services. The calculation of the case mix index will be used in the periodic determination of the base rates to assure that prospective aggregate disbursements remain within available resources. The initial base rates were based on 2008 Medicaid claims data for OASAS providers. The initial update was based on claims data from 2010 for OASAS providers. Beginning in July 2016, the base rates will be updated at least every two years based on Medicaid claims from the most recent 12-month period, which is complete and accurate billing data. Community-based addiction rehabilitative services will not receive a capital add-on. The total volume of service type multiplied by the service weight and added to the other aggregated volume per service weight will determine initial case mix. Thereafter, case mix will continue to be determined by actual volume of reported services to yield the actual case mix ratio. A link to the base rates in effect can be found at:

https://www.oasas.ny.gov/manicare/SUDOP_OTP.cfm

Payment will be determined by multiplying a dollar base rates (varies by peer group) by the weight for each procedure. The weight is a numeric value that reflects the relative expected resource utilization for each procedure as compared to the expected resource utilization for all other procedures. Procedure weights are the same for all outpatient community-based addiction rehabilitative services regardless of peer group. The same weights will be applied to Addiction Rehabilitation Services and OASAS clinics operation under Mental Hygiene Law Article 32 and not operated by a hospital.

Peer Group Base Rates for outpatient community-based addiction rehabilitative services provided by OASAS licensed outpatient community-based addiction rehabilitation agencies and opioid treatment agencies.

Base Rates for Outpatient Addiction Agencies		
Upstate	\$147.59	Effective: 7/1/2016
Downstate	\$172.69	Effective: 7/1/2016
Base Rates for Outpatient Rehabilitation Agencies		
Upstate	\$147.59	Effective: 7/1/2016
Downstate	\$172.69	Effective: 7/1/2016
Base Rates for Opioid Treatment Agencies		
Upstate	\$136.04	Effective: 7/1/2016
Downstate	\$159.17	Effective: 7/1/2016

Pursuant to Section 9817 of the American Rescue Plan Act of 2021 (ARP), effective November 1, 2021 rates for outpatient rehabilitation services will receive a ten percent increase. Outpatient rehabilitation services provided in the community will receive an additional ten percent in reimbursement under Section 9817 of the American Rescue Plan Act of 2021 (ARP) effective November 1, 2021. Rates will return to base rates for Outpatient Addiction Agencies upon public notice and all rates will be posted on the OASAS website:

https://www.oasas.ny.gov/manicare/SUDOP_OTP.cfm

TN #21-0064

Approval Date _____

Supersedes TN #16-0004

Effective Date November 1, 2021

Appendix II
2021 Title XIX State Plan
Fourth Quarter Amendment
Summary

SUMMARY
SPA #21-0064

This amendment proposes to revise the State Plan for the period November 1, 2021-June 30, 2022, to temporarily increase rates for state-plan approved residential addiction rehabilitation services provided in 820 stabilization and reintegration services by ten percent; temporarily increase rates for state-plan approved outpatient addiction rehabilitation services provided within the community by ten percent; and increase rates for state-plan approved Addiction Services by an additional ten percent to support workforce recruitment and retention strategies.

Appendix III
2021 Title XIX State Plan
Fourth Quarter Amendment
Authorizing Provisions

SPA 21-0064

EC. 9817. <<NOTE: [P.L. 117-2](#), Title IX, Subtitle J, § 9817, [135 Stat. 216-17](#) (March 11, 2021)>> ADDITIONAL SUPPORT FOR

**MEDICAID HOME AND COMMUNITY-BASED
SERVICES DURING THE COVID-19 EMERGENCY.**

(a) Increased FMAP.--

(1) In general.--Notwithstanding section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) or section 1905(ff), in the case of a State that meets the HCBS program requirements under subsection (b), the Federal medical assistance percentage determined for the State under section 1905(b) of such Act (or, if applicable, under section 1905(ff)) and, if applicable, increased under subsection (y), (z), (aa), or (ii) of section 1905 of such Act (42 U.S.C. 1396d), section 1915(k) of such Act (42 U.S.C. 1396n(k)), or section 6008(a) of the Families First Coronavirus Response Act (Public Law 116-127), shall be increased by 10 percentage points with respect to expenditures of the State under the State Medicaid program for home and community-based services (as defined in paragraph (2)(B)) that are provided during the HCBS program improvement period (as defined in paragraph (2)(A)). In no case may the application of the previous sentence result in the Federal medical assistance percentage determined for a State being more than 95 percent with respect to such expenditures. Any payment <<NOTE: Territories.>> made to Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, or American Samoa for expenditures on medical assistance that are subject to the Federal medical assistance percentage increase specified under the first sentence of this paragraph shall not be taken into account for purposes of applying payment limits under subsections (f) and (g) of section 1108 of the Social Security Act (42 U.S.C. 1308).

(2) Definitions.--In this section:

(A) <<NOTE: Time period.>> HCBS program improvement period.--The term ``HCBS program improvement period'' means, with respect to a State, the period--

- (i) beginning on April 1, 2021; and
- (ii) ending on March 31, 2022.

(B) Home and community-based services.--The term ``home and community-based services'' means any of the following:

[[Page 135 STAT. 217]]

(i) Home health care services authorized under paragraph (7) of section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)).

(ii) Personal care services authorized under paragraph (24) of such section.

(iii) PACE services authorized under paragraph (26) of such section.

(iv) Home and community-based services authorized under subsections (b), (c), (i), (j), and (k) of section 1915 of such Act (42 U.S.C. 1396n), such services authorized under a waiver under section 1115 of such Act (42 U.S.C. 1315), and such services through coverage authorized under section 1937 of such Act (42 U.S.C. 1396u-

7).

(v) Case management services authorized under section 1905(a)(19) of the Social Security Act (42 U.S.C. 1396d(a)(19)) and section 1915(g) of such Act (42 U.S.C. 1396n(g)).

(vi) Rehabilitative services, including those related to behavioral health, described in section 1905(a)(13) of such Act (42 U.S.C. 1396d(a)(13)).

(vii) Such other services specified by the Secretary of Health and Human Services.

(C) Eligible individual.--The term "eligible individual" means an individual who is eligible for and enrolled for medical assistance under a State Medicaid program and includes an individual who becomes eligible for medical assistance under a State Medicaid program when removed from a waiting list.

(D) Medicaid program.--The term "Medicaid program" means, with respect to a State, the State program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (including any waiver or demonstration under such title or under section 1115 of such Act (42 U.S.C. 1315) relating to such title).

(E) State.--The term "State" has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(b) State Requirements for FMAP Increase.--As conditions for receipt of the increase under subsection (a) to the Federal medical assistance percentage determined for a State, the State shall meet each of the following requirements (referred to in subsection (a) as the HCBS program requirements):

(1) <<NOTE: Effective date.>> Supplement, not supplant.--The State shall use the Federal funds attributable to the increase under subsection (a) to supplement, and not supplant, the level of State funds expended for home and community-based services for eligible individuals through programs in effect as of April 1, 2021.

(2) Required implementation of certain activities.--The State shall implement, or supplement the implementation of, one or more activities to enhance, expand, or strengthen home and community-based services under the State Medicaid program.

**Appendix IV
2021 Title XIX State Plan
Fourth Quarter Amendment
Public Notice**

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 1432, 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 non-institutional services to enhance and increase access to Home and Community Based Services (HCBS) in accordance with the federal statutory provisions of Section 9817 of the American Rescue Plan Act of 2021 (ARP) which, subject to approval of the State's initial spending plan and narrative (Spending Plan) by the Centers for Medicare and Medicaid Services (CMS), provides a ten percent increase in Federal Medical Assistance Percentage (FMAP) to state Medicaid programs from April 1, 2021 to March 31, 2022 to supplement existing state expenditures on HCBS. The following changes are proposed:

Non-Institutional Services

Contingent upon CMS approval of the Spending Plan submitted by the State, effective on or after November 1, 2021, this notice proposes to increase recovery oriented residential offerings by incorporating the residential reintegration services into the Medicaid benefit package and provide for an enhanced rate for a period of November 1, 2021 to March 31, 2024. To allow for full disbursement of funds available April 1, 2021 – March 31, 2022, the initial rate will be increased by 50% for November 1, 2021 until December 31, 2021. Rates will then be reduced 50% percent effective January 1, 2022. This enhancement will enhance and expand the HCBS system and sustain promising and effective programs and services for individuals in recovery from a substance use disorder under the Medicaid program, including, but not limited to, strengthening the response to the COVID-19 Public Health Emergency, increasing services for individuals in early recovery to assist with reintegrating into their community and allowing providers to supplement the implementation of residential rehabilitation reintegration services to address increases in overdose rates and substance use disorder treatment and recovery service needs of Medicaid beneficiaries receiving HCBS during the COVID-19 PHE.

The estimated annual net aggregate increase in gross Medicaid expenditures as a result of this proposed increase for Residential Rehabilitation Integration Services is \$23,668,639.05.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district.

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:
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Non-Institutional Services

Contingent upon CMS approval of the Spending Plan submitted by the State, effective on or after November 1, 2021, this notice proposes to increase reimbursement rates, as follows:

1) Residential Addiction Rehabilitation Services. To allow for the full disbursement of funds available April 1, 2021 – March 31, 2022, rates for state-plan approved residential addiction rehabilitation services provided in 820 stabilization and reintegration services will be increased by ten percent, for the period November 1, 2021 – December 31, 2021. Rates will then be reduced 10 percent effective January 1, 2022. This enhancement will allow providers to supplement the implementation of one or more activities to enhance, expand or strengthen HCBS under the Medicaid program, including strengthening the response to the COVID-19 Public Health Emergency, assisting providers in meeting the challenges of serving the highest need individuals including but not limited to, those suffering from opioid addiction, dually diagnosed individuals or individuals with multiple comorbidities.

The estimated annual net aggregate increase in gross Medicaid expenditures as a result of the proposed increase for Residential Rehabilitation Addiction Services is \$41,420,118.34.

2) Outpatient Addiction Rehabilitation Services. Rates for state-plan approved Outpatient Addiction Rehabilitation Services provided to individuals in the community will be temporarily increased by an additional 10 percent for the period November 1, 2021 – December 31, 2021. This enhancement will allow providers to increase patient engagement and access to services for those who are unwilling or unable to otherwise engage in care.

The estimated annual net aggregate increase in gross Medicaid expenditures as a result of this proposed increase for Outpatient Addiction Rehabilitation Services is \$11,834,319.53.

3) Rates for state-plan approved Addiction Services increased by an additional 10 percent for the period November 1, 2021 – December 31, 2021. This enhancement will allow providers to increase recruitment and retention of experienced and dedicated direct care and other staff through measures including, but not limited to, targeted loan forgiveness, tuition reimbursement, hiring and signing bonuses, longevity payments, continuing education assistance, shift differential pay and retirement contributions.

The estimated annual net aggregate increase in gross Medicaid expenditures as a result of this proposed increase for Addiction Rehabilitation Services is \$21,301,775.15.

The public is invited to review and comment on this proposed State

Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district. 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 1432, Albany, NY 12210, spa_inquiries@health.ny.gov

PUBLIC NOTICE

Department of State
F-2021-0555

Date of Issuance – October 27, 2021

The New York State Department of State (DOS) is required by Federal regulations to provide timely public notice for the activities described below, which are subject to the consistency provisions of the Federal Coastal Zone Management Act of 1972, as amended.

The applicant has certified that the proposed activity complies with and will be conducted in a manner consistent with the approved New York State Coastal Management Program.

In F-2021-0555, Goswami Property Seawall Project, the applicant, Amit Goswami, is proposing to install a concrete wall using epoxy coated 3/4 inch rebar, 5000 psi. 12 inch thick wall. Excavation 3 feet deep for a 3 foot wide and 2 feet high footing. Wall will be installed in front of existing sea wall. Gap between Concrete wall and sea wall will be filled with concrete. 6 inch horizontal concrete pad will be installed and connected to sea wall. The pad will extend from house to sea wall. The purpose of the proposed project is to repair and build a residential seawall to decrease the risk of erosion.

The site is located at the western bluff at 62 River Road in the Village of Grand View on Hudson, Rockland County on the Hudson River.

The applicant's consistency certification and supporting information are available for review at: <https://dos.ny.gov/system/files/documents/2021/10/f-2021-0555.pdf>

Original copies of public information and data submitted by the applicant are available for inspection at the New York State Department of State offices located at One Commerce Plaza, 99 Washington Avenue, in Albany, New York.

Any interested parties and/or agencies desiring to express their views concerning any of the above proposed activities may do so by filing their comments, in writing, no later than 4:30 p.m., 30 days from the date of publication of this notice, or, November 26, 2021.

Comments should be addressed to: Consistency Review Unit,

Department of State, Office of Planning, Development and Community Infrastructure, One Commerce Plaza, 99 Washington Ave., Albany, NY 12231, (518) 474-6000, Fax (518) 473-2464. Electronic submissions can be made by email at: CR@dos.ny.gov

This notice is promulgated in accordance with Title 15, Code of Federal Regulations, Part 930.

PUBLIC NOTICE

Department of State
F-2021-0582

Date of Issuance – October 27, 2021

The New York State Department of State (DOS) is required by Federal regulations to provide timely public notice for the activities described below, which are subject to the consistency provisions of the Federal Coastal Zone Management Act of 1972, as amended.

The applicant has certified that the proposed activity complies with and will be conducted in a manner consistent with the approved New York State Coastal Management Program.

In F-2021-0582, Agostinacchio Property Dock Installation, the applicant, Steve Agostinacchio, is proposing to construct 6' x 40' wood pier, 2.5' x 20' wood ramp and 8' x 16' wood floating dock. Install 4-pile boat lift and 1-pile dual PWC lift. The purpose of the proposed project is to regain recreational access to the waterfront.

The site is located at the western bluff at 310 Shore Road in the Town of Hempstead, Nassau County on East Bay.

The applicant's consistency certification and supporting information are available for review at: <https://dos.ny.gov/system/files/documents/2021/10/f-2021-0582.pdf>

Original copies of public information and data submitted by the applicant are available for inspection at the New York State Department of State offices located at One Commerce Plaza, 99 Washington Avenue, in Albany, New York.

Any interested parties and/or agencies desiring to express their views concerning any of the above proposed activities may do so by filing their comments, in writing, no later than 4:30 p.m., 30 days from the date of publication of this notice, or, November 26, 2021.

Comments should be addressed to: Consistency Review Unit, Department of State, Office of Planning, Development and Community Infrastructure, One Commerce Plaza, 99 Washington Ave., Albany, NY 12231, (518) 474-6000, Fax (518) 473-2464. Electronic submissions can be made by email at: CR@dos.ny.gov

This notice is promulgated in accordance with Title 15, Code of Federal Regulations, Part 930.

PUBLIC NOTICE

Department of State
F-2021-0609

Date of Issuance – October 27, 2021

The New York State Department of State (DOS) is required by Federal regulations to provide timely public notice for the activities described below, which are subject to the consistency provisions of the Federal Coastal Zone Management Act of 1972, as amended.

The applicant has certified that the proposed activity complies with and will be conducted in a manner consistent with the approved New York State Coastal Management Program.

In F-2021-0609, Bulkhead Replacement and Access Stairs, the applicant, John Pashko, is proposing to reconstruct in place of the existing 100' bulkhead with vinyl sheet piling. Install two new 10' vinyl returns. Backfill with 45cyds clean fill. Install a new 4' x 47' stairs with 4' x 6' platforms and 3' x 13' beach access stairs parallel to bulkhead. The purpose of the proposed project is to reconstruct the bulkhead in place for erosion control and access stairs for access to the beach.

The site is located at the western bluff at 28 Aqua Drive in the Town of Southampton, Suffolk County on Shinnecock Bay.

The applicant's consistency certification and supporting informa-

Revised Public Notice
NYS 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 non-institutional services to enhance and increase access to Home and Community Based Services (HCBS) in accordance with the federal statutory provisions of Section 9817 of the American Rescue Plan Act of 2021 (ARP) which, subject to approval of the State's initial spending plan and narrative (Spending Plan) by the Centers for Medicare and Medicaid Services (CMS), provides a ten percent increase in Federal Medical Assistance Percentage (FMAP) to state Medicaid programs from April 1, 2021 to March 31, 2022 to supplement existing state expenditures on HCBS. The following changes are proposed:

Non-Institutional Services

The following is a clarification to the October 27, 2021 noticed provision to enhance (increase) state established reimbursement rates, as follows:

- 1) With clarification, the ten percent increase in Residential Addiction Rehabilitation Services rates will be enhanced November 1, 2021 through June 30, 2022.
- 2) Rate increases for Outpatient Addiction Rehabilitation Services will be temporarily increased by an additional 10 percent from November 1, 2021 through June 30, 2022.

3) Rates for state-plan approved Addiction Services will be increased by an additional 10 percent from November 1, 2021 through June 30, 2022.

4) Rates for Residential Rehabilitation reintegration service base rates will be implemented and increased 50% from November 1, 2021 to June 30, 2022. Rates will then be reduced 50% percent effective July 1, 2022 to base rate.

The estimated annual net aggregate increase in gross Medicaid expenditures as a result of all proposed rate actions will be \$98,224,852.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district. 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

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For further information and to review and comment, please contact:

New York State Department of Health
Division of Finance and Rate Setting
99 Washington Ave – One Commerce Plaza
Suite 1432
Albany, New York 12210
spa_inquiries@health.ny.gov

Appendix V
2021 Title XIX State Plan
Fourth Quarter Amendment
Responses to Standard Funding Questions

**NON-INSTITUTIONAL SERVICES
State Plan Amendment #21-0064**

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 2 CFR 200 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 general 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, which is part of the Global Cap. The Global Cap is funded by General Fund and HCRA resources.

There have been on new provider taxes and no existing taxes have 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: These services are covered as rehabilitation services and are, therefore, not held to UPL requirements.

- 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: There are various state agencies that perform audits each year to determine the appropriateness of Medicaid payments. In the event that inappropriate payments are determined, recoupments would be initiated and the Federal share would be returned to CMS within the associated quarterly expenditure report.

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: The 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 17-0065, 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.