

JUN 19 2014

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

RE: State Plan Amendment (SPA) 14-020

Dear Mr. Helgerson:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-020. Effective March 13, 2014 this amendment proposes to set the inpatient hospital payment rate for those out-of-state hospitals in larger cities - with a population equal to or greater than 500,000 people - at a rate equal to the weighted average rate for in-state rate hospitals in the Downstate Region.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of March 13, 2014. We are enclosing the CMS-179 and the amended approved plan page.

If you have any questions, please contact Tom Brady at (518) 396-3810 or Rob Weaver at (410) 786-5914.

Sincerely,

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Director

Enclosures

IEALTH CARE FINANCING ADMINISTRATION		OMB NO. 0936-01		
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 14-20	2. STATE		
		New York		
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)			
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE			
HEALTH CARE FINANCING ADMINISTRATION	March 13, 2014			
DEPARTMENT OF HEALTH AND HUMAN SERVICES	March 15, 2014			
5. TYPE OF PLAN MATERIAL (Check One):				
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NEW STATE PLAN AMENDMENT TO BE CONSCIONAL COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMEND		AMENDMENT		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	umenument		
		147		
§ 1902(a) of the Social Security Act, and 42 CFR 447	a. FFY 03/13/14-09/30/14 \$ 169,167			
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	b. FFY 10/01/14-09/30/15 \$ 290,000 9. PAGE NUMBER OF THE SUPERSEDED PLAN			
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	SECTION OR ATTACHMENT (If			
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Attachment 4.19-A Page: 139	A441			
	Attachment 4.19-A Page: 139			
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10. SUBJECT OF AMENDMENT:				
Revision to the downstate region qualifications for out-of-state acu	te hospitals.			
(FMAP = 50%)				
11. GOVERNOR'S REVIEW (Check One):				
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT	☐ OTHER, AS SP	ECIFIED:		
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED				
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	L			
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12. SIONATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:			
1/1/		New York State Department of Health		
13. TYPER NAME: Jason A. Helgerson	Bureau of HCRA Operations & Financial Analysis 99 Washington Ave – One Commerce Plaza Suite 1430 Albany, NY 12210			
14. TITLE: Medicaid Director				
Department of Health				
15. DATE SUBMITTED: March 31, 2014				
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17. DATE RECEIVED:	18. DATE APPROVED:	IUN 1 9 2014		
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PLAN APPROVED—ONE	COPY A LIACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL 1.3. 2014	20. SIGNATURE OF REGIONAL	OPPICIAL:		
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21. TYPED NAME:	LAZITLE A MI	FIRELINION		
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Out-of-state providers.

- 1. For discharges occurring on and after December 1, 2009, rates of payment for inpatient hospital services provided by out-of-state providers in accordance with the prior approval requirements shall be as follows:
 - a. the weighted average of inpatient rates, including a teaching adjustment where applicable, in effect for similar services for hospitals located in 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, Bergin, Hudson, Essex, Union, Middlesex and Monmouth, in the Pennsylvania county of Pike, and in the Connecticut counties of Fairfield and Litchfield;
 - b. For rates effective beginning March 13, 2014, the weighted average of inpatient rates, including a teaching adjustment where applicable, in effect for similar services for hospitals located in the downstate region of New York State shall also apply with regard to services provided by out-of-state providers located in cities where the city's population census is 500,000 or greater based on the U. S. Department of Commerce, United States Census Bureau. This population test will be updated when the acute inpatient rates are updated to a new cost base and will remain constant while the cost base is in effect. For implementing the census population test, the latest census data that is available at that time will be used;
 - c. the weighted average of inpatient rates, including a teaching adjustment where applicable, in effect for similar services for hospitals located in the upstate region of New York State shall apply with regard to all other out-of-state providers;
 - <u>d.</u> high cost outlier rates of payment shall be calculated in accordance with the Outlier and Transfer Cases Rates of Payment section of this Attachment, with the exception of the wage equalization factor (WEF) being based upon the weighted average of the upstate or downstate region; and
 - <u>e.</u> the weighted average of the capital component of the inpatient rates in effect for similar services for hospitals located in New York State shall apply with regard to services provided by out-of-state providers.
- 2. Notwithstanding any inconsistent provision of this Section, in the event the Department determines that an out-of-state provider is providing services that are not available within New York State, the Department may negotiate payment rates and conditions with such provider; provided however, such payments shall not exceed the provider's usual and customary charges for such services.
- 3. For purposes of this Section, the downstate region of New York State shall consist of the New York counties of Bronx, New York, Kings, Queens, Richmond, Nassau, Suffolk, Westchester, Rockland, Orange, Putnam and Dutchess, and the upstate region of New York State shall consist of all other New York counties.

TN #14-20	Approval Date	JUN 19 2014	
Supersedes TN #10-33-B	Effective Date	MAR 1 3 2014	