DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850

[redacted]

Financial Management Group

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

RE: State Plan Amendment (SPA) 18-0001

November 9, 2018

Dear Ms.Frescatore :

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State Plan submitted under transmittal number (TN) 18-0001. Effective July 1, 2018 this amendment will provide a separate reimbursement rate for care and services furnished in licensed distinct units that provide specialized hospital-based psychiatric services dedicated solely to the treatment of persons aged 18 and older.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 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. This letter is to inform you SPA 18-0001 is approved effective July 1, 2018. We are enclosing the CMS-179 and the approved plan page.

If you have any questions, please contact Charlene Holzbaur at 609-882-4103 Ext. 104.

Sincerely,

[redacted]

Kristin Fan
Director

Enclosures
cc: M. Melendez
R. Holligan
R. Weaver
T. Brady
C. Holzbaur

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 18-0001	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<br~~January~~ July 1, 2018	
5. TYPE OF PLAN MATERIAL *(Check One)*: ☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*		
6. FEDERAL STATUTE/REGULATION CITATION: §1902(a) of the Social Security Act, and 42 CFR 447	7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY ~~04/01/18-09/30/18~~ $ 276.57 7/1/18 - 9/30/18 b. FFY 10/01/18-09/30/19 $1,106.28	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A: 119	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: Attachment 4.19-A: Pages 119	
10. SUBJECT OF AMENDMENT: Adjustment Factor Hospital IP Psychiatric Units (FMAP = 50%)		
11. GOVERNOR'S REVIEW *(Check One)*: ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT ☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED ☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	☐ OTHER, AS SPECIFIED:	
12. SIGNATURE OF STATE AGENCY OFFICIAL: [redacted]	16. RETURN TO: New York State Department of Health Bureau of Federal Relations & Provider Assessments 99 Washington Ave – One Commerce Plaza Suite 1460 Albany, NY 12210	
13. TYPED NAME: Jason A. Helgerson		
14. TITLE: Medicaid Director Department of Health		
15. DATE SUBMITTED: MAR 2 0 2018		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED:	18. DATE APPROVED: NOV 0 9 2018	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 0 1 2018	20. SIGNATURE OF REGIONAL OFFICIAL: [redacted]	
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMG	
23. REMARKS: On 11/7/18, the State requested "pen and ink" change in Box 4 + Box 7a		

FORM HCFA-179 (07-92)

12. *New hospitals and new hospital units.* The operating cost component of rates of payment for new hospitals, or hospital units, without adequate cost experience [shall] will be computed based on either budgeted cost projections, subsequently reconciled to actual reported cost data, or the regional ceiling calculated in accordance with paragraph (10) of this section, whichever is lower. The capital cost component of such rates [shall] will be calculated in accordance with the capital cost provisions of this Attachment.

13. Effective July 1, 2018, hospitals that have been approved by the Office of Mental Health to operate distinct units to provide specialized inpatient psychiatric care to stabilize adults with co-morbid mental illness and intellectual developmental disability diagnoses as defined in the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association, will be reimbursed a flat per diem operating rate of $1,177.11, and the rate-setting methodology provided in paragraph 8 of this section will not apply to services furnished in such units. Capital costs will be reimbursed on a per diem basis for the cost of capital in accordance with paragraph 11 of this section. Specialized inpatient psychiatric units are a new approach to treating dually-diagnosed individuals. The units are physically distinct and have been approved by the State to provide such care and services based on a review of the unit's physical plant specifications, enhanced staffing, and adherence to specialized clinical protocols, which demonstrate sufficient specialization in the assessment and treatment of adults with co-occurring intellectual or developmental disability, including autism spectrum disorder, and mental illness diagnoses, who exhibit destructive behaviors, or an acute safety risk or decrease in functioning.