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State/Territory Name: NY

State Plan Amendment (SPA) #: 25-0057

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

December 17, 2025

Amir Bassiri
Medicaid Director
New York State Department of Health
99 Washington Ave – One Commerce Plaza Suite 1432 Albany, NY 12210

RE: TN 25-0057

Dear Medicaid Director Bassiri:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed New York state plan amendment (SPA) to Attachment 4.19-A NY 25-0057, which was submitted to CMS on September 29, 2025. This plan amendment proposes to make updates to the reimbursement methodology of Psychiatric Residential Treatment Facilities (PRTFs) including the patient day utilization requirements, the length of stay (LOS) adjustment and medically necessary services excluded from PRTF reimbursements.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2025. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Kristina Mack at 617-565-1225 or via email at Kristina.Mack-Webb@cms.hhs.gov.

Sincerely,

A black rectangular redaction box covering the signature of Rory Howe.

Rory Howe
Director
Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 — 0 0 5 7

2. STATE

N Y3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 01, 2025

5. FEDERAL STATUTE/REGULATION CITATION

§ 1905(a)(16) Inpatient Psychiatric Hospital – PRTF

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 07/01/25-09/30/25 \$ 592,257b. FFY 10/01/25-09/30/26 \$ 2,369,031

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Part III Pages: 3, 3(b)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Attachment 4.19-A Part III Pages: 3, 3(b)

9. SUBJECT OF AMENDMENT

2025 PRTF Methodology Updates

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Amir Bassiri

13. TITLE

Medicaid Director

14. DATE SUBMITTED September 29, 2025

15. RETURN TO

New York State Department of Health
Division of Finance and Rate Setting
99 Washington Ave – One Commerce Plaza
Suite 1432
Albany, NY 12210**FOR CMS USE ONLY**

16. DATE RECEIVED

September 29, 2025

17. DATE APPROVED

December 17, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

New York
3

1905(a)(16) Inpatient Psychiatric Hospital – PRTF**B. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES FOR CHILDREN AND YOUTH**

Medicaid rates for Psychiatric Residential Treatment Facilities for Children and Youth ("PRTFs") are established prospectively, based upon actual costs and patient days as reported on cost reports for the fiscal year two years prior to the rate year. The PRTF fiscal year and rate year are for the twelve months July 1 through June 30. Alternate Cost Reports will be utilized to align with appealed rate periods until such time that the appealed information would be fully reflected in the facilities annual cost report. Effective on or after July 1, 2025, actual patient days are subject to a maximum utilization of 96 percent and a minimum utilization of 82 percent. The minimum utilization requirements will be waived by the Commissioner of the Office of Mental Health (OMH) if provider visit volume falls below 82% due to public health, natural, or environmental emergencies, or in the case of suspended admissions resulting from an inability to maintain required operational standards. Such reduction in minimum utilization requirements will not be less than 50%.

1. OPERATING COSTS

Allowable operating costs are subject to the review and approval of the OMH and effective on or after July 1, 2022, will exclude eligible medically necessary early and periodic screening, diagnostic and treatment (EPSDT) services that are not otherwise included in the PRTF rate when those services are reflected in the youth's plan of care. EPSDT services not provided by the PRTF will be reimbursed directly to the provider of service using the Fee-for-Service Program for Institutional or Non-Institutional payment methods authorized under attachments 4-19-A and 4.19-B of the State Plan and administered by the New York Department of Health commencing on the date the child is determined to be Medicaid eligible. The cost of those EPSDT services provided to the child before the determination of Medicaid eligibility, will be the responsibility of the PRTF and considered an allowable cost in the development of the provider's reimbursement rate for Medicaid PRTF stays. The EPSDT services that are not included in the PRTF rate after Medicaid eligibility is determined, include but are not limited to:

- (i) Specialty physician and physician's assistant nursing services,
- (ii) Specialty services of Nurse Practitioners,
- (iii) Dental services,
- (iv) Eye and low vision services,
- (v) Audiology services,
- (vi) Laboratory and radiology services,
- (vii) Physical therapy services,
- (viii) Durable medical equipment,
- (ix) Prosthetics and orthotics,
- (x) Prescription and physician ordered non-prescription drugs and medical supplies,
- (xi) Inpatient hospital care,
- (xii) Outpatient hospital care,
- (xiii) Emergency room visits,
- (xiv) Urgent Care Center visits,
- (xv) Family planning and reproductive health care services and supplies,
- (xvi) Neuropsychological testing/evaluation services, and
- (xvii) Ambulance transportation services (emergency and non-emergency).

Effective on or after July 1, 2026, the Commissioner of the OMH may waive the exclusion of the above services from the PRTF rate based on a determination that there is inadequate availability of providers of such services accepting reimbursement under the Fee-for-Service Program.

TN #25-0057 _____**Approval Date** December 17, 2025**Supersedes TN #22-0078** _____**Effective Date** July 1, 2025

**New York
3(b)**

1905(a)(16) Inpatient Psychiatric Hospital – PRTF

On or after July 1, 2022, The State will increase the rates of payment to include necessary costs for additional staff to meet updated programmatic needs and standards, as approved by the OMH, which are not included in the historical cost reports utilized to develop the rates. The new costs to support additional staff, include the following:

- 5% increase to all provider-specific approved C/DC FTE levels for all PRTFs
- For PRTFs that have not had a staff plan increase or review since 7/1/2020, an additional 26% increase to all provider-specific approved FTE levels
- Addition of 1.0 FTE “Permanency/Family Connections Specialist” per PRTF
- Addition of 1.0 FTE “Intake Specialist” per PRTF
- Doubling of PRTF Transition Coordinator staff by decreasing the staff: client ratio from 1:12 to 1:6

Cost adjustments for prospective staff will be based on OMH approved staffing plans and applicable C/DC standard amounts calculated as described above on page 3(a). The C/DC standard amounts will be trended as described in this section to the appropriate period and added to the applicable cost basis until the Department of Health has determined costs associated with the additional staff are reflected in the cost reports used for rate setting.

For residents admitted on or after July 1, 2026, a length of stay (LOS) adjustment will be applied to the operating component of the rate. The LOS adjustment will be a percentage adjustment to the operating component of the rate determined by the duration of an individual recipient’s care episode in accordance with the below chart:

Duration of Individual Recipient’s Care Episode:	Percentage Adjustment to Operating Component:
Days 1 – 28	110%
Days 29 – 365	100%
Days 366+	93%

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