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State/Territory Name: NY

State Plan Amendment (SPA) #: 25-0034

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

January 27, 2026

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

RE: TN 25-0034

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 25-0034, which was submitted to CMS on June 30, 2025. This plan amendment proposes to add a 2.6% Targeted Inflationary Increase (TII) to Psychiatric Residential Treatment Facilities (PRTFs).

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 April 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 solid black rectangular box used to redact a signature.

Rory Howe
Director
Financial Management Group

Enclosures

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

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

5. FEDERAL STATUTE/REGULATION CITATION
§ 1905(a)(16) Inpatient Psychiatric Hospital – PRTF

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Part III Page: 4

1. TRANSMITTAL NUMBER
2 5 — 0 0 3 4

2. STATE
N Y

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT
 XIX XXI

4. PROPOSED EFFECTIVE DATE
April 01, 2025

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 04/01/25-09/30/25 \$ 500,984
b. FFY 10/01/25-09/30/26 \$ 1,001,969

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-A Part III Page: 4

9. SUBJECT OF AMENDMENT

2.6% Targeted Inflationary Increase – 2025 PRTF

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

[REDACTED]

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

12. TYPED NAME

Amir Bassiri

13. TITLE

Medicaid Director

14. DATE SUBMITTED

June 30, 2025

FOR CMS USE ONLY

16. DATE RECEIVED

June 30, 2025

17. DATE APPROVED

January 27, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

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
4**1905(a)(16) Inpatient Psychiatric Hospital – PRTF**

Allowable operating costs as determined in the preceding paragraphs will be trended by the Medicare inflation factor.

Effective July 01, 2021, through March 31, 2022, operating rates of payment will be increased for a Cost-of-Living Adjustment (COLA), calculated to support a one percent (1.0%) annual aggregate payment to be paid out over the 9 month period between July 1, 2021 and March 31, 2022, and a one percent (1%) annual increase to be paid out over 12 months in subsequent years until such time as the COLA increase is reflected in the base period cost reports.

Effective on or after February 1, 2022, the C/DC rate component will be adjusted to include a twenty-five percent (25%) increase to include additional funds, not included in the base year, appropriate to maintain the required level of care. This increase will be included until such a time as the increase is reflected in the base period cost reports.

Effective April 01, 2022, through March 31, 2023, operating rates of payment will be increased for a Cost-of-Living Adjustment (COLA) to support a five point four percent (5.4%) increase until such time as the COLA increase is reflected in the base period cost reports.

Effective on or after July 01, 2022, operating rates of payment for all providers will receive an eight percent (8.0%) increase. This increase will be included until such a time when the Department of Health has determined costs associated with the increase are reflected in the cost reports used for rate setting.

Effective April 01, 2023, through March 31, 2024, operating rates of payment will be increased for a Cost-of-Living Adjustment (COLA) to support a four percent (4%) increase until such time as the COLA increase is reflected in the base period cost reports.

Effective April 01, 2024, through March 31, 2025, operating rates of payment will be increased for a Cost-of-Living Adjustment (COLA) to support a two-point eight four percent (2.84%) increase until such time as the COLA increase is reflected in the base period cost reports.

Effective April 01, 2025, through March 31, 2026, operating rates of payment will be increased for a Targeted Inflationary Increase (TII) to support a two-point six percent (2.6%) increase until such time as the TII increase is reflected in the base period cost reports.

TN **#25-0034****Approval Date** **January 27, 2026**

Supersedes TN **#24-0051****Effective Date** **April 1, 2025**