



**Department  
of Health**

**KATHY HOCHUL**  
Governor

**JAMES V. McDONALD, MD, MPH**  
Commissioner

**JOHANNE E. MORNE, MS**  
Executive Deputy Commissioner

June 30, 2025

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

Re: SPA #25-0037  
Inpatient Hospital Services

Dear Director McMillion:

The State requests approval of the enclosed amendment #25-0037 to the Title XIX (Medicaid) State Plan for inpatient hospital services to be effective April 1, 2025 (Appendix I). This amendment is being submitted based upon enacted legislation. A summary of the proposed amendment is contained in Appendix II.

This amendment is submitted pursuant to §1902(a) of the Social Security Act (42 USC 1396a(a)) and Title 42 of the Code of Federal Regulations (CFR), Part 447, Subpart C.

Notice of the changes in the methods and standards for setting payment rates for general hospital inpatient services were given in the *New York State Register* on March 26, 2025, and clarified on July 16, 2025. A copy of pertinent sections of enacted legislation is enclosed for your information (Appendix III). 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,



Amir Bassiri  
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 5 — 0 0 3 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

April 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION

§ 1905(a)(1) Inpatient Hospital Services

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 04/01/25-09/30/25 \$ 229,090,521b. FFY 10/01/25-09/30/26 \$ 458,181,042

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Part I Pages: 153, 154, 155, 158, 161(g)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)Attachment 4.19-A Part I Pages: 153, 154, 155, 158, 161  
(g)

9. SUBJECT OF AMENDMENT

Eliminate the ICP Public Pool for H+H/ Extend State/SUNY/County IGTs

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

June 30, 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

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

**Appendix I**  
**2025 Title XIX State Plan**  
**Second Quarter Amendment**  
**Amended SPA Pages**

**New York**  
**153**

**1905(a)(1)÷ Inpatient Hospital Services****Government General Hospital Additional Disproportionate Share Payments**

Government general hospital disproportionate share payments will be made to increase reimbursement to hospitals operated by the State of New York, the State University of New York. To be eligible, hospitals must be operating at the time the payments are made. The payments are subject to the payment limits established in this Attachment of this plan.

1. Government general hospitals operated by the State of New York or the State University of New York ~~shall~~ will receive additional payments effective for the state fiscal years beginning April 1, 1997 through March 31, 2028, ~~for the period April 1, 1997 through March 31, 1998, April 1, 1998 for the period April 1, 1998 through March 31, 1999, August 1, 1999 for the period April 1, 1999 through March 31, 2000, April 1, 2000 for the period April 1, 2000 through March 31, 2001, April 1, 2001 for the period April 1, 2001 through March 31, 2002, April 1, 2002 for the period April 1, 2002 through March 31, 2003, for the state fiscal year beginning April 1, 2005 through March 31, 2006, for the state fiscal year beginning April 1, 2006 through March 31, 2007 and April 1, 2007 through March 31, 2009, for the state fiscal years beginning April 1, 2009 through March 31, 2011, for the state fiscal years beginning April 1, 2011 through March 31, 2013, for the state fiscal years beginning April 1, 2013 through March 31, 2016 and, for the state fiscal years beginning April 1, 2016 through March 31, 2019, and for the state fiscal years beginning April 1, 2019 through March 31, 2022, and for the state fiscal years beginning April 1, 2022 through March 31, 2025~~, subject to the limits established pursuant to this Attachment. Such payments ~~shall~~ will be established based on medical assistance and uninsured patient losses for 1996, 1997, 1998, 1999, 2000, 2001 and 2002 after considering all other medical assistance based initially for 1996 on 1994 reconciled data as further reconciled to actual reported 1996 reconciled data, for 1997 based initially on reported 1995 reconciled data as further reconciled to actual reported 1997 reconciled data, for 1998 based initially on reported 1995 reconciled data, as further reconciled to actual reported 1998 reconciled data, for 1999 based initially on reported 1995 reconciled data as further reconciled to actual reported 1999 reconciled data, for 2000 based initially on reported 1995 reconciled data, as further reconciled to actual reported 2000 reconciled data, for 2001 based initially on reported 1995 reconciled data, as further reconciled to actual reported 2001 reconciled data, for 2002 based initially on reported 2000 reconciled data as further reconciled to actual reported 2002 reconciled data, for the state fiscal year beginning on April 1, 2005, based initially on up to one hundred percent of reported 2000 reconciled data as further reconciled to up to one hundred percent of actual reported data for 2005, and for the state fiscal year beginning on April 1, 2006, based initially on up to one hundred percent of reported 2000 reconciled data as further reconciled to up to one hundred percent of actual reported data for 2006.

TN #25-0037

Approval Date \_\_\_\_\_

Supersedes TN #22-0034Effective Date April 1, 2025

New York  
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**1905(a)(1) Inpatient Hospital Services**

Such payments ~~shall~~ will continue to be established for periods beginning on April 1, 2007, through March 31, 2008, based initially on 100% of reported 2000 reconciled data and further reconciled to 100% of actual reported data for 2007. For periods beginning April 1, 2008, through March 31, 2009, such payments ~~shall~~ will be based initially on 100% of reported 2000 reconciled data and further reconciled to 100% of actual reported data for 2008. The payments may be added to rates of payment or made as aggregate payments to eligible government general hospitals.

For periods beginning April 1, 2009 through March 31, 2010, such payments ~~shall~~ will be established based initially on reported 2007 reconciled data, as adjusted for statutorily authorized Medicaid rate changes impacting this applicable payment year, and further reconciled to actual reported data for 2009. For periods beginning on and after April 1, 2010, such payments ~~shall~~ will be established based initially on reported reconciled data from the base year two years prior to the payment year, as adjusted for statutorily authorized Medicaid rate changes impacting this applicable payment year, and further reconciled to actual reported data from such payment year. The payments may be added to rates of payment or made as aggregate payments to eligible government general hospitals.

Upon completion of each audit, the State will reconcile and redistribute any payments to hospitals for the audit year within 12 months of the completion of the audit to ensure that total DSH payments are compliant with CMS prescribed hospital specific DSH limits and report any additional payments or recoupments made post-audit to CMS via a supplemental file.

In order to mitigate any post audit under or over payments, the State will make adjustments to reconcile and redistribute any under or over payments for the DSH State Plan Rate Year based on Audited DSH data available for the prior State Plan Rate Year. Such Audited DSH Data may be adjusted to account for significant anticipated swings in hospital specific DSH limits from year to year.

TN     #25-0037    Approval Date                                     Supersedes TN   #10-20-B  Effective Date   April 1, 2025

**New York**  
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**1905(a)(1) Inpatient Hospital Services**

2. Government general hospitals operated by a county, which does not include a city with a population of over one million, ~~shall~~ will receive additional payments for the state fiscal years beginning effective April 1, 1997 for the period April 1, 1997 through March 31, 1998, April 1, 1998 for the period April 1, 1998 through March 31, 1999, August 1, 1999 for the period April 1, 1999 through March 31, 2000, April 1, 2000 for the period April 1, 2000 through March 31, 2001, April 1, 2001 for the period April 1, 2001 through March 31, 2002, April 1, 2002 for the period April 1, 2002 through March 31, 2003, for the state fiscal year beginning April 1, 2005 through March 31, 2006, for the state fiscal year beginning April 1, 2006 through March 31, 2007, and April 1, 2007 through March 31, 2008, and for the state fiscal year beginning April 1, 2008 through March 31, 2009, for the state fiscal years beginning April 1, 2009 through March 31, 2011, for the state fiscal years beginning April 1, 2011 through March 31, 2013, for the state fiscal years beginning April 1, 2013 through March 31, 2016, for the state fiscal years beginning April 1, 2016 through March 31, 2019, for the state fiscal years beginning April 1, 2019 through March 31, 2022, and for state fiscal years beginning April 1, 2022 through March 31, 2025 March 31, 2028, subject to the limits established pursuant to this Attachment. Such payments ~~shall~~ will be established based on medical assistance and uninsured patient losses for 1996, 1997, 1998, 1999, 2000, 2001 and 2002, after considering all other medical assistance based initially for 1996 on 1994 reconciled data as further reconciled to actual reported 1996 reconciled data, for 1997 based initially on reported 1995 reconciled data as further reconciled to actual reported 1997 reconciled data, for 1998 based initially on reported 1995 reconciled data, as further reconciled to actual reported 1998 reconciled data, for 1999 based initially on reported 1995 reconciled data as further reconciled to actual reported 1999 reconciled data, for 2000 based initially on reported 1995 reconciled data, as further reconciled to actual reported 2000 reconciled data, for 2001 based initially on reported 1995 reconciled data, as further reconciled to actual reported 2001 reconciled data, for 2002 based initially on reported 2000 reconciled data as further reconciled to actual reported 2002 reconciled data, for the state fiscal year beginning on April 1, 2005, based initially on up to one hundred percent of reported 2000 reconciled data as further reconciled to up to one hundred percent of actual reported data for 2005, and for the state fiscal year beginning on April 1, 2006, based initially on up to one hundred percent of reported 2000 reconciled data as further reconciled to up to one hundred percent of actual reported data for 2006.

TN     #25-0037    Approval Date                                     Supersedes TN     #22-0034    Effective Date     April 1, 2025

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**1905(a)(1) Inpatient Hospital Services**

Such payments ~~shall~~ will continue to be established for the state fiscal year beginning on April 1, 2007 based initially on reported 2000 reconciled data, as further reconciled to actual reported 2007 or 2008 data, for the state fiscal year beginning on April 1, 2008 through March 31, 2009, based initially on reported 2000 reconciled data, as further reconciled to actual reported 2008 or 2009 data. The payments may be added to rates of payment or made as aggregate payments to eligible government general hospitals.

For periods beginning April 1, 2009 through March 31, 2010, such payments ~~shall~~ will be established based initially on reported 2007 reconciled data, as adjusted for statutorily authorized Medicaid rate changes impacting this applicable payment year, and further reconciled to actual reported data for 2009. For periods beginning on and after April 1, 2010, such payments ~~shall~~ will be established based initially on reported reconciled data from the base year two years prior to the payment year, as adjusted for statutorily authorized Medicaid rate changes impacting this applicable payment year, and further reconciled to actual reported data from such payment year. The payments may be added to rates of payment or made as aggregate payments to eligible government general hospitals.

Upon completion of each audit, the State will reconcile and redistribute any payments to hospitals for the audit year within 12 months of the completion of the audit to ensure that total DSH payments are compliant with CMS prescribed hospital specific DSH limits and report any additional payments or recoupments made post-audit to CMS via a supplemental file.

In order to mitigate any post audit under or over payments, the State will make adjustments to reconcile and redistribute any under or over payments for the DSH State Plan Rate Year based on Audited DSH data available for the prior State Plan Rate Year. Such Audited DSH Data may be adjusted to account for significant anticipated swings in hospital specific DSH limits from year to year.

Beginning April 1, 2000 government general hospitals, other than those operated by the State of New York or the State University of New York, located in a city with a population of over one million are authorized to receive additional disproportionate share payments as projected or reconciled pursuant to this Attachment governing disproportionate share payments to hospitals, based on the relative share of each such non-state operated government general hospital of projected or reconciled medical assistance and uninsured patient losses after payment of all other medical assistance, including disproportionate share payments to such government general hospitals. For the period April 1, 2000 through March 31, 2001, an additional payment of \$103 million is authorized. Effective April 1, 2001 through March 31, 2002, additional payments of \$113 million are authorized. For the state fiscal years beginning April 1, 2002 and ending March 31, 2009, and each state fiscal year thereafter, additional annual payments of \$210 million are authorized. The payments may be added to rates of payment or made as aggregate payments to eligible government general hospitals.

TN   #25-0037  Approval Date                     Supersedes TN   #10-20-B  Effective Date   April 1, 2025



**New York  
161(g)**

**1905(a)(1) Inpatient Hospital Services**

**(b) Indigent Care Pool.** Indigent care pool distributions will be made to eligible hospitals in the following amounts, as calculated on a calendar year basis which will be paid in twelve, approximately equal lump sum, monthly installments on a state fiscal year basis; except for distributions for Calendar year 2020 related to paragraph (5) which ~~shall~~ will be made in ten approximately equal lump sum, monthly installments from June 2020 to March 2020:

- 1. Major Government General Hospital Pool Distributions.** \$139.4 million, less the amount allocated pursuant to the Financial Assistance Compliance Pool section in subparagraph 8) below, will be distributed as Medicaid disproportionate share hospital (DSH) payments to major government general hospitals, including the hospitals operated by public benefit corporations, on the basis of each hospital's relative share of uncompensated care nominal need to the aggregate uncompensated care nominal need for all major government general hospitals determined in accordance with the Indigent Care Pool Reform methodology described in paragraph (a) of this section.

Major government general hospitals are defined as all State-operated general hospitals, all general hospitals operated by the New York City Health and Hospitals Corporation, and all other government general hospitals having annual inpatient operating costs in excess of \$25 million. Hospitals eligible for distributions from this pool will be all such major government general hospitals which are open for all or part of the distribution year. Hospitals open for a partial year will receive a pro-rated share based on the number of months open.

For the calendar years 2025 and thereafter, the total distributions to major public general hospitals will be subject to an aggregate reduction of \$113.4 million dollars annually, provided that general hospitals operated by the New York City Health and Hospitals Corporation will not receive distributions pursuant to this subdivision.

- 2. Voluntary General Hospital Pool Distributions.** \$994.9 million, less the amount allocated pursuant to the Financial Assistance Compliance Pool section in subparagraph (8) below and the Voluntary ICP Pool Reduction in subparagraph (4) below, plus the Enhanced Safety Net Transition Collar Pool in subparagraph (5) below will be distributed as Medicaid disproportionate share hospital (DHS) payments to eligible voluntary general hospitals, other than major public general hospitals, on the basis of each hospital's relative share of uncompensated care nominal need to the aggregate uncompensated care nominal need for all eligible voluntary general hospitals as determined in accordance with the Indigent Care Pool Reform methodology described in paragraph (a) of this section. Distributions to voluntary general hospitals, other than major public general hospitals, relative to calendar year 2020 and calendar years thereafter made pursuant to this subparagraph ~~shall~~ will not include transition pool distributions. Such reduced distributions ~~shall~~ will not affect any hospital's relative share as determined in accordance with the Indigent Care Pool Reform methodology described in paragraph (a) of this section and ~~shall~~ will reflect a reduction in the amount of the pool to \$969.9 million.

Voluntary general hospitals are defined as all voluntary non-profit, private proprietary, and government general hospitals other than major government general hospitals. Hospitals eligible for distributions from this pool will be all such voluntary hospitals which are open for all or part of the distribution year. Hospitals open for a partial year will receive a pro-rated share based on the number of months open.



**Appendix II**  
**2025 Title XIX State Plan**  
**Second Quarter Amendment**  
**Summary**

**SUMMARY**  
**SPA #25-0037**

This State Plan Amendment proposes to extend additional medical assistance payments to State and County hospitals for the periods April 1, 2025, through March 31, 2028, and as part of the FY 2026 Enacted Budget, discontinue the Indigent Care Pool (ICP) for public general hospitals in New York City operated by New York City Health and Hospitals, which would provide a total Global Cap savings of \$113.4 million (\$56.7 million State share).

**Appendix III**  
**2025 Title XIX State Plan**  
**Second Quarter Amendment**  
**Authorizing Provisions**

SPA 25-0037

33 § 2. Clause (A) of subparagraph (ii) of paragraph (b) of subdivision  
34 5-d of section 2807-k of the public health law, as amended by section 1  
35 of part E of chapter 57 of the laws of 2023, is amended to read as  
36 follows:

37 (A) (1) one hundred thirty-nine million four hundred thousand dollars  
38 shall be distributed as Medicaid Disproportionate Share Hospital ("DSH")  
39 payments to major public general hospitals;

40 (2) for the calendar years two thousand twenty-five and thereafter,  
41 the total distributions to major public general hospitals shall be  
42 subject to an aggregate reduction of one hundred thirteen million four  
43 hundred thousand dollars annually, provided that general hospitals oper-  
44 ated by the New York city health and hospitals corporation as estab-  
45 lished by chapter one thousand sixteen of the laws of nineteen hundred  
46 sixty-nine, as amended, shall not receive distributions pursuant to this  
47 subdivision; and

48 § 3. This act shall take effect immediately and shall be deemed to  
49 have been in full force and effect on and after April 1, 2025.

**Appendix IV**  
**2025 Title XIX State Plan**  
**Second Quarter Amendment**  
**Public Notice**

# MISCELLANEOUS NOTICES/HEARINGS

## Notice of Abandoned Property Received by the State Comptroller

Pursuant to provisions of the Abandoned Property Law and related laws, the Office of the State Comptroller receives unclaimed monies and other property deemed abandoned. A list of the names and last known addresses of the entitled owners of this abandoned property is maintained by the office in accordance with Section 1401 of the Abandoned Property Law. Interested parties may inquire if they appear on the Abandoned Property Listing by contacting the Office of Unclaimed Funds, Monday through Friday from 8:00 a.m. to 4:30 p.m., at:

1-800-221-9311  
or visit our web site at:  
[www.osc.state.ny.us](http://www.osc.state.ny.us)

Claims for abandoned property must be filed with the New York State Comptroller's Office of Unclaimed Funds as provided in Section 1406 of the Abandoned Property Law. For further information contact: Office of the State Comptroller, Office of Unclaimed Funds, 110 State St., Albany, NY 12236.

## PUBLIC NOTICE Department of Civil Service

PURSUANT to the Open Meetings Law, the New York State Civil Service Commission hereby gives public notice of the following:

Please take notice that the regular monthly meeting of the State Civil Service Commission for April 2025 will be conducted on April 9 and April 10 commencing at 10:00 a.m. This meeting will be conducted at NYS Media Services Center, Suite 146, South Concourse, Empire State Plaza, Albany, NY with live coverage available at <https://www.cs.ny.gov/commission/>.

For further information, contact: Office of Commission Operations, Department of Civil Service, Empire State Plaza, Agency Bldg. 1, Albany, NY 12239, (518) 473-6598

## 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 all services to comply with the 2025-2026 proposed executive budget. The following changes are proposed:

### All Services

Effective on or after April 1, 2025, the Department of Health will adjust Medicaid rates statewide to reflect a 2.1% percent Targeted Inflationary Increase for the following Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), and Office for People With Developmental Disabilities (OPWDD) State Plan Services: OMH Outpatient Services, OMH Clinic Services, OMH Rehabilitative Services, Comprehensive Psychiatric Emergency Program, including Extended Observation Beds, Children Family Treatment Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Outpatient Addiction Services, OASAS Freestanding (non-hospital) Inpatient

Rehabilitation Services, OASAS Freestanding Inpatient Detox Services, OASAS Part 820 Residential Services, OASAS Residential Rehabilitation Services for Youth, Intermediate Care Facility (ICF/IDD), Day Treatment, Article 16 Clinic Services, Specialty Hospital, Independent Practitioner Services for Individual with Developmental Disabilities (IPSIDD), and OPWDD Crisis Services.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-26 is \$28.3 million.

### Non-Institutional Services

Effective on or after April 1, 2025 through March 31, 2028, this proposal would provide a three-year increase in funding associated with the reimbursement for diagnostic and treatment centers, including Federally Qualified Health Centers and Rural Health Clinics.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$20 million.

Effective on or after April 1, 2025 through March 31, 2028, this proposal would provide a three-year increase in funding associated with the reimbursement for Assisted Living Programs (ALPs).

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$15 million.

Effective on or after April 1, 2025 through March 31, 2028, this proposal would provide a three-year increase in funding associated with the reimbursement for Adult Day Health Care programs (ADHCs).

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$5.4 million.

Effective on or after April 1, 2025 through March 31, 2028 this proposal would provide a three-year increase in funding associated with the reimbursement for Hospice programs.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$0.7 million.

Effective on or after April 1, 2025 noticed provision for Supplemental payments intended for services provided for Voluntary Hospitals up to the upper payment limit for Voluntary Hospitals shall be eliminated. Funds shall be available as Indigent Care Pool (ICP) dollars only.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2025, rates of payment for services provided by Health Facilities licensed under Article 29-I of the Public Health Law to individuals under age 21 years, will be increased to account for enhanced programmatic requirements and to ensure access to primary care services in these settings.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-26 is \$36 million.

Effective on or after April 1, 2025, the Department of Health will adjust Medicaid rates statewide to account for increased labor costs resulting from statutorily required increases in New York State minimum wage for the following Office of Mental Health (OMH) State

Plan Services: OMH Outpatient Services, OMH Clinic Services, and OMH Rehabilitative Services.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is \$84,000.

#### **Institutional Services**

Effective on or after April 1, 2025, the proposed amendment to the State Plan will allow Title XIX (Medicaid) reimbursement to general hospitals, as defined in Subdivision 10 of Section 2801 of the Public Health Law, for provision of inpatient acute care that is provided off-site, pursuant to the conditions set forth in proposed Subdivision 15 of Section 2803 of the Public Health Law (see Proposed Executive Budget, Health and Mental Hygiene, Part Y). Reimbursement rates will match those provided for inpatient acute care services provided on-site in licensed general hospital settings.

Under the proposed law, the Commissioner of Health of the State of New York may allow general hospitals to provide off-site acute care medical services that are (a) not home care services or professional services as defined in Subdivisions 1 and 2 of Section 3602 of the Public Health Law; (b) provided by a medical professional, including a physician, registered nurse, nurse practitioner, or physician assistant, to a patient with a preexisting clinical relationship with the general hospital or with the health care professional providing the service; and (c) provided to a patient for whom a medical professional has determined is appropriate to receive acute medical services at their residence. To participate, the general hospital must also have appropriate discharge planning in place to coordinate discharge to a home care agency where medically necessary and consented to by the patient after the patient's acute care episode ends, consistent with all applicable federal, state, and local laws.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2025 the provision for Supplemental payments intended for services provided for Voluntary Hospitals up to the upper payment limit for Voluntary Hospitals shall be eliminated. Funds shall be available as Indigent Care Pool (ICP) dollars only.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2025, hospitals owned and operated by the New York City Health and Hospitals Corporation are removed from participation in the Indigent Care Pool (ICP). Hospitals will continue to be funded in DSH via other DSH transactions.

The estimated annual net aggregate decrease in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-26 is (\$113 million).

#### **Long Term Care Services**

Effective on or after April 1, 2025 through March 31, 2028 this proposal would provide a three-year increase in funding associated with the reimbursement for residential health care facilities.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$378.9 million.

Effective on or after April 1, 2025, the Department of Health proposes to amend the Title XIX (Medicaid) State Plan for long term care services related to temporary rate adjustments to long term care providers that are undergoing closure, merger, consolidation, acquisition or restructuring themselves or other health care providers. These payments are authorized by current State statutory and regulatory provisions. The temporary rate adjustments will be reviewed and approved by the CINERGY Collaborative.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$30 million.

Effective on or after April 1, 2025 a demonstration program for aging adults with medical fragility shall be established. The aging adults with medical fragility demonstration will certify a medical fragility facility, as defined by Public Health Law § 2808-f, for the purpose of improving the quality of care for aging adults with medical fragility. The facility shall support the continuing needs for adults from age 35 years old to end of life who have a chronic debilitating condition or

conditions, are at risk of hospitalization, are technology-dependent for life or health sustaining functions, require complex medication regimens or medical interventions to maintain or to improve their health status, and/or are in need of ongoing assessment or intervention to prevent serious deterioration of their health status or medical complications that place their life, health or development at risk.

The State intends to utilize its current nursing home reimbursement rates for adults and take into account the methodology used to establish the operating component of the rates with an increase or decrease adjustment as appropriate to account for any discrete expenses associated with caring for aging adults with medical fragility, including addressing their distinct needs as aging adults for medical and psychological support services.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$59.6 million.

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](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](mailto: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 as authorized by § 2826 of New York Public Health Law. The following changes are proposed:

#### **Non-Institutional Services**

Effective on or after April 1, 2025, temporary rate adjustments have been approved for services related to providers that are undergoing closure, merger, consolidation, acquisition or restructuring themselves or other health care providers. The temporary rate adjustments have been reviewed and approved for the following Hospital:

- St. Mary's Healthcare

The aggregate payment amounts totaling up to \$11,370,250 for the period April 1, 2025, through March 31, 2026.

The aggregated payment amounts totaling up to \$10,220,250 for the period of April 1, 2026, through March 31, 2027.



**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 all services to comply with the 2025-2026 enacted budget. The following changes are proposed:

**All Services**

The following is a clarification to the March 26, 2025, noticed provision to adjust rates of payment statewide to reflect a 2.1 percent (2.1%) Targeted Inflationary Increase.

With clarification, this increase will now be 2.6 percent (2.6%) and relating to the following: Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), and Office for People With Developmental Disabilities (OPWDD) State Plan Services: OMH Outpatient Services, OMH Clinic Services, OMH Rehabilitative Services, Comprehensive Psychiatric Emergency Program, including Extended Observation Beds, Children Family Treatment Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Outpatient Addiction Services, OASAS Freestanding (non-hospital) Inpatient Rehabilitation Services, OASAS Freestanding Inpatient Detox Services, OASAS Part 820 Residential Services, OASAS Residential Rehabilitation Services for Youth, Intermediate Care Facility (ICF/IDD), Day Treatment, Article 16 Clinic Services, Specialty Hospital,

Independent Practitioner Services for Individual with Developmental Disabilities (IPSIDD), and OPWDD Crisis Services.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-26 is now \$34.9 million.

### **Non-Institutional Services**

The following is a clarification to the March 26, 2025, noticed provision to provide a three-year increase in funding associated with the reimbursement for Adult Day Health Care programs (ADHCs).

With clarification, the estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is now \$6.4 million.

The following is a clarification to the March 26, 2025, noticed provision to provide a three-year increase in funding associated with the reimbursement for Hospice programs.

With clarification, the estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is now \$0.3 million.

### **Institutional Services**

The following is a clarification to the March 26, 2025, noticed provision for hospitals owned and operated by the New York City Health and Hospitals Corporation

are removed from participation in the Indigent Care Pool (ICP). Hospitals will continue to be funded in DSH via other DSH transactions.

With clarification, such DSH transactions will continue April 1, 2025 through March 31, 2028. There is no change to the previously published fiscal impact.

### **Long Term Care Services**

The following is a clarification to the March 26, 2025, noticed provision to provide a three-year increase in funding associated with the reimbursement for residential health care facilities.

With clarification, the estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is now \$438.3 million.

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](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:

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](mailto:spa-inquiries@health.ny.gov)

**Appendix V**  
**2025 Title XIX State Plan**  
**Second Quarter Amendment**  
**Responses to Standard Funding Questions**

**INSTITUTIONAL SERVICES**  
**State Plan Amendment #25-0037**

**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-A of the state plan.

- 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 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 receive and retain 100 percent of total Medicaid expenditures claimed by the State and the State does not require any provider to return any portion of such payments to the State, local government entities, or any other intermediary organization.

- 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 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 government 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:** The Non-Federal share Medicaid provider payment is funded by a combination of the following funds/funding sources through enacted appropriations authority to the Department of Health (DOH) for the New York State Medicaid program or is funded by an IGT transferred from the counties.

		4/1/25 – 3/31/26	
Payment Type	Non-Federal Share Funding	Non-Federal	Gross
Hospital Inpatient Normal Per Diem	General Fund; Special Revenue Funds; County Contribution	\$2,624M	\$5,248M
Residential Treatment Facilities Normal Per Diem	General Fund; County Contribution	\$42M	\$84M
Hospital Inpatient Supplemental	General Fund	\$0M	\$0M
Indigent Care Pool	General Fund; Special Revenue Funds	\$243M	\$486M
Voluntary UPL	General Fund	\$170M	\$339M
Indigent Care Pool Adjustment	General Fund; IGT	\$206M	\$412M
Disproportionate Share Program	General Fund; IGT	\$769M	\$1,538M
State Public Inpatient UPL	General Fund	\$36M	\$72M
Non-State Government Inpatient UPL	IGT	\$282M	\$564M
<b>Totals</b>		<b>\$4,372M</b>	<b>\$8,743M</b>

A. **General Fund:** Revenue resources for the State's General Fund includes taxes (e.g., income, sales, etc.), and miscellaneous fees (including audit recoveries). Medicaid expenditures from the State's General Fund are authorized from Department of Health Medicaid.

- 1) New York State Audit Recoveries: The Department of Health collaborates with the Office of the Medicaid Inspector General (OMIG) and the Office of the Attorney General (AG) in recovering improperly expended Medicaid funds. OMIG conducts and coordinates the investigation, detection, audit, and review of Medicaid providers and recipients to ensure they are complying with all applicable laws and regulation. OMIG recovers any improper payments through cash collections and voided claim recoveries. Cash collections are deposited into the State's General Fund to offset Medicaid costs.

In addition to cash collections, OMIG finds inappropriately billed claims within provider claims. To correct an error, OMIG and DOH process the current accurate



claim, and reduce this claim by the inappropriate claim value to recoup the previous overclaim and decrease state spending.

## **B. Special Revenue Funds:**

- 1) Health Care Reform Act (HCRA) Resource Fund: as authorized in section 92-dd of New York State Finance Law and was established in 1996, pursuant to New York State Public Health Law 2807-j and 2807-s (surcharges), 2807-c (1 percent), and 2807-d-1 (1.6 percent). HCRA resources include:
  - Surcharge on net patient service revenues for Inpatient Hospital Services.
    - The rate for commercial payors is 9.63 percent.
    - The rate for governmental payors, including Medicaid, is 7.04 percent.
    - Federal payors, including Medicare, are exempt from the surcharge.
  - 1 percent assessment on General Hospital Inpatient Revenue.
  - 1.6 percent Quality Contribution on Maternity and Newborn (IP) Services.
- 2) Health Facility Cash Assessment Program (HFCAP) Fund: Pursuant to New York State Public Health Law 2807-d, the total state assessment on each hospital's gross receipts received from all patient care services and other operating income, excluding gross receipts attributable to payments received pursuant to Title XVIII of the federal Social Security Act (Medicare), is 0.35 percent.

NOTE: New York's Health Care taxes are either broad based and uniform (as in all HFCAP assessments except for the Personal Care Provider Cash Assessment) or have a specific exemption known as the "D'Amato provision (Federal PHL section 105-33 4722 (c))" which allows the HCRA surcharges to exist in their current format. The single tax which has been determined by the State to be an impermissible provider tax is the HFCAP charge on Personal Care Providers. The State does not claim any Federal dollars for the surcharge collected in this manner in order to comply with all Federal provider tax rules.

## **C. Additional Resources for Non-Federal Share Funding:**

County Contribution: In State Fiscal Year 2006, through enacted State legislation (Part C of Chapter 58 of the laws of 2005), New York State "capped" the amount localities contributed to the non-Federal share of providers claims. This was designed to relieve pressure on county property taxes and the NYC budget by limiting local contributions having New York State absorb all local program costs above this fixed statutory inflation rate (3% at the time).

However, in State Fiscal Year 2013 New York State provided additional relief to Localities by reducing local contributions annual growth from three percent to zero over a three-year period. Beginning in State Fiscal Year 2016, counties began paying a fixed cost in perpetuity as follows:

Entity	Annual Amount
New York City	\$5.378B

Suffolk County	\$256M
Nassau County	\$241M
Westchester County	\$223M
Erie County	\$216M
Rest of State (53 Counties)	\$1.320B
<b>Total</b>	<b>\$7.634B</b>

By eliminating the growth in localities Medicaid costs, the State has statutorily capped total Statewide County Medicaid expenditures at 2015 levels. All additional county Medicaid costs are funded by the State through State funding as described above. DOH provides annual letters to counties providing weekly contributions. Contributions are deposited directly into State escrow account and used to offset 'total' State share Medicaid funding.

NOTE: The Local Contribution is not tied to a specific claim or service category and instead is a capped amount based on 2015 county spending levels as stated above. Each deposit received is reviewed and compared to the amount each county is responsible to contribute to the Medicaid program to verify the county funds received are eligible for Medicaid expenses.

#### **D. IGT Funding:**

New York State requests the transfer of the IGT amounts from entities prior to the release of payments to the providers. The entities transferring IGT amounts are all units of government, and the nonfederal share is derived from state or local tax revenue funded accounts only. The providers keep and retain Medicaid payments. Please note that entities have taxing authority, and the State does not provide appropriations to the entities for IGTs.

<b>Provider</b>	<b>Entity Transferring IGT Funds</b>	<b>4/1/25-3/31/26 IGT Amount</b>
Bellevue Hospital Center	New York City	\$48M
Coney Island Hospital	New York City	\$30M
City Hospital Center at Elmhurst	New York City	\$21M
Harlem Hospital Center	New York City	\$70M
Henry J Carter Spec Hospital	New York City	\$3M
Jacobi Medical Center	New York City	\$21M
Kings County Hospital Center	New York City	\$44M
Lincoln Medical & Mental Health Center	New York City	\$19M
Metropolitan Hospital Center	New York City	\$16M
North Central Bronx Hospital	New York City	\$0M
Queens Hospital Center	New York City	\$10M
Woodhull Medical and Mental Health Center	New York City	\$50M
Erie County Medical Center	Erie County	\$50M
Lewis County General Hospital	Lewis County	\$3M
Nassau County Medical Center	Nassau County	\$53M

Westchester County Medical Center	Westchester County	\$157M
Wyoming County Community Hospital	Wyoming County	\$1M
NYC Health + Hospitals	New York City	\$23M
<b>Total</b>		<b>\$620M</b>

- 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:** Please see list of supplemental payments below:

<b>Payment Type</b>	<b>Private</b>	<b>State Government</b>	<b>Non-State Government</b>	<b>4/1/25-3/31/26 Gross Total</b>
Indigent Care Pool/Voluntary UPL \$339M Guarantee	\$727M	\$5M	\$93M	\$825M
Indigent Care Pool Adjustment	\$0	\$150M	\$262M	\$412M
Disproportionate Share Program	\$0	\$605M	\$933M	\$1,538M
Vital Access Program	\$0	\$0	\$0	\$0
State Public Inpatient UPL	\$0	\$72M	\$0	\$72M
Non-State Government Inpatient UPL	\$0	\$0	\$564M	\$564M
<b>Total</b>	<b>\$727M</b>	<b>\$832M</b>	<b>\$1,508M</b>	<b>\$3,410M</b>

The Medicaid payments authorized under this State Plan Amendment are supplemental payments and total \$916.4 million for State Fiscal Year 2025-26.

- 4. 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. Under regulations at 42 CFR 447.272, States are prohibited from setting payment rates for Medicaid inpatient services that exceed a reasonable estimate of the amount that would be paid under Medicare payment principals.**

**Response:** The inpatient UPL demonstration utilizes cost-to-payment and payment-to-payment methodologies to estimate the upper payment limit for each class of providers. The Medicaid payments under this State Plan Amendment will be included in the 2025 inpatient UPL when it is submitted to CMS.

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:** Providers do not receive payments that in the aggregate exceed their reasonable costs of providing services. If any providers received payments that in the aggregate exceeded their reasonable costs of providing services, the State would recoup the excess and return the Federal share of the excess to CMS on the 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 complies 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.