



**Department
of Health**

KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

September 29, 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 #25-0057
Inpatient Hospital Services

Dear Director McMillion:

The State requests approval of the enclosed amendment #25-0057 to the Title XIX (Medicaid) State Plan for inpatient hospital services to be effective July 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 was given in the *New York State Register* on June 25, 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 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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

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
Third Quarter Amendment
Amended SPA Pages

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. Actual patient days are subject to a maximum utilization of 96 percent and a minimum utilization of ~~90~~ 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 ~~90~~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).

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 _____

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.

~~On or after July 1, 2022~~ 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 99%
Days 29 – 365	100%
Days 366+	93 0%

TN #25-0057 _____

Approval Date _____

Supersedes TN #22-0078 _____

Effective Date July 1, 2025 _____

Appendix II
2025 Title XIX State Plan
Third Quarter Amendment
Summary

SUMMARY
SPA #25-0057

This State 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.

Appendix III
2025 Title XIX State Plan
Third Quarter Amendment
Authorizing Provisions

SPA 25-0057

New York State Mental Hygiene Law §43.02: Rates of methods of payment for services at facilities subject to licensure or certification by the office of mental health, the office for people with developmental disabilities or the office alcoholism and substance abuse services

(a) Notwithstanding any inconsistent provision of law, payment made by government agencies pursuant to title eleven of article five of the social services law for services provided by any facility licensed by the office of mental health pursuant to article thirty-one of this chapter or certified by the office of alcoholism and substance abuse services pursuant to this chapter to provide inpatient chemical dependence services, as defined in section 1.03 of this chapter, shall be at rates or fees certified by the commissioner of the respective office and approved by the director of the division of the budget, provided, however, the commissioner of mental health shall annually certify such rates or fees which may vary for distinct geographical areas of the state and, provided, further, that rates or fees for service for inpatient psychiatric services or inpatient chemical dependence services, at hospitals otherwise licensed pursuant to article twenty-eight of the public health law shall be established in accordance with section two thousand eight hundred seven of the public health law and, provided, further, that rates or fees for services provided by any facility or program licensed, operated or approved by the office for people with developmental disabilities, shall be certified by the commissioner of health; provided, however, that such methodologies shall be subject to approval by the office for people with developmental disabilities and shall take into account the policies and goals of such office.

(b) Operators of facilities licensed by the office of mental health pursuant to article thirty-one of this chapter, licensed by the office for people with developmental disabilities pursuant to article sixteen of this chapter or certified by the office of alcoholism and substance abuse services pursuant to this chapter to provide inpatient chemical dependence services shall provide to the commissioner of the respective office such financial, statistical and program information as the commissioner may determine to be necessary. The commissioner of the appropriate office shall have the power to conduct on-site audits of books and records of such facilities.

(c) The commissioner of the office of mental health, the commissioner of the office for people with developmental disabilities and the commissioner of the office of alcoholism and substance abuse services shall adopt rules and regulations to effectuate the provisions of this section. Such rules and regulations shall include, but not be limited to, provisions relating to:

(i) the establishment of a uniform statewide system of reports and audits relating to the quality of care provided, facility utilization and costs of providing services; such a uniform statewide system may provide for appropriate variation in the application of the system to different classes or subclasses of facilities licensed by the office of mental health pursuant to article thirty-one of this chapter or licensed or operated by the office for people with developmental disabilities pursuant to article sixteen of this chapter, or certified by the office of alcoholism and substance abuse services pursuant to this chapter to provide inpatient chemical dependence services; and

(ii) methodologies used in the establishment of the schedules of rates or fees pursuant to this section provided, however, that the commissioner of health shall adopt rules and regulations including methodologies developed by him or her for services provided by any facility or program licensed, operated or approved by the office for people with developmental disabilities; provided, however, that such rules and regulations shall be subject to the approval of the office for people with developmental disabilities and shall take into account the policies and goals of such office.

Appendix IV
2025 Title XIX State Plan
Third 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

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 July 2025 will be conducted on July 16 and July 17 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 non-institutional services to revise provisions of the Ambulatory Patient Group (APG) reimbursement methodology in accordance with the Public Health Law § 2807(2-a)(e). The following changes are proposed:

Non-Institutional Services

Effective on or after July 1, 2025, the Ambulatory Patient Group (APG) reimbursement methodology is revised to include recalculated weight and component updates in order to update reimbursement for APG payments.

The estimated annual aggregate increase in gross Medicaid expenditures as a result of this proposed amendment is \$1.27 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. 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

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 institutional services to comply with New York State Mental Hygiene Law § 43.02. The following changes are proposed:

Institutional Services

Effective on or after July 1, 2025, the Department of Health will adjust Psychiatric Residential Treatment Facility (PRTF) rates for updates to the reimbursement methodology including the patient day utilization requirements, the length of stay (LOS) adjustment and medically necessary services excluded from PRTF reimbursements.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is \$4.7 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. 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

PUBLIC NOTICE

Department of State
F-2025-0119

Date of Issuance – June 25, 2025

The New York State Department of State (DOS) is required by Federal regulations to provide timely public notice for the activities described below, which are subject to the consistency provisions of the Federal Coastal Zone Management Act of 1972, as amended.

The applicant has certified that the proposed activity complies with and will be conducted in a manner consistent with the approved New York State Coastal Management Program.

In F-2025-0119, Neil and Amy McGoldrick are proposing the “in-place replacement of approximately 229 linear feet of bulkhead raising the height by 18”; the removal and replacement of the 3-foot-wide by 6-foot-long steps, removal of 234 square foot “U” shaped float configuration and replace with an approximately 6-foot-wide by 20-foot-long float and two 8-inch anchor pilings with the existing 3-foot-wide by 16-foot-long gangway to be reinstalled. The work also includes maintenance dredging of a maximum of 25 cubic yards over a 625 square foot area to a depth of three feet below Mean Low water. The site is located at 1671 Meadow Beach Lane, in the Village of Mattituck, Town of Southold, Suffolk County and on Halls Creek.

The stated purpose of the proposed action to replace failing bulkhead and dock.

The applicant’s consistency certification and supporting information are available for review at:

<https://dos.ny.gov/f-2025-0119> or at <https://dos.ny.gov/public-notices>

Original copies of public information and data submitted by the applicant are available for inspection at the New York State Department of State offices located at One Commerce Plaza, 99 Washington Avenue, in Albany, New York.

Any interested parties and/or agencies desiring to express their views concerning any of the above proposed activities may do so by filing their comments, in writing, no later than 4:30 p.m., 30 days from the date of publication of this notice, or July 25, 2025.

Comments should be addressed to: Consistency Review Unit, Department of State, Office of Planning, Development and Community Infrastructure, One Commerce Plaza, 99 Washington Ave., Albany, NY 12231, (518) 474-6000; Fax (518) 473-2464. Electronic submissions can be made by email at: CR@dos.ny.gov

This notice is promulgated in accordance with Title 15, Code of Federal Regulations, Part 930.

PUBLIC NOTICE

Department of State
F-2025-0219

Date of Issuance – June 25, 2025

The New York State Department of State (DOS) is required by Federal regulations to provide timely public notice for the activities described below, which are subject to the consistency provisions of the Federal Coastal Zone Management Act (CZMA) of 1972, as amended.

The applicant has certified that the proposed activities comply with and will be conducted in a manner consistent with the federally approved New York State Coastal Management Program (NYSCMP). The applicant’s consistency certification and accompanying public information and data are available for inspection at the New York State Department of State offices located at One Commerce Plaza, 99 Washington Avenue, in Albany, New York.

In F-2025-0219, Miguel Taverasis proposing the installation of 4' x 96' wood pier with handrail, 4' x 14' & 4' x 22' aluminum ramps, 6' x 35' & (3) 6' x 20' aluminum frame floating docks. Install 4' x 18' floating dock bridge with (2) 4' x 10' ramps landward of the proposed pier. Located on Long Island Sound, at 32 Watch Way, Lloyd Harbor, NY 11743.

The applicant’s consistency certification and supporting information are available for review at:

<https://dos.ny.gov/f-2025-0219.pdf> or at <https://dos.ny.gov/public-notices>

Any interested parties and/or agencies desiring to express their views concerning any of the above proposed activities may do so by filing their comments, in writing, no later than 4:30 p.m., 30 days from the date of publication of this notice or July 25, 2025.

Comments should be addressed to: Department of State, Office of Planning and Development and Community Infrastructure, Consistency Review Unit, One Commerce Plaza, Suite 1010, 99 Washington Ave., Albany, NY 12231, (518) 474-6000. Electronic submissions can be made by email at: CR@dos.ny.gov

This notice is promulgated in accordance with Title 15, Code of Federal Regulations, Part 930.

PUBLIC NOTICE

Department of State
F-2025-0337

Date of Issuance – June 25, 2025

The New York State Department of State (DOS) is required by Federal regulations to provide timely public notice for the activities described below, which are subject to the consistency provisions of the Federal Coastal Zone Management Act of 1972, as amended.

The applicant has certified that the proposed activity complies with and will be conducted in a manner consistent with the approved New York State Coastal Management Program.

In F-2025-0337, The Town of Clayton is proposing to install shoreline stabilizations measures along approximately 680 linear feet of shoreline. The stabilization measures include placing a row of heavy rip-rap at the base of slope (elevation ~245') and the placement of medium rip-rap (~220 linear feet) and fine rip-rap (~440 linear feet) set on filter fabric above/landward of the row of heavy rip-rap and the placement of crushed stone above/landward of the rip-rap. The project also includes a wildflower planting area along approximately 400 linear feet area at the top of the slope. The project would result in the dredging/removal of ~197.5 cubic yards of material which would be transported off-site and the discharge of approximately 520 cubic yards of rock fill below the plane of Ordinary High Water. The activity would occur in the vicinity of 301 Webb Street in the Village of Clayton, Jefferson County on the St. Lawrence River.

The stated purpose of the proposed action is to stabilize the current shoreline from erosion and high water levels.

This proposal is part of the New York State Lake Ontario Resiliency & Economic Development Initiative (REDI). REDI is a program cre-

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

INSTITUTIONAL SERVICES
State Plan Amendment #25-0057

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	\$2,624B	\$5,248B
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	\$300M	\$600M
Voluntary UPL	General Fund	\$170M	\$339M
Indigent Care Pool Adjustment	General Fund; IGT	\$473M	\$945M
Disproportionate Share Program	General Fund; IGT	\$393M	\$786M
State Public Inpatient UPL	General Fund	\$36M	\$72M
Non-State Government Inpatient UPL	IGT	\$282M	\$564M
Totals		\$4,319B	\$8,639B

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
Total	\$7.634B

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.

Provider	Entity Transferring IGT Funds	4/1/25-3/31/26 IGT Amount
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
Total		\$620M

- 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:

Payment Type	Private	State Government	Non-State Government	4/1/25-3/31/26 Gross Total
Indigent Care Pool/Voluntary UPL \$339M Guarantee	\$816M	\$7M	\$116M	\$939M
Indigent Care Pool Adjustment	\$0	\$132M	\$814M	\$945M
Disproportionate Share Program	\$0	\$772M	\$14M	\$786M
Vital Access Program	\$0	\$0	\$0	\$0
State Public Inpatient UPL	\$0	\$72	\$0	\$72
Non-State Government Inpatient UPL	\$0	\$0	\$564	\$564
Total	\$816M	\$982M	\$1,508M	\$3,306B

The Medicaid payments under this State Plan Amendment are not supplemental payments.

- 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 Psychiatric Residential Treatment Facilities (PRTF) UPL calculation is payment-to-charge for private facilities (note: there are no state or non-state governmental PRTFs). The Medicaid payments under this State Plan Amendment will be included in the 2026 PRTF 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.