



KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

March 27, 2026

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 #26-0017
Inpatient Hospital Services

Dear Director McMillion:

The State requests approval of the enclosed amendment #26-0017 to the Title XIX (Medicaid) State Plan for inpatient hospital services to be effective January 1, 2026 (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 December 31, 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,

A solid black rectangular box redacting the signature of the Medicaid Director.

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 <u>2 6</u> — <u>0 0 1 7</u>	2. STATE <u>NY</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE
January 01, 2026

5. FEDERAL STATUTE/REGULATION CITATION
§ 1905(a)(1) Inpatient Hospital Services

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 01/01/26-09/30/26 \$ 7,500,000
b. FFY 10/01/26-09/30/27 \$ 2,500,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A Part II Page: 5(b)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-A Part II Page: 5(b)

9. SUBJECT OF AMENDMENT
2026 Inpatient State Public UPL Payment

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL
[Redacted Signature]

12. TYPED NAME
Amir Bassiri

13. TITLE
Medicaid Director

14. DATE SUBMITTED
March 27, 2026

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

20. TYPED NAME OF APPROVING OFFICIAL

19. SIGNATURE OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS
6. FEDERAL BUDGET IMPACT:
a. FFY 01/01/26 - 09/30/26 \$7,500,000
b. FFY 10/01/26 - 09/30/27 \$ 2,500,000 *This SPA runs through 12/31/2026

Appendix I
2026 Title XIX State Plan
First Quarter Amendment
Amended SPA Pages

**New York
5(b)**

1905(a)(1) Inpatient Hospital Services

VII. ADDITIONAL INPATIENT STATE PUBLIC HOSPITAL UPPER PAYMENT LIMIT (UPL) ADJUSTMENTS

1. Effective for State UPL demonstrations for calendar year 2020 and after, if CMS determines that payments for inpatient hospital services provided by State government-owned hospitals exceed the UPL, the State will remit such amount in excess of the UPL as follows: The State will process a lump sum reduction equivalent to the value of the UPL excess upon approval of the UPL.
2. For the period beginning January 1, 2020, and each calendar year thereafter, the State will provide a supplemental payment for all inpatient services provided by State government-owned hospitals. The amount of the supplemental payment, when aggregated with other medical assistance payments, will not exceed 100% of a reasonable estimate of the amount that would be paid for such services under Medicare payment principles for State government-owned hospitals. Such a supplemental payment will be allocated and paid to OMH-operated hospitals based on the proportionate share of total base year Medicaid days used for the inpatient rate calculation and will be factored into facility-specific Disproportionate Share (DSH) limit calculations.

For the period January 1, 2025-6, through December 31, 2025-6, the supplemental payment will be \$20,000,000 and will be payable as a one-time lump sum.

TN #26-0017 **Approval Date** _____

Supersedes TN #25-0013 **Effective Date** January 01, 2026

Appendix II
2026 Title XIX State Plan
First Quarter Amendment
Summary

SUMMARY
SPA #26-0017

This State Plan Amendment proposes to extend supplemental payments made for inpatient hospital services in State government owned hospitals. These payments reflect adjustments to qualifying hospitals.

Appendix III
2026 Title XIX State Plan
First Quarter Amendment
Authorizing Provisions

DEPARTMENT OF HEALTH

AID TO LOCALITIES 2025-26

1	waiver (59091)	190,420,000
2	For services and expenses for continuous	
3	eligibility for children enrolled in New	
4	York State insurance programs (59092)	30,300,000
5	For services and expenses of the medical	
6	assistance program including medical	
7	services provided at state facilities	
8	operated by the office of mental health,	
9	the office for people with developmental	
10	disabilities and the office of addiction	
11	services and supports.	
12	Notwithstanding any provision of law to the	
13	contrary, the portion of this appropri-	
14	ation covering fiscal year 2025-26 shall	
15	supersede and replace any duplicative (i)	
16	reappropriation for this item covering	
17	fiscal year 2025-26, and (ii) appropri-	
18	ation for this item covering fiscal year	
19	2025-26 set forth in chapter 53 of the	
20	laws of 2024 (26961)	5,000,000,000
21		
22	Program account subtotal	30,465,261,000
23		

24
25 Special Revenue Funds - Federal
26 Federal Health and Human Services Fund
27 Medicaid Direct Account - 25106
28

29 For services and expenses for the medical
30 assistance program, including administra-
31 tive expenses for local social services
32 districts, pursuant to title XIX of the
33 federal social security act or its succes-
34 sor program.

35 The moneys hereby appropriated are to be
36 available for payment of aid heretofore
37 accrued or hereafter accrued to munici-
38 palities, and to providers of medical
39 services pursuant to section 367-b of the
40 social services law, and for payment of
41 state aid to municipalities and to provid-
42 ers of family care where payment systems
43 through the fiscal intermediaries are not
44 operational.

45 Notwithstanding any inconsistent provision
46 of law, funding made available by these
47 appropriations shall support direct salary
48 costs and related fringe benefits within
49 the medical assistance program associated
50 with any minimum wage increase that takes
51 effect during the timeframe of these
52 appropriations, pursuant to section 652 of
53 the labor law. Each eligible organization
54 in receipt of funding made available by
55 these appropriations may be required to
56 submit written certification, in such form
57 and at such time the commissioner may
58 prescribe, attesting to the total amount
59 of funds used by the eligible organiza-
60 tion, how such funding will be or was used
61 for purposes eligible under these appro-
62 priations and any other reporting deemed

**Appendix IV
2026 Title XIX State Plan
First 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 January 2026 will be conducted on January 14 and January 15 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 Financial Services

Pursuant to the State Administrative Procedure Act, section 207, the Department of Financial Services ("Department") hereby gives notice of the following:

Assessment of Public Comment: The Department received and assessed one public comment in response to the Department's Three and Five-Year Review of Agency Rulemakings, dated January 14, 2025. The commenter made a comment concerning Part 200 of Title 23 of the NYCRR, which was adopted in 2015 pursuant to the Financial Services Law, sections 102, 104, 201, 202, 206, 301, 302, 303, 304-a, 305, 306, 309, 404 and 408; Banking Law, sections 10, 14, 36, 37, 39, 40, 44, 44-a, 78, 128, 225-a, 600, 601-a and 601-b; and Executive Law, section 63. Based on its assessment of that comment, the Department intends to continue the rule without modification. The following is a summary of the Department's assessment on the issues raised by that comment.

A commenter suggested that the Department consider flexible licensing requirements for smaller businesses and start-ups. The Department believes that such issues are already appropriately taken into account under the rule.

A commenter recommended that the Department provide timelines for all applications and reviews. Based on the Department's experience addressing the varying complexities raised by specific applications and reviews, the Department believes that the rule is already appropriately detailed with respect to timelines.

A commenter made recommendations with regard to Section 200.10 of the rule, including that the "prior written approval" requirement for a material change should instead be a requirement for approval after the material change has already been made. Based on its experience, the Department believes that a "prior" written approval requirement remains appropriate.

A commenter recommended that the Department harmonize standards as much as possible with other state regulators. The Department engages frequently with other regulators and is continually mindful of other standards and approaches as appropriate.

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, non-institutional and long-term care services to comply with statutory provisions. The following changes are proposed:

Non-Institutional Services

For the period beginning January 1, 2026, through December 31, 2026, this proposal continues payment of up to \$5.4 million in additional annual Medicaid payments to county operated free-standing clinics, not including facilities operated by the New York City Health and Hospitals Corporation, for services provided by such clinics and those provided by a county operated freestanding mental health or substance abuse clinic. Distributions shall be based on each eligible facility's proportionate share of the sum of all such clinic visits for all eligible facilities receiving payments for the base year two years prior to the rate year. The proportionate share payments may be added to rates of payment or made as aggregate payments to eligible facilities.

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

For the period beginning January 1, 2026 through December 31, 2026, this proposal continues hospital outpatient payment adjustments that increase the operating cost components of rates of payment for hospital outpatient and emergency departments on and after April 1, 2011, for public general hospitals other than those operated by the State of New York or the State University of New York, which are located in a city with a population of over one million. The amount to be paid will be up to \$287 million annually based on the current criteria and methodology set by the Commissioner of Health, which the Commissioner may periodically set through a memorandum of understanding with the New York City Health and Hospitals Corporation. Such adjustments shall be paid by means of one or more estimated payments. Payments may be added to rates of payment or made as aggregate payments.

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

Institutional Services

For the period beginning January 1, 2026, through December 31, 2026, this proposal continues supplemental payments to State government owned hospitals. These payments will not exceed the upper payment limit for inpatient services provided by State government-owned hospitals when aggregated with other Medicaid payments.

There is no change to the annual gross Medicaid expenditures as a result of this amendment.

For the period beginning January 1, 2026 through December 31, 2026, this proposal continues adjustments for hospital inpatient services provided on and after April 1, 2012, to public 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 and receiving reimbursement of up to \$1.08 billion annually based on the current criteria and methodology set by the Commissioner of Health, which the Commissioner may periodically set through a memorandum of understanding with the New York City Health and Hospitals Corporation. Such adjustments shall be paid by means of one or more estimated payments. Payments to eligible public general hospitals may be added to rates of payment or made as aggregate payments.

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

Long Term Care Services

Effective on or after January 1, 2026, this proposal continues additional payments to non-state government operated public residential health care facilities, including public residential health care facilities located in Nassau, Westchester, and Erie Counties, but not excluding public residential health care facilities operating by a town or city within a county, in aggregate amounts of up to \$500 million. The amount allocated to each eligible public residential health care facilities will be in accordance with the previously approved methodology, provided, however that patient days shall be utilized for such computation reflecting actual reported data for 2024 and each representative succeeding year as applicable. Payments to eligible residential health care facilities may be added to rates of payment or made as aggregate payments.

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

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

New York State GreenNY Council

Pursuant to Executive Order No. 22, Leading by Example: Directing State Agencies to Adopt a Sustainability and Decarbonization Program, September 20, 2022 ("EO 22"), the GreenNY Council hereby gives public notice of the following:

Two (2) sustainable procurement specifications were tentatively approved by the GreenNY Council and have been posted for public comment.

These include new or amended specifications on the following topics:

- Snow and Ice Control Agents
- Mulch

The above specifications are available for viewing at: <https://ogs.ny.gov/greeny/greeny-tentatively-approved-specifications>

Information regarding the GreenNY procurement specification approval process is also available at the above link.

Comments may be submitted electronically to: GreenNY@dec.ny.gov

Comments from the public regarding the tentatively approved specifications will be accepted until Monday, February 2, 2026.

PUBLIC NOTICE

Department of State

F-2025-0634

Date of Issuance – December 31, 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-2025-0634, Piotr Ostrega and Samantha Angelo is proposing to remove and dispose of 387' of existing bulkhead. Construct new 378' of bulkhead in-kind, in-place. Remove and dispose of existing dock, ramp and float. Remove and dispose of existing ramp and floating dock. Construct new 4' x 43'-6" catwalk, install a 3' x 12' aluminum ramp leading onto a 6' x 20' "L" float. Project is located at the owner's property at 77 and 79 Cedar Point Lane, Sag Harbor, NY, 11963, Suffolk County on the Noyack Creek water body.

The proposed activity would be located within or has the potential to affect the following Special Management or Regulated Area(s): Noyack Bay Beaches State Designated Significant Coastal Fish and Wildlife Habitat:

https://dos.ny.gov/system/files/documents/2020/03/noyack_bay_beaches.pdf

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

<https://dos.ny.gov/f-2025-0634> 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 January 30st, 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

Appendix V
2026 Title XIX State Plan
First Quarter Amendment
Responses to Standard Funding Questions

INSTITUTIONAL SERVICES
State Plan Amendment #26-0017

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.

Payment Type	Non-Federal Share Funding	4/1/25 – 3/31/26	
		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 authorized under this State Plan Amendment are supplemental payments and total \$20 million for State Fiscal Year 2025-26. Please note that the dollar amount currently listed in the plan page is a placeholder and will be updated once the calculation is completed.

- 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 State is in the process of completing the 2026 inpatient UPL as well as the Procedural Manual which describes the methodology for eligible providers and will be submitting both

documents 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.