NEW YORK STATE | Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

June 30, 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 #26-0042
Inpatient Hospital Services

Dear Director McMillion:

The State requests approval of the enclosed amendment #26-0042 to the Title XIX (Medicaid) State Plan for inpatient hospital services to be effective April 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.

Notices 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 25, 2026, and subsequently clarified on July 15, 2026. Copies of pertinent sections of enacted legislation are 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,

[redacted]

Amir Bassiri
Medicaid Director
Office of Health Insurance Programs

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26 — 0042

2. STATE: NY

3. 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 01, 2026

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

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 04/01/26-09/30/26 $ 5,378
b. FFY 10/01/26-09/30/27 $ 10,757

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A Part I Page: 117(m)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-A Part I Page: 117(m)

9. SUBJECT OF AMENDMENT
2.7% Targeted Inflationary Increase - OMH CPEP EOB - SFY27

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]

12. TYPED NAME
Amir Bassiri

13. TITLE
Medicaid Director

14. DATE SUBMITTED
June 30, 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

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Instructions on Back

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

New York
117(m)

1905(a)(1) Inpatient Hospital Services

i. Eligible hospitals will be those general hospitals which receive approval for certificate of need applications submitted to the Department of Health between April 1, 2010 and March 31, 2011 for adding new behavioral health inpatient beds in response to the decertification of other general hospital behavioral health inpatient beds in the same service area, or which the Commissioner of Health, in consultation with the Commissioner of Mental Health, has determined to have complied with Department of Health requests to adjust behavioral health service delivery in order to ensure access.

ii. Eligible hospitals will, as a condition of their receipt of the rate adjustments, submit to the Department of Health proposed budgets for the expenditure of the additional Medicaid payments for the purpose of providing inpatient behavioral health services to Medicaid eligible individuals. The budgets must be approved by the Department of Health, in consultation with the Office of Mental Health, prior to the rate adjustments being issued.

iii. Distributions will be made as add-ons to each eligible facility's inpatient Medicaid rate and will be allocated proportionally, utilizing the proportion of each approved hospital budget to the total amount of all approved hospital budgets. Distributions will be subsequently reconciled to ensure that actual aggregate expenditures are within available aggregate funding.

l. For purposes of this section, the downstate region of New York State will consist of the following counties of: Bronx, New York, Kings, Queens, Richmond, Nassau, Suffolk, Westchester, Rockland, Orange, Putnam, and Dutchess; and the upstate region of New York State will consist of all other New York counties.

m. Reimbursement equivalent to the inpatient hospital per diem rate of reimbursement will be made for extended observation bed (EOB) services in hospital-based comprehensive psychiatric emergency programs (CPEP), subsequent to a CPEP full or triage and referral visit and where the beneficiary remains in the CPEP for longer than 24 hours. Such reimbursement will be limited to 72 hours.

n. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of CPEP EOB services. The agency's fee schedule rate was set as of April 1, ~~2025~~ 2026, and is effective for services provided on or after that date. All rates are published on the Office of Mental Health website at:

https://omh.ny.gov/omhweb/medicaid_reimbursement/excel/cpep.xlsx

Appendix II
2026 Title XIX State Plan
Second Quarter Amendment
Summary

SUMMARY
SPA #26-0042

This State Plan Amendment proposes to implement a 2.7 percent targeted inflationary increase to the reimbursement fees for NYS Office of Mental Health Comprehensive Psychiatric Emergency Programs (CPEP) Emergency Observation Beds (EOB), effective April 1, 2026.

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

SPA 26-0042

Authorizing Provisions

Part P of Chapter 57 of the laws of 2026

Section 1. 1. Subject to available appropriations and approval of the director of the budget, the commissioners of the office of mental health, office for people with developmental disabilities, office of addiction services and supports, office of temporary and disability assistance, office of children and family services, and the director of the state office for the aging (hereinafter "the commissioners") shall establish a state fiscal year 2026-2027 targeted inflationary increase, effective April 1, 2026, for projecting for the effects of inflation upon rates of payments, contracts, or any other form of reimbursement for the programs and services listed in subdivision four of this section. The targeted inflationary increase established herein shall be applied to the appropriate portion of reimbursable costs or contract amounts. Where appropriate, transfers to the department of health (DOH) shall be made as reimbursement for the state and/or local share of medical assistance.

2. Notwithstanding any inconsistent provision of law, subject to the approval of the director of the budget and available appropriations

3 therefor, for the period of April 1, 2026 through March 31, 2027, the

4 commissioners shall provide funding to support a two and seven-tenths

5 percent (2.7%) targeted inflationary increase under this section for all

6 eligible programs and services as determined pursuant to subdivision

7 four of this section.

8 3. Notwithstanding any inconsistent provision of law, and as approved

9 by the director of the budget, the 2.7 percent targeted inflationary

10 increase established herein shall be inclusive of all other inflationary

11 increases, cost of living type increases, inflation factors, or trend

12 factors that are newly applied effective April 1, 2026. Except for the

13 2.7 percent targeted inflationary increase established herein, for the

14 period commencing on April 1, 2026 and ending March 31, 2027 the commis-

15 sioners shall not apply any other new targeted inflationary increases or

16 cost of living adjustments for the purpose of establishing rates of

17 payments, contracts or any other form of reimbursement. The phrase "all

18 other inflationary increases, cost of living type increases, inflation

19 factors, or trend factors" as defined in this subdivision shall not

20 include payments made pursuant to the American Rescue Plan Act or other

21 federal relief programs related to the Coronavirus Disease 2019 (COVID-

22 19) pandemic public health emergency. This subdivision shall not prevent

23 the office of children and family services from applying additional

24 trend factors or staff retention factors to eligible programs and

25 services under paragraph (v) of subdivision four of this section.

26 4. Eligible programs and services. (i) Programs and services funded,

27 licensed, or certified by the office of mental health (OMH) eligible for

28 the targeted inflationary increase established herein, pending federal

29 approval where applicable, include: office of mental health licensed

30 outpatient programs, pursuant to parts 587 and 599 of title 14 CRR-NY of

31 the office of mental health regulations including clinic (mental health

32 outpatient treatment and rehabilitative services programs), continuing

33 day treatment, day treatment, intensive outpatient programs and partial

34 hospitalization; outreach; crisis residence; crisis stabilization,

35 crisis/respite beds; mobile crisis, part 590 comprehensive psychiatric

36 emergency program services; crisis intervention; home based crisis

37 intervention; family care; residential program services, excluding prop-

38 erty costs, for supported single room occupancy and community residence

39 single room occupancy; supported housing programs/services excluding

40 rent; treatment congregate; supported congregate; community residence -

41 children and youth; treatment/apartment; supported apartment; on-site

42 rehabilitation; employment programs; recreation; respite care; transpor-

43 tation; psychosocial club; assertive community treatment; case manage-

44 ment; care coordination, including health home plus services; local

45 government unit administration; monitoring and evaluation; children and

46 youth vocational services; single point of access; school-based mental

47 health program; family support children and youth; advocacy/support

48 services; drop in centers; recovery centers; transition management

49 services; bridger; home and community based waiver services; behavioral

50 health waiver services authorized pursuant to the section 1115 MRT waiv-

51 er; self-help programs; consumer service dollars; conference of local

52 mental hygiene directors; multicultural initiative; ongoing integrated

53 supported employment services; supported education; mentally

54 ill/chemical abuse (MICA) network; personalized recovery oriented

55 services; children and family treatment and support services; residen-

56 tial treatment facilities operating pursuant to part 584 of title

 14-NYCRR; geriatric demonstration programs; community-based mental

2 health family treatment and support; coordinated children's service

3 initiative; homeless services; and promise zones.

4 (ii) Programs and services funded, licensed, or certified by the

5 office for people with developmental disabilities (OPWDD) eligible for

6 the targeted inflationary increase established herein, pending federal

7 approval where applicable, include: local/unified services; chapter 620

8 services; voluntary operated community residential services; article 16

9 clinics; day treatment services; family support services; 100% day

10 training; epilepsy services; traumatic brain injury services; hepatitis

11 B services; independent practitioner services for individuals with

12 intellectual and/or developmental disabilities; crisis services for

13 individuals with intellectual and/or developmental disabilities; family

14 care residential habilitation; supervised residential habilitation;

15 supportive residential habilitation; respite; day habilitation; prevoca-

16 tional services; supported employment; community habilitation; interme-

17 diate care facility day and residential services; specialty hospital;

18 pathways to employment; intensive behavioral services; community transi-

19 tion services; family education and training; fiscal intermediary;

20 support broker; and personal resource accounts.

(iii) Programs and services funded, licensed, or certified by the office of addiction services and supports (OASAS) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: medically supervised withdrawal services - residential; medically supervised withdrawal services - outpatient; medically managed detoxification; inpatient rehabilitation services; outpatient opioid treatment; residential opioid treatment; residential opioid treatment to abstinence; problem gambling treatment; medically supervised outpatient; outpatient rehabilitation; specialized services substance abuse programs; home and community based waiver services pursuant to subdivision 9 of section 366 of the social services law; children and family treatment and support services; continuum of care rental assistance case management; supported housing services, excluding rent, for the following programs: NY/NY III post-treatment housing, NY/NY III housing for persons at risk for homelessness, and permanent supported housing; youth clubhouse; recovery community centers; recovery community organizing initiative; residential rehabilitation services for youth (RRSY); intensive residential; community resi-

dential; supportive living; residential services; job placement initi-

ative; case management; family support navigator; local government unit

administration; peer engagement; vocational rehabilitation; HIV early

intervention services; dual diagnosis coordinator; problem gambling

resource centers; problem gambling prevention; prevention resource

centers; primary prevention services; other prevention services; compre-

hensive outpatient clinic; jail-based supports; and regional addiction

resource centers.

(iv) Programs and services funded, licensed, or certified by the

office of temporary and disability assistance (OTDA) eligible for the

targeted inflationary increase established herein, pending federal

approval where applicable, include: the nutrition outreach and education

program (NOEP).

(v) Programs and services funded, licensed, or certified by the office

of children and family services (OCFS) eligible for the targeted infla-

tionary increase established herein, pending federal approval where

applicable, include: programs for which the office of children and fami-

ly services establishes maximum state aid rates pursuant to section

398-a of the social services law and section 4003 of the education law;

2 emergency foster homes; foster family boarding homes and therapeutic

3 foster homes; supervised settings as defined by subdivision 22 of

4 section 371 of the social services law; adoptive parents receiving

5 adoption subsidy pursuant to section 453 of the social services law; and

6 congregate and scattered supportive housing programs and supportive

7 services provided under the NY/NY III supportive housing agreement to

8 young adults leaving or having recently left foster care.

9 (vi) Programs and services funded, licensed, or certified by the state

10 office for the aging (SOFA) eligible for the targeted inflationary

11 increase established herein, pending federal approval where applicable,

12 include: community services for the elderly; expanded in-home services

13 for the elderly; and the wellness in nutrition program.

14 5. Each local government unit or direct contract provider receiving

15 funding for the targeted inflationary increase established herein shall

16 submit a written certification, in such form and at such time as each

17 commissioner shall prescribe, attesting how such funding will be or was

18 used to first promote the recruitment and retention of support staff,

19 direct care staff, clinical staff, non-executive administrative staff,

20 or respond to other critical non-personal service costs prior to

21 supporting any salary increases or other compensation for executive

22 level job titles.

23 6. Notwithstanding any inconsistent provision of law to the contrary,

24 agency commissioners shall be authorized to recoup funding from a local

25 governmental unit or direct contract provider for the targeted infla-

26 tionary increase established herein determined to have been used in a

27 manner inconsistent with the appropriation, or any other provision of

28 this section. Such agency commissioners shall be authorized to employ

29 any legal mechanism to recoup such funds, including an offset of other

30 funds that are owed to such local governmental unit or direct contract

31 provider.

32 § 2. This act shall take effect immediately and shall be deemed to

33 have been in full force and effect on and after April 1, 2026.

New York State Mental Hygiene Laws §43.02

(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.

SECTION 43.01

Fees and rates for department services

Mental Hygiene (MHY) CHAPTER 27, TITLE E, ARTICLE 43

§ 43.01 Fees and rates for department services.

(a) The department shall charge fees for its services to patients and

residents, provided, however, that no person shall be denied services

because of inability or failure to pay a fee.

(b) The commissioner may establish, at least annually, schedules of

rates for inpatient services that reflect the costs of services, care,

treatment, maintenance, overhead, and administration which assure

maximum recovery of such costs.

In addition, the commissioner may establish, at least annually,

schedules of fees for noninpatient services which need not reflect the

costs of services, care, treatment, maintenance, overhead, and

administration.

(c) The executive budget, as recommended, shall reflect, by individual

facility, the costs of services, care, treatment, maintenance, overhead,

and administration.

(d) All schedules of fees and rates which are established by the

commissioner, shall be subject to the approval of the director of the

division of the budget. Immediately upon their approval, copies of all

schedules of fees and rates established pursuant to this section shall

be forwarded to the chairman of the assembly ways and means committee

and the chairman of the senate finance committee.

Appendix IV
2026 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

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 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 2026-2027 proposed executive budget. The following changes are proposed:

All Services

Effective on or after April 1, 2026, the Department of Health will adjust Medicaid rates statewide to reflect a 1.7% 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 and Family Treatment and Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Part 822 Outpatient Addiction Services, OASAS Part 818 Substance Use Disorder Residential Rehabilitation Services (freestanding), OASAS Part 816 Residential Medically Supervised Withdrawal and Stabilization Services (freestanding), OASAS Part 820 Residential Services, OASAS Part 817 Substance Use Disorder 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 is $24.9 million.

Non-Institutional Services

Effective on or after April 1, 2026, 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 $85,000.

Effective on or after April 1, 2026, the State will invest up to $60 million in diagnostic and treatment centers, including Federally Qualified Health Centers and Rural Health Clinics, licensed under Article 28 of the Public Health Law, by an aggregate amount up to $60 million per year.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $60 million.

Effective on April 1, 2026, for the 2026 rate year and thereafter, the reimbursement methodology for personal care services will be revised. Personal care direct services rates will be based on reported allowable costs not to exceed, or fall below, one standard deviation of the mean for the applicable geographic group. The administrative portion of the rate will not exceed 15 percent of the total rate. Providers' payments for nursing services will be a fee.

The estimated annual net aggregate decrease in gross Medicaid expenditures attributable to this initiative is ($15 million).

Effective on or after April 1, 2026 through March 31, 2027, the State will invest up to $1.5 billion in hospital outpatient services when combined with investments in hospital inpatient and residential health care facility services. The State will invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $1.5 billion.

Effective on or after April 1, 2026, the State will provide Medicaid reimbursement to freestanding birth centers, including midwifery birth centers and birth centers licensed as diagnostic and treatment centers. The Ambulatory Patient Group (APG) payment methodology will be utilized to reimburse services provided in freestanding birth centers. A separate payment will also be made to the healthcare professionals providing services in freestanding birth centers.

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

Institutional Services

Effective on or after April 1, 2026, this proposal continues the indigent care pool payments made to general hospitals, subject to all provisions of PHL 2807-k.

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

Effective on or after April 1, 2026, 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 K, Section 6). 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, 2026 through March 31, 2027, the State will invest up to $1.5 billion in hospital inpatient services when combined with investments in hospital outpatient and residential health care facility services. The State will invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $1.5 billion.

Long Term Care

Effective on or after April 1, 2026, this proposal would end-date the previously enacted 10% reduction to nursing home capital reimbursement. The 10% reduction will not continue going forward.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is $58 million.

Effective on or after April 1, 2026 through March 31, 2027, the State will invest up to $1.5 billion in residential health care facility services when combined with investments in hospital inpatient and hospital outpatient services. The State will invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $1.5 billion.

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 City Deferred Compensation Plan

The New York City Deferred Compensation Plan (the "Plan") is seeking qualified vendors to provide US small-cap equity core investment management services for the Small Cap Equity Fund ("the Fund") investment option of the Plan. The objective of the Fund is to provide long term growth of capital by investing primarily in the stocks of smaller rapidly growing companies. To be considered, vendors must submit their product information to Segal Marco Advisors at the following e-mail address: nycdcp.procurement@segalmarco.com. Please complete the submission of product information no later than 4:30 P.M. Eastern Time on April 2, 2026.

Consistent with the policies expressed by the City, proposals from certified minority-owned and/or women-owned businesses or proposals that include partnering arrangements with certified minority-owned and/or women-owned firms are encouraged. Additionally, proposals from small and New York City-based businesses are also encouraged.

PUBLIC NOTICE

New York City Deferred Compensation Plan

The New York City Deferred Compensation Plan (the "Plan") is seeking qualified vendors to provide liquidity support services, including maintenance of daily liquidity, for the Stable Income Fund ("the Fund") investment option of the Plan. The objective of the Fund is to provide an opportunity to invest in high quality fixed income securities with an emphasis on safety of principal and consistency of returns. To be considered, vendors must submit their product information to Segal Marco Advisors at the following e-mail address: nycdcp.procurement@segalmarco.com. Please complete the submission of product information no later than 4:30 P.M. Eastern Time on April 2, 2026.

Consistent with the policies expressed by the City, proposals from certified minority-owned and/or women-owned businesses or proposals that include partnering arrangements with certified minority-owned and/or women-owned firms are encouraged. Additionally, proposals from small and New York City-based businesses are also encouraged.

PUBLIC NOTICE

Department of State
F-2026-0002
Date of Issuance – March 25, 2026

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-2026-0002, the applicant, Joseph Milito, PHH Bank, is proposing to install an approx. 200' long rock revetment along the toe of the bluff, including 10' and 12' returns, and place erosion control matting with approx. 1,400 cubic yards of clean sand backfill to be planted with indigenous species to revegetate the bluff face. This project is located at 10 Richards Path, Village of St. James, Suffolk County, Long Island Sound.

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

https://dos.ny.gov/f-2026-0002 or at https://dos.ny.gov/public-notices

The proposed activity would be located within or has the potential to affect the following Special Management or Regulated Area(s):

- Town of Smithtown Local Waterfront Revitalization Program:

  https://dos.ny.gov/location/town-smithtown-local-waterfront-revitalization-program
- Villages of Head of the Harbor and Nissequogue Local Waterfront Revitalization Program:

For publication in the
July 15, 2026, edition of the
New York State Register

Public Notice
NYS Department of Health

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The Department of Health proposes to amend the Title XIX (Medicaid) State Plan for all services to comply with the 2026-2027 enacted budget. The following changes are proposed:

All Services

The following is a clarification to the March 25th, 2026, noticed proposal to adjust rates of payment statewide to reflect a 1.7 percent (1.7%) Targeted Inflationary Increase. With clarification, this increase will now be 2.7 percent (2.7%) 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 and Family Treatment and Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Part 822 Outpatient Addiction Services, OASAS Part 818 Substance Use Disorder Residential Rehabilitation Services (freestanding), OASAS Part 816 Residential Medically Supervised Withdrawal and Stabilization Services (freestanding), OASAS Part 820 Residential Services, OASAS Part 817 Substance Use Disorder 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 is $39.6 million.

Non-Institutional Services

The following is a clarification to the March 25, 2026, noticed provision to invest up to $60 million in diagnostic and treatment centers, including Federally Qualified Health Centers and Rural Health Clinics, by an aggregate amount up to $60 million per year, effective on or after April 1, 2026.

With clarification, that State will invest up to $80 million per year in diagnostic and treatment centers, designated as Federally Qualified Health Centers or Rural Health Clinics, effective on or after April 1, 2026.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $80 million.

The following is a clarification to the March 25, 2026, noticed provision to invest up to $1.5 billion in hospital outpatient services, when combined with investments in hospital inpatient and residential health care facility services. The state would also invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

With clarification, the state will invest up to $706 million in hospital outpatient services, including hospital-based Federally Qualified Health Center and Rural Health Clinic outpatient services, when combined with investments in hospital inpatient services, effective on or after April 1, 2026 and each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $706 million.

Institutional Services

The following is a clarification to the March 25, 2026, noticed provision to invest up to $1.5 billion in hospital inpatient services, when combined with investments in hospital outpatient and residential health care facility services. The state would also invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

With clarification, the state will invest up to $706 million in hospital inpatient services, when combined with investments in hospital outpatient services, including hospital-based Federally Qualified Health Center and Rural Health Clinic outpatient services, effective on or after April 1, 2026 and each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $706 million.

Long Term Care Services

The following is a clarification to the March 25, 2026, noticed provision to the distribution of the previously identified $1.5 billion investment for residential health care facilities and hospitals.

With clarification, effective on or after April 1, 2026, through March 31, 2027, the State will invest up to $480 million in residential health care facility services when combined with investments in Adult Day Health Care, AIDS Adult Day Health Care, and Hospice programs. The State will invest up to $480 million, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $480 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:

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

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

INSTITUTIONAL SERVICES
State Plan Amendment #26-0042

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.

		4/1/26 – 3/31/27	
Payment Type	**Non-Federal Share Funding**	**Non-Federal**	**Gross**
Hospital Inpatient Normal Per Diem	General Fund; Special Revenue Funds; County Contribution	$2,624B	$5,249B
Residential Treatment Facilities Normal Per Diem	General Fund; County Contribution	$41M	$81M
Indigent Care Pool	General Fund; Special Revenue Funds	$413M	$825M
Indigent Care Pool Adjustment	General Fund; IGT	$348M	$697M
Disproportionate Share Program	General Fund; IGT	$398M	$795M
State Public Inpatient UPL	General Fund	$41M	$82M
Non-State Government Inpatient UPL	IGT	$306M	$612M
Totals		**$4,170B**	**$8,341B**

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 Medical 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 precent 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**	**4/1/26-3/31/27 IGT Amount**
Bellevue Hospital Center	New York City	$98M
Coney Island Hospital	New York City	$32M
City Hospital Center at Elmhurst	New York City	$20M
Harlem Hospital Center	New York City	$51M
Henry J Carter Spec Hospital	New York City	$1M
Jacobi Medical Center	New York City	$38M
Kings County Hospital Center	New York City	$72M
Lincoln Medical & Mental Health Center	New York City	$32M
Metropolitan Hospital Center	New York City	$30M
North Central Bronx Hospital	New York City	$0M
Queens Hospital Center	New York City	$18M
Woodhull Medical and Mental Health Center	New York City	$61M
Erie County Medical Center	Erie County	$64M
Lewis County General Hospital	Lewis County	$3M
Nassau County Medical Center	Nassau County	$50M
Westchester County Medical Center	Westchester County	$161M
Wyoming County Community Hospital	Wyoming County	$0M
NYC Health + Hospitals	New York City	$20M
Total		**$749M**

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	4/1/26-3/31/27 Gross Total
Indigent Care Pool/Voluntary UPL $339M Guarantee	$656M	$9M	$159M	$825M
Indigent Care Pool Adjustment	$0M	$145M	$552M	$697M
Disproportionate Share Program	$0M	$772M	$23M	$795M
Vital Access Program	$11M	$0M	$0M	$11M
State Public Inpatient UPL	$0M	$0M	$0M	$0M
Non-State Government Inpatient UPL	$0M	$0M	$612M	$612M
Total	**$667M**	**$927M**	**$1,346B**	**$2,940B**

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 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 2026 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.