

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

September 14, 2020

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Donna Frescatore  
Medicaid Director  
NYS Department of Health  
One Commerce Plaza  
Suite 1211  
Albany, NY 12210

Reference: TN 20-0037

Dear Ms. Frescatore:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 20-0037. This amendment proposes to eliminate the residual equity reimbursement.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447.

This is to inform you that Medicaid State plan amendment 20-0037 is approved effective April 2, 2020. The CMS-179 and the amended plan page is attached.

If you have any additional questions or need further assistance, please contact Charlene Holzbaur at 609-882-4796 or [Charlene.Holzbaur@cms.hhs.gov](mailto:Charlene.Holzbaur@cms.hhs.gov).

Sincerely,



For  
Rory Howe  
Acting Director

Enclosures

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

1. TRANSMITTAL NUMBER

2 0 — 0 0 3 7

2. STATE

New York

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)  
TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 2, 2020

5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

§1902(~~(b)(5)~~) of the Social Security Act, and 42 CFR 447  
(a)

7. FEDERAL BUDGET IMPACT

a. FFY 04/02/20-09/30/20 \$ (6,950,000)

b. FFY 10/01/20-09/30/21 \$ (13,900,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment: 4.19-D Page: 82

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)

Attachment: 4.19-D Page: 82

10. SUBJECT OF AMENDMENT

Eliminate Residual Nursing Home Equity Payments  
(FMAP=50%)

11. GOVERNOR'S REVIEW (*Check One*)

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12.

[Redacted]

16. 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

13. TYPED NAME

Donna Frescatore

14. TITLE

Medicaid Director, Department of Health

15. DATE SUBMITTED

June 30, 2020

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

June 30, 2020

18. DATE APPROVED

9/14/20

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

April 2, 2020

20. SIGNATURE OF REGIONAL OFFICIAL

[Redacted Signature]

For

21. TYPED NAME

Rory Howe

22. TITLE

Acting Director, FMG

23. REMARKS

State requested pen and ink box 6 to 1902(a)

New York  
82

factor for any facility for which he determines that continued capital cost reimbursement is appropriate; provided, however, that such payment factor [shall] will not exceed one half of the capital cost reimbursement received by such facility in the final year of useful facility life.

Effective on April 2, 2020, and thereafter, the capital cost component of the rate for corporation and partnership-based residential health care facilities will be adjusted to reflect the removal of residual equity reimbursement. Effective on June 4, 2020, and thereafter, the capital cost component of the rate for all other residential health care facilities will be adjusted to reflect the removal of residual equity reimbursement.

**(8) Capital improvement cost reimbursement.**

- (i) The capital improvement cost [shall] will be reimbursed by adjusting the initial allowed facility cost, capital indebtedness, equity determinations and limitations as stated in paragraph (5) of this subdivision, to include the capital improvement cost.
- (ii) Adjustments in accordance with subparagraph (i) of this paragraph [shall] will be made in the following manner:
  - (a) if the cost of an improvement is \$100,000 or more, and certificate of need approval has been granted by the commissioner, then component useful life for the improvement will be permitted. Such component useful life will be equivalent to the estimated asset life in accordance with the *Medicare Provider Reimbursement Manual* or the remaining useful life of the facility, whichever is less. Where a capital improvement adjusts the expected useful life of the facility beyond the remaining portion of the original useful facility life, the limitation set