



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare &
Medicaid Services

Refer to DMCH: SJ

Region II
Federal Building
26 Federal Plaza
New York, N.Y. 10278

AUG 11 2011

Jason A. Helgerson
Deputy Commissioner
New York State Department of Health
Corning Tower, Empire State Plaza
Albany, New York 12237

Dear Commissioner Helgerson:

This is to notify you that New York State Plan Amendment (SPA) #11-36 has been approved for adoption into the State Medicaid Plan with an effective date of May 1, 2011. The SPA proposes to update the reimbursement methodology for orthopedic footwear. The process will change from an invoice cost plus 50% market manual system to automated processing with maximum fees based on representative costs of products in the marketplace.

This SPA approval consists of 1 Page. As New York has requested, we are approving the following Attachment 4.19-B Page which was submitted by the State via electronic transmission on August 2, 2011 to CMS: Attachment 4.19-B-Page 5(b)(1). In addition, we are approving the State's request to withdraw Attachment 4.19-B-Page 6, which was in the State's original June 17, 2011 SPA submission. Finally, we are processing the SPA using the HCFA-179 which was provided by the State to CMS on August 4, 2011.

CMS is approving this SPA; however, due to concerns regarding potential problems with access to care, CMS will continue to inquire about and follow-up on the State's planned efforts to monitor access to care to determine whether there has been negative impact on the program due to this and other rate and program changes. We thank the State in advance for working with CMS on this issue.

This amendment satisfies all of the statutory requirements at sections 1902(a)(13) and (a)(30) of the Social Security Act, and the implementing regulations at 42 CFR 447.250 and 447.272. Enclosed are copies of SPA #11-36 and the HCFA-179 form, as approved.

If you have any questions or wish to discuss this SPA further, please contact Ricardo Holligan or Shing Jew of this office. Mr. Holligan may be reached at (212) 616-2424, and Mr. Jew's telephone number is (212) 616-2426.

Sincerely,

Ricardo Holligan
Acting Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosure: SPA #11-36
HCFA-179 Form

CC: JUlberg
PMossman
KKnuth
RWeaver
LTavener
MSchervish
SFuentes
SJew

OFFICIAL

**New York
5(b)(1)**

**Attachment 4.19-B
(04/11)**

Medical Supplies/Orthopedic Footwear

Effective dates of service on and after May 1, 2011, payment for orthopedic footwear shall be the lower of; the maximum reimbursable amount as shown in the fee schedule for durable medical equipment, medical/surgical supplied, orthotics and prosthetic appliances and orthopedic footwear (the maximum reimbursable amount will be determined for each item of footwear based on an average cost of products representative of that item); or the usual and customary price charged to the general public for the same or similar products. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of orthopedic footwear. The agency's fee schedule rate was set as of May 1, 2011, and is effective for services provided on or after that date. All rates are published on:

<http://www.emedny.org/ProviderManuals/DME/index.html>

TN #11-36 _____

Supersedes TN NEW _____

New

Approval Date _____

AUG 1 1 2011

Effective Date _____

MAY 0 1 2011