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State/Territory Name: New York

State Plan Amendment (SPA) #: 13-0051

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
New York Regional Office
26 Federal Plaza, Room 37-100
New York, NY 10278



DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS

DMCHO:PM:SPA-NY-13-0051-FCA

May 18, 2017

Jason A. Helgeson
State Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs
NYS Department of Health
Empire State Plaza
Corning Tower (OCP-1211)
Albany, NY 12237

RE: TN 13-0051

Dear Commissioner Helgeson:

This is to notify you that New York State Plan Amendment (SPA) #13-0051 has been approved for adoption into the State Medicaid Plan with an effective date of July 1, 2013. This SPA amends and updates the State's APG system for Outpatient Hospital Services.

Enclosed are copies of SPA #13-0051 and the CMS-179 form, as approved.

If you have any questions, please contact Peter Marra at 518-396-3810, ext 104.

Sincerely,

A black rectangular redaction box covers the name of the sender. Below the redaction, a blue ink signature is visible, appearing to read "Michael Melendez".

Michael Melendez, LMSW
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosures

cc. J. Ulberg
R. Deyette
L. Tavener
R. Weaver
R. Holligan
P. Marra
M. Lopez

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:
13-0051

2. STATE
New York

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

4. PROPOSED EFFECTIVE DATE
July 1, 2013

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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(a) of the Social Security Act, and 42 CFR 447

7. FEDERAL BUDGET IMPACT: (in thousands)
a. FFY 07/01/13-09/30/13 \$0
b. FFY 10/01/13-09/30/14 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att 4.19-B: Pages 1(c)(2), 1(e)(2.1), 1(e)(2.2), 1(i)

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 PAGE NUMBER OF THE SUPERSEDED PLAN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

Att 4.19-B: Pages 1(c)(2), 1(e)(2.1), 1(e)(2.2), 1(i)

10. SUBJECT OF AMENDMENT:
July 2013 Hosp OP APG Weight Adjustments
(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. SIGNATURE OF STATE AGENCY OFFICIAL:

[Redacted Signature]

13. TYPED NAME: Jason A. Helgerson

14. TITLE: Medicaid Director
Department of Health

15. DATE SUBMITTED: SEP 30 2013

16. RETURN TO:
New York State Department of Health
Division of Finance & Rate Setting
99 Washington Ave - One Commerce Plaza
Suite 1432
Albany, NY 12210

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: May 18, 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 1, 2013

20. SIGNATURE OF REGIONAL OFFICIAL:

[Redacted Signature]

21. TYPED NAME: Michael Melendez

22. TITLE: Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

**New York
1(e)(2)**

APG Reimbursement Methodology – Hospital Outpatient

The following links direct users to the various definitions and factors that comprise the APG reimbursement methodology, which can also be found in aggregate on the APG website at http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm. In addition, prior period information associated with these links is available upon request to the Department of Health.

Contact Information:

http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm Click on "Contacts."

3M APG Crosswalk, version 3.8; updated as of [10/01/12 and 01/01/13] 07/01/13:

http://www.health.ny.gov/health_care/medicaid/rates/crosswalk/index.htm

<http://dashboard.emedny.org/CrossWalk/html/cwAgreement.html> Click on "Accept" at bottom of page to gain access.

APG Alternative Payment Fee Schedule; updated as of 01/01/11:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Alternative Payment Fee Schedule."

APG Consolidation Logic; logic is from the version of 04/01/08, updated as of 10/01/11:

http://www.health.ny.gov/health_care/medicaid/rates/bundling/ Click on "2011."

APG 3M Definitions Manual Versions; updated as of [10/01/12 and 01/01/13] 07/01/13:

http://www.health.ny.gov/health_care/medicaid/rates/crosswalk/index.htm

APG Investments by Rate Period; updated as of 01/01/11:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Investments by Rate Period."

APG Relative Weights; updated as of [04/01/13] 07/01/13:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Weights, Proc Weights, and APG Fee Schedule Amounts" file.

Associated Ancillaries; updated as of 01/01/11:

http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm Click on "Ancillary Policy."

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**New York
1(e)(2.1)**

Carve-outs; updated as of 10/01/12:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Carve Outs."

Coding Improvement Factors (CIF); updated as of 07/01/12:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "CIFs by Rate Period."

If Stand Alone, Do Not Pay APGs; updated as of 07/01/12:

http://www.health.state.ny.us/health_care/medicaid/rates/methodology/index.htm Click on "If Stand Alone, Do Not Pay APGs."

If Stand Alone, Do Not Pay Procedures; updated as of 04/01/11:

http://www.health.state.ny.us/health_care/medicaid/rates/methodology/index.htm Click on "If Stand Alone, Do Not Pay Procedures."

Modifiers; updated as of 10/01/12:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Modifiers."

Never Pay APGs; updated as of 07/01/12:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Never Pay APGs."

Never Pay Procedures; updated as of [04/01/13] 07/01/13:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Never Pay Procedures."

No-Blend APGs; updated as of 04/01/10:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "No Blend APGs."

No-Blend Procedures; updated as of 01/01/11:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "No Blend Procedures."

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1(e)(2.2)**

No Capital Add-on APGs; updated as of [10/01/12 and 01/01/13] 07/01/13:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "No Capital Add-on APGs."

No Capital Add-on Procedures; updated as of 04/01/12 and 07/01/12:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "No Capital Add-on Procedures."

Non-50% Discounting APG List; updated as of 04/01/13:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Non-50% Discounting APG List."

Rate Codes Carved Out of APGs; updated as of 01/01/11:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Rate Codes Carved Out of APGs for Article 28 facilities."

Rate Codes Subsumed by APGs; updated as of 10/01/12:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Rate Codes Subsumed by APGs – Hospital Article 28."

Statewide Base Rate APGs; updated as of 01/01/12:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Statewide Base Rate APGs."

Uniform Packaging Ancillaries; updated as of 01/01/12:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Uniform Packaging APGs."

TN #13-0051

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**New York
1(i)**

Reimbursement Methodology – Hospital Outpatient

- I. The criteria for using a procedure-based weight or the relative weight in the methodology is as follows: If a procedure-based weight is available for a particular procedure code, then the procedure-based weight is used. If a procedure-based weight is not available for a particular procedure code, then the relative weight (i.e., "APG weight") is used.
- II. The initial calculation of the APG relative weights were developed using line level charges from 2005 New York Medicaid claims converted to cost using the ratio of cost to charges methodology. The line level costs were brought up to the APG level to determine the average cost of each APG.
 - a. The APG relative weights [shall] will be updated [at least annually] no less frequently than every two years. These APG and weights are set as of December 1, 2008, and are effective for specified services on and after that date. A link to the list of APG[']s and their relative weights is available in the APG Reimbursement Methodology – [Hospital Outpatient] Reimbursement Components section.
 - b. The APG relative weights [shall] will be reweighted prospectively. The initial reweighting will be based on Medicaid claims data from the December 1, 2008 through September 30, 2009 period. Subsequent reweightings will be based on Medicaid claims data from the most recent twelve month period and will be based on complete and accurate line level procedure and charge data and ratio of cost to charge data.
 - c. The Department [shall] will correct material errors of any given APG relative weight. Such corrections [shall] will make use of benchmarking data consisting of payment information from other payers (including Medicare) reimbursing comparable services. Corrections to material errors in individual APG relative weights [shall] will be made on a prospective basis.
- III. Case mix index is an expression of the average paid APG weight for a given peer group after consolidation, packaging, and discounting. Case mix indices [shall] will be calculated by running applicable claims data through the latest version of the APG software to determine the average final APG weight of the visits. Outlier claims or claim lines may be excluded from this calculation to assure overall accuracy of the final case mix. The initial calculation of case mix indices for periods prior to January 1, 2010, will be based on Medicaid data from the December 1, 2008, through April 30, 2009 period. The January 1, 2010, calculation of case-mix indices [shall] will be based on Medicaid data for the period December 1, 2008, through September 30, 2009. Subsequent calculations will be based on Medicaid claims data from the most recent twelve-month period.

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