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**State/Territory Name: New York**

**State Plan Amendment (SPA) #: 16-0043**

The 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**

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DMCHO: SA

October 19, 2018

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

Dear Ms. Frescatore:

This is to notify you that New York State Plan Amendment (SPA) #16-0043 has been approved for adoption into the State Medicaid Plan with an effective date of July 1, 2016. This SPA revises the Ambulatory Patient Group methodology for hospital-based clinic and ambulatory surgery services, including emergency room services. Enclosed is a copy of the approved SPA materials.

If you have any questions, please contact Ricardo Holligan or Stephen Abbott of this office. Ricardo may be reached at (212) 264-2424, and Mr. Abbott at (518) 396-3810, ext. 113.

Sincerely,

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

cc: R. Holligan  
R. Dayette  
R. Weaver  
S. Abbott  
M. Tabakov  
M. Lopez

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		<b>1. TRANSMITTAL NUMBER:</b> 16-0043	<b>2. STATE</b> New York
<b>TO: REGIONAL ADMINISTRATOR</b> HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		<b>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
<b>5. TYPE OF PLAN MATERIAL (Check One):</b>  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		<b>4. PROPOSED EFFECTIVE DATE</b> July 1, 2016	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
<b>6. FEDERAL STATUTE/REGULATION CITATION:</b> §1902(a) of the Social Security Act, and 42 CFR 447		<b>7. FEDERAL BUDGET IMPACT: (in thousands)</b> a. FFY 07/01/16-09/30/16 \$ 8.38 b. FFY 10/01/16-09/30/17 \$ 33.50	
<b>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:</b>  Attachment 4.19-B: Pages 1(e)(2), 1(e)(2.1), 1(e)(2.2), 1(i)		<b>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):</b>  Attachment 4.19-B: Pages 1(e)(2), 1(e)(2.1), 1(e)(2.2), 1(i)	
<b>10. SUBJECT OF AMENDMENT:</b> July 2016 APG Updates – Hospital Based Outpatient (FMAP = 50%)			
<b>11. GOVERNOR'S REVIEW (Check One):</b> <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
<b>12. SIGNATURE OF STATE AGENCY OFFICIAL:</b>  Jason A. Helgerson		<b>16. RETURN TO:</b> New York State Department of Health Bureau of Federal Relations & Provider Assessments 99 Washington Ave – One Commerce Plaza Suite 1460 Albany, NY 12210	
<b>13. TYPED NAME:</b> Jason A. Helgerson		<b>17. DATE RECEIVED:</b>	
<b>14. TITLE:</b> Medicaid Director Department of Health		<b>18. DATE APPROVED:</b> OCTOBER 19, 2018	
<b>15. DATE SUBMITTED:</b> SEP 23 2016		FOR REGIONAL OFFICE USE ONLY	
PLAN APPROVED – ONE COPY ATTACHED			
<b>9. EFFECTIVE DATE OF APPROVED MATERIAL:</b> JULY 01, 2016		<b>20. SIGNATURE OF REGIONAL OFFICIAL:</b>	
<b>21. TYPED NAME:</b> MICHAEL MELENDEZ		<b>22. TITLE:</b> Associate Regional Administrator Division of Medicaid and Children's Health Operations	
<b>3. REMARKS:</b>			

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

**3M APG Crosswalk, version 3.11; updated as of [01/01/16] 07/01/16:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/crosswalk/index.htm](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](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 4/01/08, updated as of 01/01/16:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/bundling/](http://www.health.ny.gov/health_care/medicaid/rates/bundling/) Click on "2016"

**APG 3M Definitions Manual Versions; updated as of [01/01/16] 07/01/16:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/crosswalk/index.htm](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](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Investments by Rate Period."

**APG Relative Weights; updated as of [01/01/16] 07/01/16:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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 07/01/15:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/apg/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm) Click on "Ancillary Policy."

TN           #16-0043          

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Supersedes TN           #16-0016          

Effective Date           07/01/2016

**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](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](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 01/01/15:**

[http://www.health.state.ny.us/health\\_care/medicaid/rates/methodology/index.htm](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 07/01/14:**

[http://www.health.state.ny.us/health\\_care/medicaid/rates/methodology/index.htm](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 01/01/15:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Modifiers."

**Never Pay APGs; updated as of 01/01/16:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Never Pay APGs."

**Never Pay Procedures; updated as of [01/01/16] 07/01/16:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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](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](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "No Blend Procedures."

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New York  
1(e)(2.2)

**No Capital Add-on APGs; updated as of 07/01/13:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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](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 04/01/16:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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 01/01/15:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](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](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 01/01/14:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "Statewide Base Rate APGs."

**[Uniform Packaging] Packaged Ancillaries in APGs; updated as of 01/01/12:**

[http://www.health.ny.gov/health\\_care/medicaid/rates/methodology/index.htm](http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm) Click on "[Uniform Packaging] Packaged Ancillaries in APGs."

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Effective Date           07/01/2016

**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. [Effective July 16, 2015, t]The APG relative weights will be updated no less frequently than every [four] five 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 APGs and their relative weights is available in the APG Reimbursement Methodology – Reimbursement Components section.
  - b. The APG relative weights 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 will correct material errors of any given APG relative weight. Such corrections 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 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 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 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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