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**State/Territory Name: New York**

**State Plan Amendment (SPA)# 16-0040**

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



**NEW YORK REGIONAL OPERATIONS GROUP**

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ROG: SA: SPA NY 16-0040

November 22, 2019

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) #16-0040 has been approved for adoption into the State Medicaid Plan with an effective date of May 1, 2016. This SPA rebases the State-operated hospital outpatient rate.

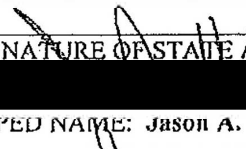

If you have any questions, please contact me or Stephen Abbott of this office. I may be reached at (212) 264-2424 and Mr. Abbott at (518) 396-3810, ext. 113.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Nicole McKnight  
Acting Deputy Director  
Regional Operations Group

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

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: A 16-0040	2. STATE New York
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE May 1, 2016	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN A <input checked="" type="checkbox"/> AMENDMENT A 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 447A		7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY 05/01/16-09/30/16 <del>\$2,028.00</del> 2,562.00 b. FFY 10/01/16-09/30/17 <del>\$2,434.00</del> 6,148.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B: 1(n), 1(e)(7), 1(h)(1), 2(s), 2(s.2) Attachment 4.19-B: 1(n) SA A		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B: 1(n), 1(h)(1), 2(s), 2(s.2) Attachment 4.19-B: 1(n) SA A	
10. SUBJECT OF AMENDMENT: Rebase of State Operated Hospital Outpatient Clinic Rate A (FMAP = 50%) SA			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: A <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL A			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: New York State Department of Health Division of Finance and Rate Setting 99 Washington Ave -- One Commerce Plaza Suite 1460 Albany, NY 12210	
13. TYPED NAME: Jason A. Heigerson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: JUN 30 2016			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: November 22, 2019	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: May 01, 2016		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Nicole McKnight		22. TITLE: Acting Deputy Director Regional Operations Group	
23. REMARKS:			

New York  
1(n)

[- RESERVED -]

Effective May 1, 2016, the statewide APG base rate for the State-operated Mental Health Clinic peer group will be updated annually and calculated as follows. There will be one base rate for all clinics within this peer group, regardless if the clinic serves adults or children and youth.

(1) **Definitions** applicable to this section:

- (i) **Valid Visit** – A recipient and / or collateral visit for clinic procedures for varying durations. Multiple reimbursable clinic procedures for a recipient and / or collateral per day will be counted as a single valid visit.
- (ii) **Average Ambulatory Patient Group (APG) Procedure Weight** – The APGo methodology assigns a numeric value that reflects the relative expected resource utilization for each procedure as compared to the expected resource utilization for all other procedures. The Average APG procedure weight is the average of APG weights for Medicaid reimbursed visits to state-operated mental health clinics in 2014-15.

(2) **Computation of Rates:**

- (i) The Office of Mental Health will report Psychiatric Hospital costs on form 2552 in accordance with the Centers for Medicare and Medicaid Services instructions for completing Medicare Hospital Cost Reports.
- (ii) OMH will use the total State-operated mental health adult clinic costs added to the State-operated mental health children & youth clinic costs from the filed Medicare Hospital Cost Report for 2014-15 divided by total valid visits for State-operated mental health clinics for both adult and children & youth from the same reporting year.
- (iii) The total per visit clinic cost will be trended forward to the rate year based on the Consumer Price Index for all urban consumers (CPI-U).
- (iv) The result of section (3)(iii) is divided by the average APG procedure weight resulting in the cost-based base rate for State-operated mental health clinics for the year.

TN #16-0040  
Supersedes TN #10-0005

Approval Date 11/22/2019  
Effective Date 05/01/2016

New York  
1(e)(7)Licensed Article 31 Hospital-Based APG Base Rate Table

<u>Peer Group</u>	<u>Region</u>	<u>Rate Start Date</u>	<u>Base Rate effective 05/01/16</u>
<u>State-operated Mental Health Clinic</u>	<u>Statewide</u>	<u>10/01/10</u>	<u>\$410.96</u>

Quality Improvement Supplement – Licensed Article 31 Hospital-based clinics are not eligible for the Quality Improvement Supplement.

Licensed Article 31 Hospital-Based clinic Medicaid rates can also be found on the Office of Mental Health Website at: [https://www.omh.ny.gov/omhweb/medicaid\\_reimbursement/](https://www.omh.ny.gov/omhweb/medicaid_reimbursement/)

TN #16-0040Approval Date: 11/22/2019Supersedes TN NEWEffective Date: 05/01/2016

**New York  
1(h)(1)**

**Packaging** [shall] will mean those circumstances in which payment for routine ancillary services or drugs [shall] will be deemed as included in the applicable APG payment for a related significant procedure or medical visit. Medical visits also package with significant procedures, unless specifically excepted in regulation. There is no packaging logic that resides outside the software. A link to a list of the uniform packaging APGs for all periods is available in the APG Reimbursement Methodology - Hospital Outpatient section.

**"Peer Group"** [shall] will mean a group of providers or services that share a common APG base rate. Peer groups may be established based on a geographic region, service type, or categories of patients. The [sixteen] seventeen hospital peer groups are:

- 1.aClinic – Upstate;a
- 2.aClinic – Downstate;a
- 3.aAmbulatory Surgery Services – Upstate;a
- 4.aAmbulatory Surgery Services – Downstate;a
- 5.aEmergency Department – Upstate;a
- 6.aEmergency Department – Downstate;a
- 7.aClinic Mental Retardation, Developmental Disability, Traumatic Brain Injured – Upstatea
- 8.aClinic Mental Retardation, Developmental Disability, Traumatic Brain Injured – Downstatea
- 9.aOpioid Treatment Program (Clinic) – Upstatea
- 10.aOpioid Treatment Program (Clinic) – Downstatea
- 11.aMental Health Clinic – Upstate;a
- 12.aMental Health Clinic – Downstate;a
- 13.aChemical Dependence Outpatient Clinic – Upstate;a
- 14.aChemical Dependence Outpatient Clinic - Downstate.a
- 15.aOutpatient Rehabilitation Clinic – Upstate; [and]a
- 16.aOutpatient rehabilitation Clinic – Downstate; anda
- 17.aState-operated Mental Health Clinic.a

**"Procedure-based Weight"** [shall] will mean a numeric value that reflects the relative expected average resource utilization (cost) for a given HCPCS/CPT code as compared to the expected average resource utilization for other HCPCS/CPT codes or APGs. If a procedure code has not been assigned a procedure-based weight, the APG relative weight for the APG to which that procedure code groups will be used as the basis for reimbursement for that procedure code (subject to the consolidation, discounting and packaging logic).

**"Region"** [shall] will mean the counties constituting a peer group that has been defined, at least in part, on a regional basis. The downstate region [shall] will consist of the five counties comprising New York City, as well as the counties of Nassau, Suffolk, Westchester, Rockland, Orange, Putnam, and Dutchess. The upstate region [shall] will consist of all other counties in New York State.

**"APG Visit"** [shall] will mean a unit of service consisting of all the APG services and associated ancillary services performed for a patient that are coded on the same claim and share a common date of service.

TN #16-0040

Approval Date: 11/22/2019

Supersedes TN #10-0041

Effective Date: 05/01/2016

New York  
2(s)

**APG Reimbursement Methodology – Freestanding (Non-[Article 28] Hospital) OMH Licensed Mental Health Clinics**

Ambulatory Patient Group (APG) reimbursement for all freestanding mental health clinics licensed by the New York State Office of Mental Health (OMH) will begin October 1, 2010. The initial base rates for mental health clinics will be calculated by the OMH using historical Article 31 claims data as reported in the data warehouse, from the base period of July 1, 2008 to June 30, 2009. This base period will be used as the basis for calculations for all rates going forward from October 1, 2010.

There are ~~four~~ three mental health clinic peer groups for initial APG implementation: Upstate freestanding clinics; Downstate freestanding clinics; and freestanding mental health clinics operated by a county's designated local governmental unit [, and State-operated mental health clinics].

Assignment to a peer group is based on the corporate information related to the licensure of the owner's primary location. Clinics that are owned by hospitals will receive the hospital base rate. Clinics owned by a free-standing (non-[Article 28] hospital) entity will receive the freestanding clinic base rate.

APG is an alternative reimbursement methodology to the Prospective Payment System (PPS) methodology and is subject to the minimum payment annual reconciliation for Federally Qualified Health Centers as described in the Federally Qualified Health Centers (FQHCs) and Rural Health Clinics section of this Attachment.

**I. Definitions:** The list of definitions in the APG System freestanding clinic section of this attachment will also apply to the methodology for OMH clinics except as follows:

- **After hours** is considered to be services outside the time period 8:00 am – 6:00 pm for weekdays or any time during weekends. Weekends are considered to be Saturday and Sunday.
- **Provider blend rate** is the combination of the provider's average per-visit Medicaid reimbursement for clinic services for the period July 1, 2008 through June 30, 2009, plus the provider's supplemental payments for Comprehensive Outpatient Program Services (COPS) and the Community Service Program (CSP) in effect as of June 30, 2009.
- **Supplemental payment** means payment that is in addition to the operating rate, which operating rate during the transition period will be composed of both an APG component and a pre-APG (legacy) component. The supplemental payments included in the pre-APG (legacy) component consist of Comprehensive Outpatient Services (COPS) payments and Community Support Program (CSP) payments.

TN     #16-0040    

Approval Date     11/22/2019    

Supersedes TN     10-0018    

Effective Date     05/01/2016

New York  
2(s.2)

In the fourth year, beginning October 1, 2013, the entire payment to OMH-licensed, freestanding mental health clinics will be comprised of the APG rate.

**V. Rates for new OMH-licensed mental health clinics during the transition period.**

Section V Reserved

- [1. The APG transition period for OMH-licensed mental health clinics is October 1, 2010, through September 30, 2013.
- 2.a For any clinic for which an initial operating certificate was issued during the transition period, the base rate will be the same as the base rate for other members of the peer group to which such clinic is assigned by OMH. The provider blend rate for any such a clinic will be the lowest blend rate paid to any other member of the peer group, excluding all clinics with licenses with a duration of six months or less. The relocation of a clinic operated by the same agency provider, the assumption of the operation or a control of an existing clinic by a different agency provider, or an increase in capacity of a an existing clinic, will not be treated as a new clinic for these purposes.a
- 3.a The base rate for the new site(s) for providers assuming operation of clinic site(s) previously operated by another provider will be based on the peer group previously assigned to that clinic site; blend rate adjustment, if any, will be based on whether the provider assuming operation of the clinic site is currently operating one or more clinica sites in the same peer group. If the provider is currently operating one or more such a clinics, the blend will be the visit-volume weighted average of the calculated blend ratesa of the agency provider’s current clinic sites and the newly assumed location. If thea provider that is acquiring a site does not currently operate any sites, the base rate ofa the new site is determined by the peer group to which it is assigned and the blend ratea for the new site will be the same as it was when operated by the previous provider.a
- 4.a Freestanding (non-Article 28 hospital) mental health clinic provider Medicaid blend ratesa can be found on the Office of Mental Health website at:a

[https://www.omh.ny.gov/omhweb/medicaid\\_reimbursement/a](https://www.omh.ny.gov/omhweb/medicaid_reimbursement/a)

Click on "Blend Rates –Provider-Specific" then click on "Non-hospital Fee-for Servicea Clinic Blend Rates"ja

**VI. Rates for new OMH-licensed mental health clinics after the transition period.**

For any clinic for which an initial operating certificate was issued after the transition period, the base rate will be the same as the base rate for other members of the peer group to which such clinic is assigned by OMH.

TN #16-0040

Approval Date 11/22/2019  
05/01/2016

Supersedes TN #10-0018

Effective Date