DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services Center for Medicaid & CHIP Services 233 North Michigan Ave., Suite 600 Chicago, Illinois 60601



Financial Management Group/ Division of Reimbursement Review

July 15, 2020

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

RE: SPA NY-18-0067

Dear Ms. Frescatore:

We have reviewed the proposed New York State Plan Amendment (SPA) to Attachment 4.19-B NY-18-0067, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 31, 2018. This plan amendment authorizes additional payments to Medicaid safety net diagnostic and treatment centers, excluding Federally Qualified Health Centers, to sustain access to services.

Based upon the information provided by the State, we have approved the amendment with an effective date of December 1, 2018. We are enclosing the approved CMS-179 and a copy of the updated state plan page.

If you have any additional questions or need further assistance, please contact Joanne Hounsell at 212-616-2446 or <u>Joanne.Hounsell@cms.hhs.gov</u>.

Todd McMillion
Director

Enclosures

FORM CMS-179 (07/92)

	1. TRANSMITTAL NUMBER 2. STATE		
TRANSMITTAL AND NOTICE OF APPROVAL OF	1 8 — 0 0 6 7 New York		
STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)		
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE		
CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	December 1, 2018		
5. TYPE OF PLAN MATERIAL (Check One)			
☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSID	ERED AS NEW PLAN		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENI	DMENT (Separate transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION	7. FEDERAL BUDGET IMPACT		
§ 1902(a) of the Social Security Act and 42 CFR 447	a. FFY 12/01/18-9/30/19 \$ 13,012.50 b. FFY 10/01/19-9/30/20 \$ 8,675.00		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION		
Attachment 4.19-B: 2(an), 2(an)(1), 2(an)(1.1)	OR ATTACHMENT (If Applicable)		
10. SUBJECT OF AMENDMENT			
Clinic Safety Net Payment for Non-FQHC's (FMAP=50%)			
11. GOVERNOR'S REVIEW (Check One)			
■ GOVERNOR'S OFFICE REPORTED NO COMMENT□ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED□ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	OTHER, AS SPECIFIED		
12. SIGNATURE OF STATE AGENCY OFFICIAL 16	S. RETURN TO		
	ew York State Department of Health		
12 TYPED NAME	vision of Finance and Rate Setting		
Donna Frescatore	Washington Ave – One Commerce Plaza		
4.4 TITLE	uite 1432 bany, NY 12210		
Medicaid Director, Department of Health	bany, 141 12210		
15. DATE SUBMITTED DEC 3 1 2018			
FOR REGIONAL OFF			
17. DATE RECEIVED 18	DATE APPROVED 7/15/20		
PLAN APPROVED - ONE	COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL 20 12/1/18	. SIGNATURE OF REGIONAL OFFICIAL		
21. TYPED NAME 22	. TITLE TO THE SECOND S		
Karen Shields	Acting Group Director, FMG		
23. REMARKS			
PEN & INK AUTHORIZATIONS:			
Clarification to Block #7 Block #9 ALL NEV	W PAGES		
Block 7a. \$13,012,500.00			
Block 7b. \$8,675,000.00			

Instructions on Back

New York 2(an)

Diagnostic and Treatment Centers (D&TCs) Safety Net Payment

- 1. For the period December 1, 2018, through March 31, 2019, and for annual state fiscal years thereafter, up to \$17,350,000 of additional payments will be made to eligible Medicaid safety net diagnostic and treatment centers (D&TCs), except for Federally Qualified Health Centers (FQHCs), to sustain access to services. The amount of \$17,350,000 is subject to modification by the transfers described in paragraphs (2) and (3) of this section.
 - a. "Eligible Medicaid safety net diagnostic and treatment centers", for purposes of this section, will mean voluntary non-profit and publicly sponsored diagnostic and treatment centers licensed under Article 28 or Article 31, and must meet the following criteria: deliver comprehensive range of health care or mental health services; provide at least 5% of their annual visits to uninsured individuals; and have a process in place to collect payment from third party payers.
 - b. The base year data used for the period commencing on December 1, 2018 through March 31, 2019 will be the 2016 certified cost report and will be advanced one year thereafter for each subsequent period. In order to be included in the distribution calculation, a provider must timely submit a certified cost report for the base year used in the distribution calculation.
 - c. New providers which do not have a full year cost or visit experience in the base year used for the distribution may qualify to be included in the distribution as follows:
 - i. The provider meets the criteria in paragraph (1)(a).
 - ii. The provider must be eligible to receive a Medicaid rate.
 - <u>iii.</u> The provider must submit a request to the Department of Health to participate in the distribution. This request must include annualized patient visits, by payer source, which are certified by the Chief Executive Officer, or a similar executive position.
 - iv. The effective date to be included in the distribution will be the first state fiscal year distribution calculation after the provider qualifies to be included based on the requirements in paragraphs (1)(c)(i) through (1)(c)(iii) (herein after referred to as paragraph (1)(c)) or the first state fiscal year distribution calculation after the date a request is made to the Department of Health to be included in the distribution, whichever is later.
 - v. The distribution method applied to a new provider that qualifies to be included in the distribution based on paragraph (1)(c) of this section will be in accordance with the distribution method for other providers in this section. However, the annual distribution for a provider that qualifies based on paragraph (1)(c) of this section will not exceed \$100,000.
 - vi. The distribution for a provider that qualifies based on paragraph (1)(c) of this section will be included in the total safety net distribution amount as described in paragraph (1) of this section.

TN#18-0067	Approval Date 7/15/20
Supersedes TN #NEW	Effective Date <u>December 1, 2018</u>

New York 2(an)(1)

<u>Diagnostic and Treatment Centers (D&TCs) Safety Net Payment (continued):</u>

<u>d.</u> <u>Each eligible D&TC will qualify for a rate add-on based on its percentage of uninsured visits to total visits according to the following tiers:</u>

% of eligible uninsured visits to total visits							
	<u>Ups</u>	<u>tate</u>			<u>Dowr</u>	<u>istate</u>	
<u>Low</u>	<u>High</u>	A	т:	<u>Low</u>	<u>High</u>	A	T:
(at Least)	(Less Than)	<u>Amount</u>	Amount <u>Tier</u>	(at Least)	(Less Than)	<u>Amount</u>	<u>Tier</u>
<u>0%</u>	<u>5%</u>	<u>\$0</u>	<u>0</u>	<u>0%</u>	<u>5%</u>	<u>\$0</u>	<u>0</u>
<u>5%</u>	<u>10%</u>	<u>\$30</u>	<u>1</u>	<u>5%</u>	<u>15%</u>	<u>\$47</u>	<u>1</u>
<u>10%</u>	<u>15%</u>	<u>\$40</u>	<u>2</u>	<u>15%</u>	<u>20%</u>	<u>\$57</u>	<u>2</u>
<u>15%</u>	<u>20%</u>	<u>\$51</u>	<u>3</u>	<u>20%</u>	<u>25%</u>	<u>\$68</u>	<u>3</u>
<u>20%</u>	<u>25%</u>	<u>\$63</u>	<u>4</u>	<u>25%</u>	<u>35%</u>	<u>\$80</u>	<u>4</u>
25% c	r more	<u>\$76</u>	<u>5</u>	35% o	r more	<u>\$93</u>	<u>5</u>

- e. Safety net payments will be calculated by multiplying each facility's rate add-on, based on the tiers in paragraph (1)(d), by the number of Medicaid fee-for-service visits reported on the base year certified cost report.
- f. The safety net rate adjustment for each eligible D&TC that is determined based on the tier system will be scaled based on the ratio of the total funds allocated for distribution, using the tier system, to the total statewide safety net payment that is available for all eligible D&TCs.
- g. Adjustments to rates of payment made pursuant to this section will be made quarterly as aggregate payments to eligible diagnostic and treatment centers and will not be subject to subsequent adjustment or reconciliation.
- 2. In the event that a provider that is included in this D&TCs Safety Net Payment section receives FQHC designation during a state fiscal year, the newly designated FQHC provider will be removed from this D&TCs Safety Net Payment section and included in section for the FQHCs Safety Net Payment as follows:
 - a. The effective date of the transfer will be the later of the following:
 - i. The first state fiscal year distribution calculation after the FQHC designated approval date; or
 - <u>ii.</u> The first state fiscal year distribution calculation after the date the Department of Health is notified of the FOHC designation.

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<u>b.</u> The funds that were allocated to the new FQHC provider in this D&TCs Safety Net Payment section will be transferred to the FQHC Safety Net Payment section based on the prior state fiscal year calculation.

TN <u>#18-006</u>	7	Approval Date	//15/20
Supersedes TN	#NEW	Effective Date	December 1, 2018

New York 2(an)(1.1)

<u>Diagnostic and Treatment Centers (D&TCs) Safety Net Payment (continued):</u>

- i. The transfer of funds will be at the same time the new FQHC provider is included in the FQHC Safety Net Payment section distribution.
- <u>ii.</u> Due to the transfer of the newly designated FQHC's funds to the FQHCs Safety Net Payment section, the total value of the additional payment, as described in paragraph (1) of this section for the additional annual payment, will decrease.
- c. In no event will the sum of the total safety net distribution amount of the FQHCs Safety Net Payment in this section and the D&TCs Safety Net Payment section exceed \$151,500,000 for the period July 28, 2016, through March 31, 2017, and \$110,000,000 for the annual state fiscal periods thereafter.
- 3. In the event that a provider that is included in the FQHCs Safety Net Payment section loses its FQHC designation, the FQHCs Safety Net Payment distribution to the provider calculated for the state fiscal year during which the provider lost its FQHC designation will be transferred to this section as follows:
 - <u>a.</u> The provider will be removed from the distribution calculated in the FQHC Safety Net Payment section and included in this section for the D&TC Safety Net Payment.
 - <u>b.</u> The effective date of the transfer will be the first state fiscal year distribution calculation after the date the provider lost their FQHC designation.
 - c. The funds allocated to the provider in the FQHC Safety Net Payment section will be transferred to this D&TC Safety Net Payment section based on the portion of the distribution pertaining to the Medicaid fee-for-service visits applied to the tier add-on payment. The transfer of funds will be at the same time the provider is included in this D&TC Safety Net Payment section distribution, as stated in paragraph (3)(b) of this section, increasing the total value of the additional payment as described on paragraph (1) of this section.

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