

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

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



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**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 [Joanne.Hounsell@cms.hhs.gov](mailto:Joanne.Hounsell@cms.hhs.gov).

Sincerely,



Todd McMillion  
Director

Enclosures



**New York  
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**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.
    - iii. 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.

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Approval Date     7/15/20    

Supersedes TN     #NEW    

Effective Date     December 1, 2018

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

- d. 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:

<b>% of eligible uninsured visits to total visits</b>							
<b>Upstate</b>				<b>Downstate</b>			
<u>Low</u>	<u>High</u>	<u>Amount</u>	<u>Tier</u>	<u>Low</u>	<u>High</u>	<u>Amount</u>	<u>Tier</u>
<u>(at Least)</u>	<u>(Less Than)</u>			<u>(at Least)</u>	<u>(Less Than)</u>		
0%	5%	\$0	0	0%	5%	\$0	0
5%	10%	\$30	1	5%	15%	\$47	1
10%	15%	\$40	2	15%	20%	\$57	2
15%	20%	\$51	3	20%	25%	\$68	3
20%	25%	\$63	4	25%	35%	\$80	4
25% or more		\$76	5	35% or more		\$93	5

- 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 FOHC designation during a state fiscal year, the newly designated FOHC provider will be removed from this D&TCs Safety Net Payment section and included in section for the FOHCs 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 FOHC designated approval date; or
- ii. The first state fiscal year distribution calculation after the date the Department of Health is notified of the FOHC designation.
- b. The funds that were allocated to the new FOHC provider in this D&TCs Safety Net Payment section will be transferred to the FOHC Safety Net Payment section based on the prior state fiscal year calculation.

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

- i. The transfer of funds will be at the same time the new FOHC provider is included in the FOHC Safety Net Payment section distribution.
  - ii. Due to the transfer of the newly designated FOHC's funds to the FOHCs 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 FOHCs 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 FOHCs Safety Net Payment section loses its FOHC designation, the FOHCs Safety Net Payment distribution to the provider calculated for the state fiscal year during which the provider lost its FOHC designation will be transferred to this section as follows:
- a. The provider will be removed from the distribution calculated in the FOHC Safety Net Payment section and included in this section for the D&TC Safety Net Payment.
  - b. The effective date of the transfer will be the first state fiscal year distribution calculation after the date the provider lost their FOHC designation.
  - c. The funds allocated to the provider in the FOHC 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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