NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

March 31, 2014

Mr. Michael Melendez
Associate Regional Administrator
Department of Health & Human Services
Centers for Medicare & Medicaid Services
New York Regional Office
Division of Medicaid and Children's Health Operations
26 Federal Plaza - Room 37-100 North
New York, New York 10278

RE: SPA #14-08
Non-Institutional Services

Dear Mr. Melendez:

The State requests approval of the enclosed amendment #14-08 to the Title XIX (Medicaid) State Plan for non-institutional services to be effective April 1, 2014 (Appendix I). This amendment is being submitted based on proposed legislation. A summary of the plan amendment is provided in Appendix II.

The State of New York reimburses these services through the use of rates that are consistent with and promote efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area as required by §1902(a)(30) of the Social Security Act and 42 CFR §447.204.

Copies of pertinent sections of proposed State statute are enclosed for your information (Appendix III). A copy of the public notice of this plan amendment, which was given in the New York State Register on February 19, 2014, is also enclosed for your information (Appendix IV). In addition, responses to the five standard funding questions are also enclosed (Appendix V).

If you have any questions regarding this State Plan submission, please do not hesitate to contact John E. Ulberg, Jr., Medicaid Chief Financial Officer, Division of Finance and Rate Setting at (518) 474-6350.

Sincerely,

Jason A. Helgerson
Medicaid Director
Office of Health Insurance Programs

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: **14-08**	2. STATE **New York**
	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 **April 1, 2014**	

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: **NYS Social Services Law Section 367-a(9)(i)**	7. FEDERAL BUDGET IMPACT: **a. FFY 04/01/14-09/30/14 ($ 1,530,000)** **b. FFY 10/01/14-09/30/15 ($ 2,150,000)**
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: **Attachment 4.19-B: Pages 1(a)(iii), 1(a)(iv), 1(a)(v), 1(a)(vi), 1(a)(vii), 1(a)(viii), 4(e)(1)**	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: **Attachment 4.19-B: Pages 1(a)(iii), 1(a)(iv), 1(a)(v), 1(a)(vi), 1(a)(vii), 1(a)(viii), 4(e)(1)**

10. SUBJECT OF AMENDMENT:
Termination of e-Prescribing Incentive
(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. RETURN TO: **New York State Department of Health** **Bureau of Federal Relations & Provider Assessments** **99 Washington Ave – One Commerce Plaza** **Suite 1430** **Albany, NY 12210**
13. TYPED NAME: **Jason A. Helgerson**	
14. TITLE: **Medicaid Director** **Department of Health**	
15. DATE SUBMITTED: March 31, 2014	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED:
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME:	22. TITLE:

23. REMARKS:

Appendix I
2014 Title XIX State Plan
Second Quarter Amendment
Amended SPA Pages

New York
1(A)(iii)

The incentive amount was determined by the Department of Health and participating payors based on a market analysis of the cost to support the conversion of a practice to provide "medical home" patient care and management information systems related to meeting the objectives of this initiative. The participating payors agreed to a per member per month (PMPM) incentive payment of $7. To calculate the per-visit incentive payment amount the PMPM was multiplied by twelve (12) to calculate an annual per member payment ($84) and then this annual amount was divided by the average number of annual primary care visits to clinics and practitioners' offices to arrive at a per visit incentive payment. The average annual visit rate, based on two years of claims data (January 1, 2007 – December 31, 2008) for a specific list of providers who agreed to participate in the Multipayor Program, was 3 visits per year. Therefore, the per visit incentive payment is $28. The incentive amount will be approved by the Division of the Budget.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of primary care "medical home" services in the Mutlipayor Program. The agency's fee schedule rate was set as of December 1, 2009 and is effective for services provided on or after that date. All rates are published on the Department of Health public website.

Patient and health care services participation in the Adirondack Medical Home Multipayor Program is on a voluntary basis. While physician and/or nurse practitioner practices are participating in the Multipayor Program they are precluded from receiving incentive payments from the statewide patient centered medical home program established pursuant to section 364-m of the Social Services Law.

[E-prescription

An e-prescription financial incentive will be paid to physicians for the purpose of encouraging the electronic transmission of prescriptions and fiscal orders for select over-the counter medications prescribed and dispensed in accordance with State and federal requirements. Reimbursement is determined by the State Department of Health at 80 cents per electronic prescription/fiscal order dispensed.]

New York
1(a)(iv)

E-prescription

An e-prescription financial incentive will be paid to physicians for the purpose of encouraging the electronic transmission of prescriptions and fiscal orders for select over-the counter medications prescribed and dispensed in accordance with State and federal requirements. Reimbursement is determined by the State Department of Health at 80 cents per electronic prescription/fiscal order dispensed.

Effective April 1, 2014, the e-prescription financial incentive for physicians will cease and reimbursement at 80 cents per electronic prescription/fiscal order will end.

An e-prescription financial incentive will be paid to dentists for the purpose of encouraging the electronic transmission of prescriptions and fiscal orders for select over-the counter medications and supplies prescribed and dispensed in accordance with State and federal requirements. Reimbursement is determined by the State Department of Health at 80 cents per electronic prescription/fiscal order dispensed.

Effective April 1, 2014, the e-prescription financial incentive for dentists will cease and reimbursement at 80 cents per electronic prescription/fiscal order will end.

New York
1(a)(v)

An e-prescription financial incentive will be paid to podiatrists for the purpose of encouraging the electronic transmission of prescriptions and fiscal orders for select over-the counter medications and supplies prescribed and dispensed in accordance with State and federal requirements. Reimbursement is determined by the State Department of Health at 80 cents per electronic prescription/fiscal order dispensed.

Effective April 1, 2014, the e-prescription financial incentive for podiatrists will cease and reimbursement at 80 cents per electronic prescription/fiscal order will end.

New York
1(a)(vi)

An e-prescription financial incentive will be paid to optometrists for the purpose of encouraging the electronic transmission of prescriptions and fiscal orders for select over-the counter medications and supplies prescribed and dispensed in accordance with State and federal requirements. Reimbursement is determined by the State Department of Health at 80 cents per electronic prescription/fiscal order dispensed.

Effective April 1, 2014, the e-prescription financial incentive for optometrists will cease and reimbursement at 80 cents per electronic prescription/fiscal order will end.

New York
1(a)(vii)

An e-prescription financial incentive will be paid to nurse midwives for the purpose of encouraging the electronic transmission of prescriptions and fiscal orders for select over-the counter medications and supplies prescribed and dispensed in accordance with State and federal requirements. Reimbursement is determined by the State Department of Health at 80 cents per electronic prescription/fiscal order dispensed.

Effective April 1, 2014, the e-prescription financial incentive for nurse midwives will cease and reimbursement at 80 cents per electronic prescription/fiscal order will end.

New York
1(a)(viii)

An e-prescription financial incentive will be paid to nurse practitioners for the purpose of encouraging the electronic transmission of prescriptions and fiscal orders for select over-the counter medications and supplies prescribed and dispensed in accordance with State and federal requirements. Reimbursement is determined by the State Department of Health at 80 cents per electronic prescription/fiscal order dispensed.

Effective April 1, 2014, the e-prescription financial incentive for nurse practitioners will cease and reimbursement at 80 cents per electronic prescription/fiscal order will end.

New York
4(e)(1)

An e-prescription financial incentive will be paid to retail pharmacies for the purpose of encouraging the electronic transmission of prescriptions al orders for select over-the-counter medications and supplies prescribed and dispensed in accordance with State and federal requirements. Reimbursement is determined by the State Department of Health at the cost of ingredients plus a dispensing fee plus 20 cents per electronic prescription/fiscal order dispensed.

Effective April 1, 2014, the e-prescription financial incentive for retail pharmacies will cease and reimbursement at 20 cents per electronic prescription/fiscal order will end.

Appendix II
2014 Title XIX State Plan
Second Quarter Amendment
Summary

Summary
SPA #14-08

Article 5, Subdivision 367-a of the NYS Social Service Law authorizes the payment of an incentive to eligible providers for each ambulatory Medicaid e-prescription, plus a maximum of 5 refills.

The intent of this authority was to expedite movement to electronic prescribing, thus aligning New York with the federal e-prescribing initiative.

In 2009, the Centers for Medicare and Medicaid Services (CMS) began providing physicians with financial incentives for e-prescribing. However, in 2012, CMS began applying payment adjustments to eligible physicians that had not yet adopted successful e-prescribing practices.

In 2012, legislation was signed into law that revamped the way prescription drugs are distributed and tracked here in New York State. The initiative, known as I-STOP New York, is administered by the Department of Health's Bureau of Narcotic Enforcement and requires among other things, that all prescriptions be electronically submitted.

Considering federal incentives and the new State legislative mandate for electronic prescriptions, it is no longer necessary for Medicaid to financially incentivize e-prescribing.

Termination of these payments will be effective **April 1, 2014**.

Appendix III
2014 Title XIX State Plan
Second Quarter Amendment
Authorizing Provisions

SPA 14-08

Social Services Law §367-a(9)(i)

9. Notwithstanding any inconsistent provision of law or regulation to the contrary, for those drugs which may not be dispensed without a prescription as required by section sixty-eight hundred ten of the education law and for which payment is authorized pursuant to paragraph (g) of subdivision two of section three hundred sixty-five-a of this title, payments under this title shall be made at the following amounts: (a) for drugs provided by medical practitioners and claimed separately by the practitioners, the actual cost of the drugs to the practitioners; and (b) for drugs dispensed by pharmacies: (i) if the drug dispensed is a multiple source prescription drug for which an upper limit has been set by the federal centers for medicare and medicaid services, the lower of: (A) an amount equal to the specific upper limit set by such federal agency for the multiple source prescription drug; (B) the estimated acquisition cost of such drug to pharmacies which, for purposes of this subparagraph, shall mean the average wholesale price of a prescription drug based on the package size dispensed from, as reported by the prescription drug pricing service used by the department, less twenty-five percent thereof; (C) the maximum acquisition cost, if any, established pursuant to paragraph (e) of this subdivision; or (D) the dispensing pharmacy's usual and customary price charged to the general public

Appendix IV
2014 Title XIX State Plan
Second Quarter Amendment
Public Notice

MISCELLANEOUS NOTICES/HEARINGS

Notice of Abandoned Property Received by the State Comptroller

Pursuant to provisions of the Abandoned Property Law and related laws, the Office of the State Comptroller receives unclaimed monies and other property deemed abandoned. A list of the names and last known addresses of the entitled owners of this abandoned property is maintained by the office in accordance with Section 1401 of the Abandoned Property Law. Interested parties may inquire if they appear on the Abandoned Property Listing by contacting the Office of Unclaimed Funds, Monday through Friday from 8:00 a.m. to 4:30 p.m., at:

1-800-221-9311
or visit our web site at:
www.osc.state.ny.us

Claims for abandoned property must be filed with the New York State Comptroller's Office of Unclaimed Funds as provided in Section 1406 of the Abandoned Property Law. For further information contact: Office of the State Comptroller, Office of Unclaimed Funds, 110 State St., Albany, NY 12236.

PUBLIC NOTICE
Division of Criminal Justice Services
Juvenile Justice Advisory Group

Pursuant to Public Officer Law § 104, the Division of Criminal Justice Services gives notice of a meeting of the New York State Juvenile Justice Advisory Group:

DATE: February 25, 2014
TIME: 10:30 a.m. - 3:00 p.m.
PLACE: 633 Third Ave., 38th Fl. Press Rm.
New York, NY
Video Conference with:
Division of Criminal Justice Services
Alfred E. Smith Bldg.
80 S. Swan St., 1st Fl. Crime Stat Rm.
Albany, NY 12110

For further information contact: Schellie Tedesco, Secretary to Jacquelyn Greene, Esq., Division of Criminal Justice Services, Office of Juvenile Justice, 80 S. Swan St. – 8th Fl., Albany, NY 12210, Schellie.tedesco@dcjs.ny.gov, (518) 457-3670, Fax: (518) 485-0909

PUBLIC NOTICE
Office of General Services

Pursuant to Section 30-a of the Public Lands Law, the Office of General Services hereby gives notice to the following:

Notice is hereby given that the Department of Health has declared a certain 25 acre lot, tract or parcel of land situate, lying and being in the Village of West Haverstraw, County of Rockland and the State of New York, commonly known as the Helen Hayes Ball Fields Lands, formerly part of the Helen Hayes Hospital, a portion of tax lot 20.18-4-1 and tax lot 20.14-5-7, with a western boundary of Central Highway-County Route 33 and southern boundary of Cinder Road (aka Chapel Street), surplus, no longer useful or necessary for State program purposes, and has abandoned the property to the Commissioner of General Services for sale or other disposition as Unappropriated State Land.

For further information, please contact: Thomas Pohl, Esq., Office of General Services, Legal Services, 41st Fl., Corning Tower, Empire State Plaza, Albany, NY 12242, (518) 474-8831, (518) 473-4973 fax

PUBLIC NOTICE
Department of Health

The New York State Department of Health (DOH) is required by the provisions of the federal Beaches Environmental Assessment and Coastal Health (BEACH) Act to provide for public review and comment on the Department's beach monitoring and notification plan. The BEACH Act (Section 406(b) of the Clean Water Act) enacted a federal Environmental Protection Agency grant program available to states, such as New York, with coastal recreational waters. Coastal recreational waters include the Great Lakes and marine coastal waters that are designated for swimming, bathing, surfing, or similar water contact activities. The Act is not applicable to inland waters or waters upstream of the mouth of a river or stream having an unimpaired natural connection with the open sea.

The beach monitoring and public notification plan also includes information on the beach evaluation and classification process, including a list of waters to be monitored and beach ranking. Also included in this plan, is the sampling design and monitoring plan, including sampling location and sampling frequency. Lastly, the plan contains information on procedures for public notification and risk communication, including methods to notify the public of a swimming advisory or beach closure.

Any interested parties and/or agencies desiring to review and/or comment on the beach monitoring and notification plan for coastal recreational waters may do so by writing to: Timothy M. Shay, Section Chief, Department of Health, Center for Environmental Health, Bureau of Community Environmental Health and Food Protection, Empire State Plaza, Corning Tower Bldg., Rm. 1395, Albany, NY 12237, Fax (518) 402-7600

PUBLIC NOTICE
Department of Health

Pursuant to 42 CFR Section 447.205, the Department of Health hereby gives public notice of the following:

The Department of Health proposes to amend the Title XIX (Medicaid) State Plan as follows:

Effective April 1, 2014, the e-prescription financial incentive for medical practitioners will cease and reimbursement at 80 cents per electronic prescription/fiscal order will end.

In addition, the e-prescription financial incentive for dispensing pharmacies will cease and reimbursement at 20 cents per electronic prescription/fiscal order will also end.

Estimated annual aggregate savings in Medicaid expenditures is approximately $3,060,000 for the first year of implementation, SFY 2014-15. The estimated annual aggregate savings in Medicaid expenditures is approximately $4,300,000 for SFY 2015-16.

The public is invited to review and comment on this proposed State Plan Amendment. Copies of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status.

Copies of the proposed State Plan Amendments will be on file in each local (county) social services district and available for public review.

For the New York City district, copies will be available at the following places:

New York County
250 Church Street
New York, New York 10018

Queens County, Queens Center
3220 Northern Boulevard
Long Island City, New York 11101

Kings County, Fulton Center
114 Willoughby Street
Brooklyn, New York 11201

Bronx County, Tremont Center
1916 Monterey Avenue
Bronx, New York 10457

Richmond County, Richmond Center
95 Central Avenue, St. George
Staten Island, New York 10301

For further information and to review and comment, please contact: Patricia A. Keller, RPh., Department of Health, Office of Health Insurance Programs, Division of Program Development and Management, Empire State Plaza, Rm. 720, Corning Tower, Albany, NY 12237, (518) 474-9219, (518) 473-5508 (FAX), PAK04@health.state.ny.us

PUBLIC NOTICE

Department of Health

Pursuant to 42 CFR Section 447.205, the Department of Health hereby gives public notice of the following:

The Department of Health proposes to amend the Title XIX (Medicaid) State Plan for non-institutional services related to temporary rate adjustments to providers that are undergoing a closure, merger, consolidation, acquisition or restructuring themselves or other health care providers. These payments are authorized by current State statutory and regulatory provisions. The following provides clarification to provisions previously noticed on December 24, 2013 and January 29, 2014, and notification of new significant changes.

The temporary rate adjustment previously approved for Brooklyn Hospital Center for an aggregate payment amount of up to $14,000,000 (noticed January 29, 2014), has been modified and the aggregate payment amount has been reduced. The modified aggregate payment amount is now up to $10,000,000 of which $5,000,000 each will be contained in the budget for State Fiscal Years 2013/2014 and 2014/2015.

In addition, temporary rate adjustments have been reviewed and approved for 15 Critical Access Hospital providers with aggregate payment amounts totaling $5,000,000 (noticed December 24, 2013), for the period February 1, 2014 through March 31, 2015. The approved providers along with their individual estimated aggregate amounts include:

1. River Hospital, Inc., up to $482,000;
2. Schuyler Hospital, up to $453,000;
3. Little Falls Hospital, up to $342,000
4. Lewis County General Hospital, up to $370,000;
5. Ellenville Hospital, up to $384,800;
6. Soldiers & Sailors Memorial Hospital, up to $220,000;
7. Elizabethtown Hospital, up to $410,000;
8. Clifton-Fine Hospital, up to $350,000;
9. Cuba Memorial Hospital, up to $315,000;
10. Gouverneur Hospital, up to $300,000;
11. Catskill Regional Medical Center-Grover Hermann Division, up to $275,000
12. Moses Ludington Hospital, up to $359,800;
13. O'Connor Hospital, up to $363,800;
14. Delaware Valley Hospital, Inc., up to $246,000; and
15. Margaretville Hospital, up to $128,600.

The public is invited to review and comment on this proposed State Plan Amendment. Copies of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status.

Copies of the proposed State Plan Amendments will be on file in each local (county) social services district and available for public review.

For the New York City district, copies will be available at the following places:

New York County
250 Church Street
New York, New York 10018

Queens County, Queens Center
3220 Northern Boulevard
Long Island City, New York 11101

Kings County, Fulton Center
114 Willoughby Street
Brooklyn, New York 11201

Bronx County, Tremont Center
1916 Monterey Avenue
Bronx, New York 10457

Richmond County, Richmond Center
95 Central Avenue, St. George
Staten Island, New York 10301

For further information and to review and comment, please contact: Department of Health, Bureau of Federal Relations & Provider Assessments, 99 Washington Ave. – One Commerce Plaza, Suite 1430, Albany, NY 12210, (518) 474-1673, (518) 473-8825 (FAX), spa_inquiries@health.state.ny.us

PUBLIC NOTICE

PSEG Services Corporation

On February 3, 2014, pursuant to New York Public Authorities Law Section 1020-f(cc), the Long Island Power Authority and PSEG Long Island filed with the New York State Department of Public Service and emergency response plan (Plan) to assure the reasonably prompt restoration of service in the case of a storm or other cause beyond the control of the Authority and PSEG Long Island. The Plan was prepared in accordance with Section 66(21)(a) of the New York State Public Service Law and the regulations of the Public Service Commission adopted thereunder.

Copies of the Plan are posted on the website of the Long Island Power Authority (http://www.lipower.org/) and the website of PSEG Long Island (https://www.psegliny.com/). Copies of the Plan are also available for review in person at the offices of PSEG Long Island at 175 East Old Country Road Hicksville, NY 11801 in Nassau County, and 1650 Islip Avenue, Brentwood, NY 11717 in Suffolk County. At least one public hearing on the Plan will be held each in the County of Suffolk and the County of Nassau on dates and at locations to be

Appendix V
2014 Title XIX State Plan
Second Quarter Amendment
Responses to Standard Funding Questions

NON-INSTITUTIONAL SERVICES
State Plan Amendment #14-08

CMS Standard Funding Questions

The following questions are being asked and should be answered in relation to all payments made to all providers reimbursed pursuant to a methodology described in Attachment 4.19-B of this SPA. For SPAs that provide for changes to payments for clinic or outpatient hospital services or for enhanced or supplemental payments to physician or other practitioners, the questions must be answered for all payments made under the state plan for such service.

1. **Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.).**

   Response: Providers do retain the payments made pursuant to this amendment. However, this requirement in no way prohibits the public provider, including county providers, from reimbursing the sponsoring local government for appropriate expenses incurred by the local government on behalf of the public provider. The State does not regulate the financial relationships that exist between public health care providers and their sponsoring governments, which are extremely varied and complex. Local governments may provide direct and/or indirect monetary subsidies to their public providers to cover on-going unreimbursed operational expenses and assure achievement of their mission as primary safety net providers. Examples of appropriate expenses may include payments to the local government which include reimbursement for debt service paid on a provider's behalf, reimbursement for Medicare Part B premiums paid for a provider's retirees, reimbursement for contractually required health benefit fund payments made on a provider's behalf, and payment for overhead expenses as allocated per federal Office of Management and Budget Circular A-87 regarding Cost Principles for State, Local, and Indian Tribal Governments. The existence of such transfers should in no way negate the legitimacy of these facilities' Medicaid payments or result in reduced Medicaid federal financial participation for the State. This position was further supported by CMS in review and approval of SPA 07-07C when an on-site audit of these transactions for New York City's Health and Hospitals Corporation was completed with satisfactory results.

2. **Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either through an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local governmental entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:**
   - **(i) a complete list of the names of entities transferring or certifying funds;**
   - **(ii) the operational nature of the entity (state, county, city, other);**
   - **(iii) the total amounts transferred or certified by each entity;**
   - **(iv) clarify whether the certifying or transferring entity has general taxing authority: and,**
   - **(v) whether the certifying or transferring entity received appropriations (identify level of appropriations).**

   Response: Payments made to service providers under the provisions of this SPA are funded through a general appropriation received by the State agency that oversees medical assistance (Medicaid), which is the Department of Health. The source of the appropriation is the Local Assistance Account under the General Fund/Aid to Localities.

3. **Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.**

   Response: The payments authorized for this provision are not supplemental or enhanced payments.

4. **For clinic or outpatient hospital services please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State owned or operated,**

non-state government owned or operated, and privately owned or operated). Please provide a current (i.e., applicable to the current rate year) UPL demonstration.

Response: This is not applicable.

5. **Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?**

   Response: This is not applicable.

ACA Assurances:

1. **Maintenance of Effort (MOE). Under section 1902(gg) of the Social Security Act (the Act), as amended by the Affordable Care Act, as a condition of receiving any Federal payments under the Medicaid program during the MOE period indicated below, the State shall not have in effect any eligibility standards, methodologies, or procedures in its Medicaid program which are more restrictive than such eligibility provisions as in effect in its Medicaid program on March 10, 2010.**

   MOE Period.
   - **Begins on: March 10, 2010, and**
   - **Ends on: The date the Secretary of the Federal Department of Health and Human Services determines an Exchange established by a State under the provisions of section 1311 of the Affordable Care Act is fully operational.**

   Response: This SPA complies with the conditions of the MOE provision of section 1902(gg) of the Act for continued funding under the Medicaid program.

2. **Section 1905(y) and (z) of the Act provides for increased FMAPs for expenditures made on or after January 1, 2014 for individuals determined eligible under section 1902(a)(10)(A)(i)(VIII) of the Act. Under section 1905(cc) of the Act, the increased FMAP under sections 1905(y) and (z) would not be available for States that require local political subdivisions to contribute amounts toward the non-Federal share of the State's expenditures at a greater percentage than would have been required on December 31, 2009.**

   Prior to January 1, 2014 States may potentially require contributions by local political subdivisions toward the non-Federal share of the States' expenditures at percentages greater than were required on December 31, 2009. However, because of the provisions of section 1905(cc) of the Act, it is important to determine and document/flag any SPAs/State plans which have such greater percentages prior to the January 1, 2014 date in

order to anticipate potential violations and/or appropriate corrective actions by the States and the Federal government.

Response: This SPA would [ ] / would not [✓] violate these provisions, if they remained in effect on or after January 1, 2014.

3. **Please indicate whether the State is currently in conformance with the requirements of section 1902(a)(37) of the Act regarding prompt payment of claims.**

   Response: This SPA does comply with the requirements of section 1902(a)(37) of the Act regarding prompt payment of claims.

Tribal Assurance:

Section 1902(a)(73) of the Social Security Act the Act requires a State in which one or more Indian Health Programs or Urban Indian Organizations furnish health care services to establish a process for the State Medicaid agency to seek advice on a regular ongoing basis from designees of Indian health programs whether operated by the Indian Health Service HIS Tribes or Tribal organizations under the Indian Self Determination and Education Assistance Act ISDEAA or Urban Indian Organizations under the Indian Health Care Improvement Act.

IHCIA Section 2107(e)(I) of the Act was also amended to apply these requirements to the Children's Health Insurance Program CHIP. Consultation is required concerning Medicaid and CHIP matters having a direct impact on Indian health programs and Urban Indian organizations.

a) **Please describe the process the State uses to seek advice on a regular ongoing basis from federally recognized tribes Indian Health Programs and Urban Indian Organizations on matters related to Medicaid and CHIP programs and for consultation on State Plan Amendments waiver proposals waiver extensions waiver amendments waiver renewals and proposals for demonstration projects prior to submission to CMS.**
b) **Please include information about the frequency inclusiveness and process for seeking such advice.**
c) **Please describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment when it occurred and who was involved.**

Response: Tribal consultation was performed in accordance with the State's tribal consultation policy as approved in SPA 11-06, and documentation of such is included with this submission. To date, no feedback has been received from any tribal representative in response to the proposed change in this SPA.

Appendix VI
2014 Title XIX State Plan
Second Quarter Amendment
Responses to Standard Access Questions

APPENDIX VI
NON-INSTITUTIONAL SERVICES
State Plan Amendment #14-08

CMS Standard Access Questions

The following questions have been asked by CMS and are answered by the State in relation to all payments made to all providers under Attachment 4.19-B of the state plan.

1. **Specifically, how did the State determine that the Medicaid provider payments that will result from the change in this amendment are sufficient to comply with the requirements of 1902(a)(30)?**

   Response: This amendment seeks to discontinue the payment of an incentive to eligible providers for each ambulatory Medicaid e-prescription.

   The original intent of this authority was to expedite movement to electronic prescribing, thus aligning New York with the federal e-prescribing initiative. In 2012, NYS legislation was signed into law requiring that all prescriptions be electronically submitted. Considering federal incentives and the new State legislative mandate for electronic prescriptions, it is no longer necessary to financially incentivize e-prescribing.

2. **How does the State intend to monitor the impact of the new rates and implement a remedy should rates be insufficient to guarantee required access levels?**

   Response: The State has various ways to ensure that access levels in the Medicaid program are retained and is currently not aware of any access issues, particularly since there is excess bed capacity for both hospitals and nursing homes. Additionally, hospital and nursing home providers must notify and receive approval from the Department's Office of Health Systems Management (OHSM) in order to discontinue services. This Office monitors and considers such requests in the context of access as they approve/deny changes in services. Finally, providers cannot discriminate based on source of payment.

   For providers that are not subject to an approval process, the State will continue to monitor provider complaint hotlines to identify geographic areas of concern and/or service type needs. If Medicaid beneficiaries begin to encounter access issues, the Department would expect to see a marked increase in complaints. These complaints will be identified and analyzed in light of the changes proposed in this State Plan Amendment.

Finally, the State ensures that there is sufficient provider capacity for Medicaid Managed Care plans as part of its process to approve managed care rates and plans. Should sufficient access to services be compromised, the State would be alerted and would take appropriate action to ensure retention of access to such services.

3. **How were providers, advocates and beneficiaries engaged in the discussion around rate modifications? What were their concerns and how did the State address these concerns?**

   Response: This change is being enacted by the State Legislature as part of the 2014-15 Budget. The legislative process provides opportunities for all stakeholders to lobby their concerns, objections, or support for various legislative initiatives.

4. **What action(s) does the State plan to implement after the rate change takes place to counter any decrease to access if the rate decrease is found to prevent sufficient access to care?**

   Response: Should any essential community provider experience Medicaid or other revenue issues that would prevent access to needed community services, per usual practice, the State would meet with them to explore the situation and discuss possible solutions, if necessary.

5. **Is the State modifying anything else in the State Plan which will counterbalance any impact on access that may be caused by the decrease in rates (e.g. increasing scope of services that other provider types may provide or providing care in other settings)?**

   Response: Over the course of the past three years, the State has undertaken a massive reform initiative to better align reimbursement with care. When fully implemented, the initiative will invest over $600 million in the State's ambulatory care system (outpatient, ambulatory surgery, emergency department, clinic and physicians) to incentivize care in the most appropriate setting. The State has also increased its physician reimbursement schedule to resemble Medicare payments for similar services, thus ensuring continued access for Medicaid beneficiaries. Further, the State is implementing initiatives that will award $600 million annually, over five years, to providers who promote efficiency and quality care through the Federal-State Health Reform Partnership(F-SHRP)/ NYS Healthcare Efficiency and Affordability Law (HEAL). While some of these initiatives are outside the scope of the State Plan, they represent some of the measures the State is taking to ensure quality care for the State's most vulnerable population.