



**Department
of Health**

KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

March 28, 2025

Todd McMillion
Director
Department of Health and Human Services
Centers for Medicare and Medicaid Services
233 North Michigan Ave, Suite 600
Chicago, IL 60601

RE: SPA #25-0021
Non-Institutional Services

Dear Director McMillion:

The State requests approval of the enclosed amendment #25-0021 to the Title XIX (Medicaid) State Plan for non-institutional services to be effective January 1, 2025 (Appendix I). This amendment is being submitted based on enacted 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 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 enacted legislation are enclosed for your information (Appendix III). Copies of the public notice of this plan amendment, which were given in the *New York State Register* on September 25, 2024, and clarified on March 12, 2025, are 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 Amendment submission, please do not hesitate to contact Regina Deyette, Medicaid State Plan Coordinator, Division of Finance and Rate Setting, Office of Health Insurance Programs at (518) 473-3658.

Sincerely,

A solid black rectangular box redacting the signature of Amir Bassiri.

Amir Bassiri
Medicaid Director
Office of Health Insurance Programs

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 — 0 0 2 1

2. STATE

N Y

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 01, 2025

5. FEDERAL STATUTE/REGULATION CITATION

§ 1905(a)(2)(A) Outpatient Hospital Services

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 01/01/25-09/30/25 \$ 4,897,259
b. FFY 10/01/25-09/30/26 \$ 6,529,679

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B: Page 1(e)(3)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B: Page 1(e)(3)

9. SUBJECT OF AMENDMENT

Increased rates for IDD/ PWPDP – Hospital OP

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

12. TYPED NAME

Amir Bassiri

13. TITLE

Medicaid Director

14. DATE SUBMITTED

March 28, 2025

15. RETURN TO

New York State Department of Health
Division of Finance and Rate Setting
99 Washington Ave – One Commerce Plaza
Suite 1432
Albany, NY 12210

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Appendix I
2025 Title XIX State Plan
First Quarter Amendment
Amended SPA Pages

**New York
1(e)(3)**

1905(a)(2)(A) Outpatient Hospital Services**Hospital-Based APG Base Rate Table**

| Peer Group | Region | Rate Start Date |
|--|------------------|------------------------|
| Ambulatory Surgery Services | Downstate | 12/01/08 |
| Ambulatory Surgery Services | Upstate | 12/01/08 |
| Clinic* | Downstate | 12/01/08 |
| Clinic* | Upstate | 12/01/08 |
| Clinic Episode* | Downstate | 07/01/09 |
| Clinic Episode* | Upstate | 07/01/09 |
| Clinic MR/DD/TBI* ⁽¹⁾ | Downstate | 07/01/10 |
| Clinic MR/DD/TBI* ⁽¹⁾ | Upstate | 07/01/10 |
| Clinic MR/DD/TBI Episode* ⁽¹⁾ | Downstate | 07/01/10 |
| Clinic MR/DD/TBI Episode* ⁽¹⁾ | Upstate | 07/01/10 |
| <u>Clinic Physically Disabled (PD)⁽³⁾</u> | <u>Downstate</u> | <u>01/01/25</u> |
| <u>Clinic Physically Disabled (PD)⁽³⁾</u> | <u>Upstate</u> | <u>01/01/25</u> |
| Emergency Department | Downstate | 01/01/09 |
| Emergency Department | Upstate | 01/01/09 |
| Statewide Base Price ⁽²⁾ | Statewide | 01/01/11 |

*For Clinic (effective 12/1/08) & School-Based Health Center (SBHC) (effective 4/1/09), while they share the same base payment rates, please note that their rate codes and effective dates differ. Effective 4/1/2023, SBHC base payment rates are increased by 10%.

⁽¹⁾ Mentally Retarded/Developmentally Disabled/Traumatic Brain Injured (MR/DD/TBI). Effective 1/1/2025, the Clinic MR/DD/TBI base payment rates increase to 150% of the latest Clinic base payment rates.

⁽²⁾ Statewide Base Price is not a service but used for APGs which do not have a payment differentiation for upstate and downstate providers.

⁽³⁾ Effective 1/1/2025, new Clinic Physically Disabled (PD) base payment rates, which are 150% of latest Clinic base payment rates.

Hospital-based Article 28 Medicaid rates can be found at the Department of Health's website at:
https://www.health.ny.gov/health_care/medicaid/rates/apg/rates/hospital/hosp_base_rates.htm

TN #25-0021 _____ **Approval Date** _____

Supersedes TN #23-0074 _____ **Effective Date** January 01, 2025

Appendix II
2025 Title XIX State Plan
First Quarter Amendment
Summary

SUMMARY
SPA #25-0021

This State Plan Amendment proposes to increase the Ambulatory Patient Group (APG) clinic base payment rates, for hospital-based clinics licensed under Article 28 of the Public Health Law that serve individuals with intellectual/developmental disabilities, or individuals with physical disabilities, to 150% of the latest clinic base payment rates effective on or after January 1, 2025.

Appendix III
2025 Title XIX State Plan
First Quarter Amendment
Authorizing Provisions

SPA 25-0021

State Fiscal Year 2024/25 Aid to Localities Budget Bill (S 8303-D / A 8803-D)

DEPARTMENT OF HEALTH

AID TO LOCALITIES 2024-25

For services and expenses of the medical assistance program including hospital outpatient and emergency room services.

Notwithstanding any provision of law to the contrary, the portion of this appropriation covering fiscal year 2024-25 shall supersede and replace any duplicative (i) reappropriation for this item covering fiscal year 2024-25, and (ii) appropriation for this item covering fiscal year 2024-25 set forth in chapter 53 of the laws of 2023 (26948) 300,530,000

Appendix IV
2025 Title XIX State Plan
First Quarter Amendment
Public Notice

February 19, 2025

RICHARD A. BALL, Commissioner

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 to comply with the state fiscal year 2024-2025 New York State enacted budget. The following changes are proposed:

Non-Institutional Services

The following is a clarification to the September 25, 2024, noticed provision to increase the Ambulatory Patient Group (APG) clinic base rates, for providers licensed under Article 28 of the Public Health Law (PHL) that serve individuals with intellectual and/or developmental disabilities, and to establish APG clinic base rates, for providers licensed under Article 28 of the PHL that serve individuals with physical disabilities.

With clarification, effective for services on or after January 1, 2025, the estimated net aggregate increases in gross Medicaid expenditures attributable to this initiative for state fiscal years 2024-2025 and 2025-2026 are \$6.14 million and \$24.56 million, respectively.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district.

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, Division of Finance and Rate Setting, 99 Washington Ave., One Commerce Plaza, Suite 1432, Albany, NY 12210, spa-inquiries@health.ny.gov

PUBLIC NOTICE**New York City Deferred Compensation Plan**

The New York City Deferred Compensation Plan (the "Plan") is seeking qualified vendors to provide US small-cap equity growth investment management services for the Small Cap Equity Fund ("the Fund") investment option of the Plan. The objective of the Fund is to provide long term growth of capital by investing primarily in the stocks of smaller rapidly growing companies. To be considered, vendors must submit their product information to Segal Marco Advi-

sors at the following e-mail address: nycdcp.procurement@segalmarco.com. Please complete the submission of product information no later than 4:30 P.M. Eastern Time on March 31, 2025.

Consistent with the policies expressed by the City, proposals from certified minority-owned and/or women-owned businesses or proposals that include partnering arrangements with certified minority-owned and/or women-owned firms are encouraged. Additionally, proposals from small and New York City-based businesses are also encouraged.

PUBLIC NOTICE

Department of State

F-2024-0647

Date of Issuance – March 12, 2025

The New York State Department of State (DOS) is required by Federal regulations to provide timely public notice for the activities described below, which are subject to the consistency provisions of the Federal Coastal Zone Management Act of 1972, as amended.

The applicant has certified that the proposed activity complies with and will be conducted in a manner consistent with the approved New York State Coastal Management Program.

In F-2024-0647, Roger Todebush is proposing to remove the existing damaged wooden 3' x 8' steps, 4' x 35' fixed dock, and 3' x 4' steps and replacing them with a new 4' x 61' fixed dock with steps down to a new 5' x 20' fixed T-section with 3' x 4' steps on all sides. The proposal is for the applicant's property at 1130 West Creek Avenue in the Town of Southold, Suffolk County, on Wickham Creek.

The stated purpose of the proposed action is to replace and upgrade the existing dock and provide recreational access for water-dependent uses on Wickham Creek.

The applicant's consistency certification and supporting information are available for review at:

<https://dos.ny.gov/system/files/documents/2025/03/f-2024-0647.pdf> or at <https://dos.ny.gov/public-notices>

Original copies of public information and data submitted by the applicant are available for inspection at the New York State Department of State offices located at One Commerce Plaza, 99 Washington Avenue, in Albany, New York.

Any interested parties and/or agencies desiring to express their views concerning any of the above proposed activities may do so by filing their comments, in writing, no later than 4:30 p.m., 30 days from the date of publication of this notice, or April 11, 2025.

Comments should be addressed to: Consistency Review Unit, Department of State, Office of Planning, Development and Community Infrastructure, One Commerce Plaza, 99 Washington Ave., Albany, NY 12231, (518) 474-6000; Fax (518) 473-2464. Electronic submissions can be made by email at: CR@dos.ny.gov

This notice is promulgated in accordance with Title 15, Code of Federal Regulations, Part 930.

PUBLIC NOTICE

Department of State

F-2024-0778

Date of Issuance – March 12, 2025

The New York State Department of State (DOS) is required by Federal regulations to provide timely public notice for the activities described below, which are subject to the consistency provisions of the Federal Coastal Zone Management Act of 1972, as amended.

The applicant has certified that the proposed activity complies with and will be conducted in a manner consistent with the approved New York State Coastal Management Program.

In F-2024-0778, the applicant, the Town of Evans, is proposing to construct a new 12' wide stabilized gravel access drive consisting of 21CY of subbase course type 2 stone; excavate 38.3CY of earth cut over 1800sqft; and install 550CY of heavy stone fill along gravel access and legs 1 and 2 of the breakwater. All fill to be placed and all cut to occur above elevation of 572.44'. This project is located at 618 Sturgeon Point Road, Town of Evans, Erie County, Lake Erie.

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 Energy Planning Board

Pursuant to the New York State Energy Law, Article 6, the New York State Energy Planning Board ("Board") hereby gives notice of the following: Pursuant to Board Resolution No. 11, approved on September 9, 2024, a New York State Energy Planning Proceeding to develop an updated State Energy Plan ("Plan") is hereby commenced. The Board also authorized the publication of the Draft Scope for the Plan for public comment in the State Register, as required pursuant to 9 NYCRR 7845.1. Comments will be received for 60 days. Information on accessing the Draft Scope and submitting comments can be found at energyplan.ny.gov/Process/Scope-Regulations-Bylaws. The general Scope of the Plan is defined by Energy Law § 6-104 and will include: demand and supply forecasts for the State's electric generation, natural gas, delivered and alternative fuels; a review of electric transmission and distribution conditions and needs; assessment of current energy policies and programs and consideration of additional actions toward achieving long-range energy planning objectives; an update of the assessment of the climate and environmental impacts of the State's energy systems; and discussions of climate justice, workforce policy, energy affordability, economic development opportunities, health impacts, and other related topics. Upon completion of the comment period and consideration of comments submitted, the Board shall reconvene to adopt a final Scope for the development of the Energy Plan. Following the adoption of a final Scope, the Board shall develop and issue a Draft Energy Plan which shall be subject to both public hearings and publication for written comments as the proceeding progresses.

Interested persons and parties may join the service list to receive documents in the proceeding at energyplan.ny.gov/Subscribe-To-Energy-Plan-Updates. The public is invited to review and comment on the Draft Scope and other matters they believe the State Energy Planning Board should consider and examine during this proceeding. Copies of the 2024 Draft Scope, as well as information on how to submit public comments, are available on the State Energy Plan

website at energyplan.ny.gov/Process/Scope-Regulations-Bylaws. The period for submitting public comments is through November 25, 2024.

For further information, contact: Vanessa Ulmer, NYSEDA, 17 Columbia Circle, Albany, NY 12203, (518) 862-1090, extension 3018, nysenergyplan@nyseda.ny.gov

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 to comply with the state fiscal year 2024-2025 New York State enacted budget. The following changes are proposed:

Non-Institutional Services

Effective for services on or after October 1, 2024, the Department of Health will increase the Ambulatory Patient Group (APG) clinic base rates, for providers licensed under Article 28 of the Public Health Law that serve individuals with intellectual and/or developmental disabilities, to 150% of the current general clinic base rates. The Department of Health will also establish APG clinic base rates, for providers licensed under Article 28 of the Public Health Law that serve individuals with physical disabilities, that are 150% of the current general clinic base rates. This rate enhancement is intended to increase access to quality primary care and physical health services and improve patient health outcomes of individuals with these disabilities.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative for state fiscal year 2024-2025 and 2025-2026 is \$10.4 million and \$20.8 million, respectively.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district.

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, Division of Finance and Rate Setting, 99
Washington Ave., One Commerce Plaza, Suite 1432, Albany, NY
12210, spa-inquiries@health.ny.gov

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 to comply with NYS Social Services Law § 365-a (1), (2). The following changes are proposed:

Non-Institutional Services

Effective on or after October 1st, 2024, payments to Federally Qualified Health Centers (FQHCs) for medically necessary dental implants and implant-supported services will be made using an alternative payment methodology (APM) via the NYS Medicaid dental fee schedule in lieu of the prospective payment system (PPS) base rate. This method will reimburse FQHCs an amount greater than the PPS rate, to acknowledge the higher costs associated with resources, materials, treatment time, and the scope of skilled services needed to perform these procedures.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative for state fiscal year 2024-2025 is \$10,637.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district.

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Washington Ave., One Commerce Plaza, Suite 1432, Albany, NY
12210, spa-inquiries@health.ny.gov

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 to comply with the New York State enacted budget. The following changes are proposed:

Non-Institutional Services

Effective on or after October 1, 2024, the Department of Health will adjust Medicaid rates of payment by 25 percent statewide for Partial Hospitalization providers licensed by the Office of Mental Health.

The estimated net aggregate increase in gross fee-for-service Medicaid expenditures attributable to this initiative, contained in the budget for state fiscal year 2024-2025 is \$95,000.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district.

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

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New York, New York 10018

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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, Division of Finance and Rate Setting, 99
Washington Ave., One Commerce Plaza, Suite 1432, Albany, NY
12210, spa-inquiries@health.ny.gov

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 to comply with the New York State enacted budget. The following changes are proposed:

Non-Institutional Services

Effective on or after October 1, 2024, the Department of Health will adjust Medicaid rates of payment by 2.8% statewide for those Mental Health Outpatient Treatment and Rehabilitative Services (MHOTRS) providers licensed by the Office of Mental Health who participate in the OMH Quality Improvement initiative. The quality program will be enhanced to support expansion of access to mental health services and improved patient outcomes.

The estimated net aggregate increase in gross fee-for-service Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2024-2025 is \$1.0 million.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district.

Appendix V
2025 Title XIX State Plan
First Quarter Amendment
Responses to Standard Funding Questions

**NON-INSTITUTIONAL SERVICES
State Plan Amendment #25-0021**

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 the state plan.

- 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 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 receive and retain 100 percent of total Medicaid expenditures claimed by the State and the State does not require any provider to return any portion of such payments to the State, local government entities, or any other intermediary organization.

- 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 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 government 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: The Non-Federal share Medicaid provider payment is funded by a combination of the following funds/funding sources through enacted appropriations authority to the Department of Health (DOH) for the New York State Medicaid program.

| Payment Type | Non-Federal Share Funding | 4/1/24 – 3/31/25 | |
|-----------------|--|------------------|--------|
| | | Non-Federal | Gross |
| Normal Per Diem | General Fund; Special Revenue Funds; County Contribution | \$368M | \$749M |

A. **General Fund:** Revenue resources for the State’s General Fund includes taxes (e.g., income, sales, etc.), and miscellaneous fees (including audit recoveries). Medicaid expenditures from the State’s General Fund are authorized from Department of Health Medicaid.

- 1) New York State Audit Recoveries: The Department of Health collaborates with the Office of the Medicaid Inspector General (OMIG) and the Office of the Attorney General (AG) in recovering improperly expended Medicaid funds. OMIG conducts and coordinates the investigation, detection, audit, and review of Medicaid providers and recipients to ensure they are complying with all applicable laws and regulation. OMIG recovers any improper payments through cash collections and voided claim recoveries. Cash collections are deposited into the State’s General Fund to offset Medicaid costs.

In addition to cash collections, OMIG finds inappropriately billed claims within provider claims. To correct an error, OMIG and DOH process the current accurate claim, and reduce this claim by the inappropriate claim value to recoup the previous overclaim and decrease state spending.

B. Special Revenue Funds:

- 1) Health Care Reform Act (HCRA) Resource Fund: as authorized in section 92-dd of New York State Finance Law and was established in 1996, pursuant to New York State Public Health Law 2807-j. HCRA resources include:
 - Surcharge on net patient service revenues for specified provider types including Comprehensive Diagnostic and Treatment Centers, Ambulatory Surgery Centers, and Outpatient Hospital Services.
 - The rate for commercial payors is 9.63 percent.
 - The rate for governmental payors, including Medicaid, is 7.04 percent.
 - Federal payors, including Medicare, are exempt from the surcharge.

- 2) Health Facility Cash Assessment Program (HFCAP) Fund: Pursuant to New York State Public Health Law 2807-d HFCAP requires New York State designated providers to pay an assessment on cash operating receipts on a monthly basis. The assessment is 0.35% for Article 28 General Hospitals.

NOTE: New York’s Health Care taxes are either broad based and uniform (as in all HFCAP assessments except for the Personal Care Provider Cash Assessment) or have a specific exemption known as the “D’Amato provision (Federal PHL section 105-33 4722 (c))” which allows the HCRA surcharges to exist in their current format. The single tax which has been determined by the State to be an impermissible provider tax is the HFCAP charge on Personal Care Providers. The State does not claim any Federal dollars for the surcharge collected in this manner in order to comply with all Federal provider tax rules.

C. Additional Resources for Non-Federal Share Funding:

County Contribution: In State Fiscal Year 2006, through enacted State legislation (Part C of Chapter 58 of the laws of 2005), New York State “capped” the amount localities contributed to the non-Federal share of providers claims. This was designed to relieve pressure on county property taxes and the NYC budget by limiting local contributions having New York State absorb all local program costs above this fixed statutory inflation rate (3% at the time).

However, in State Fiscal Year 2013 New York State provided additional relief to Localities by reducing local contributions annual growth from three percent to zero over a three-year period. Beginning in State Fiscal Year 2016, counties began paying a fixed cost in perpetuity as follows:

| Entity | Annual Amount |
|-----------------------------|----------------------|
| New York City | \$5.210B |
| Suffolk County | \$243M |
| Nassau County | \$231M |
| Westchester County | \$215M |
| Erie County | \$205M |
| Rest of State (53 Counties) | \$1.260B |
| Total | \$7.364B |

By eliminating the growth in localities Medicaid costs, the State has statutorily capped total Statewide County Medicaid expenditures at 2015 levels. All additional county Medicaid costs are funded by the State through State funding as described above. DOH provides annual letters to counties providing weekly contributions. Contributions are deposited directly into State escrow account and used to offset ‘total’ State share Medicaid funding.

NOTE: The Local Contribution is not tied to a specific claim or service category and instead is a capped amount based on 2015 county spending levels as stated above.

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 Medicaid payments authorized under this State Plan Amendment are not supplemental 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. Under regulations at 42 CFR 447.272, States are prohibited from setting payment rates for Medicaid inpatient services that exceed a reasonable estimate of the amount that would be paid under Medicare payment principals.**

Response: The outpatient UPL demonstration utilizes a cost-to-payment methodology to estimate the upper payment limit for each class of providers. The Medicaid payments under this State Plan Amendment will be included in the 2025 outpatient UPL when it is submitted to CMS.

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: Providers do not receive payments that in the aggregate exceed their reasonable costs of providing services. If any providers received payments that in the aggregate exceeded their reasonable costs of providing services, the State would recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report.

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: The State complies 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 17-0065, 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.