



**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 #25-0027
Non-Institutional Services

Dear Director McMillion:

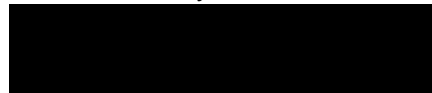
The State requests approval of the enclosed amendment #25-0027 to the Title XIX (Medicaid) State Plan for non-institutional services to be effective March 1, 2025 (Appendix I). This amendment is being submitted based on enacted legislation. A summary of the plan amendment is provided in Appendix II.

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.

A copy of pertinent sections of enacted legislation is enclosed for your information (Appendix III). Copies of the public notices of this plan amendment, which were given in the *New York State Register* on February 26, 2025, and subsequently clarified on March 19, 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,



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 <u>2 5</u> — <u>0 0 2 7</u>	2. STATE <u>NY</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE
March 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
§ 1905(a)(2)(A) Outpatient Hospital Services

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 03/01/25-09/30/25 \$ 10,638,448
b. FFY 10/01/25-09/30/26 \$ 18,237,340

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B: Page A(7.13)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)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

9. SUBJECT OF AMENDMENT
10% Investment - Hospital Outpatient

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]

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

20. TYPED NAME OF APPROVING OFFICIAL

19. SIGNATURE 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
A (7.13)

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

Additional Across the Board Medicaid Rate Increase

(1) For dates of services on or after March 1, 2025 through March 31, 2028, the operating component of Medicaid rates of reimbursement for services specified in paragraph (2) of this page will be increased by ten percent (10%).

(2) Services included in this Attachment applicable to paragraph (1) are as follows:

- a. APG Rate Computation – Hospital Outpatient
- b. Hospital-Based APG Base Rate Table
- c. Hospital-Based Primary Care Physician Services Provided Offsite
- d. Exempt Acute Care Children's Hospital

TN #25-0027

Approval Date _____

Supersedes TN NEW

Effective Date March 1, 2025

Appendix II
2025 Title XIX State Plan
First Quarter Amendment
Summary

SUMMARY
SPA #25-0027

This State Plan Amendment proposes to provide a ten percent (10%) across the board increase to hospital outpatient department operating rates effective for services on or after March 1, 2025 through March 31, 2028.

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

SPA 25-0027

Part NN of Chapter 57 of the Laws of 2024

Section 1. Section 1-a of part I of chapter 57 of the laws of 2022 providing a one percent across the board payment increase to all qualifying fee-for-service Medicaid rates, as added by section 8 of part E of chapter 57 of the laws of 2023, is amended to read as follows:

§ 1-a. Notwithstanding any provision of law to the contrary, for the state fiscal years beginning April 1, 2023, and thereafter, Medicaid payments made for the operating component of hospital inpatient services shall be subject to a uniform rate increase of seven and one-half percent in addition to the increase contained in section one of this act, subject to the approval of the commissioner of health and the director of the budget. Notwithstanding any provision of law to the contrary, for the state fiscal years beginning April 1, 2023, and thereafter, Medicaid payments made for the operating component of hospital outpatient services shall be subject to a uniform rate increase of six and one-half percent in addition to the increase contained in section one of this act, subject to the approval of the commissioner of health and the director of the budget. Notwithstanding any provision of law to the contrary, for the period April 1, 2024 through March 31, 2025 Medicaid payments made for hospital services shall be increased by an aggregate amount of up to \$525,000,000 in addition to the increase contained in sections one and one-b of this act subject to the approval of the commissioner of health and the director of the budget. Such rate increases shall be subject to federal financial participation.

State Fiscal Year 2025-2026 Proposed Executive Budget

1 § 3. Section 1-a of part I of chapter 57 of the laws of 2022 providing
2 a one percent across the board payment increase to all qualifying fee-
3 for-service Medicaid rates, as amended by section 1 of part NN of chap-
4 ter 57 of the laws of 2024, is amended to read as follows:

5 § 1-a. Notwithstanding any provision of law to the contrary, for the
6 state fiscal years beginning April 1, 2023, and thereafter, Medicaid
7 payments made for the operating component of hospital inpatient services
8 shall be subject to a uniform rate increase of seven and one-half
9 percent in addition to the increase contained in section one of this
10 act, subject to the approval of the commissioner of health and the
11 director of the budget. Notwithstanding any provision of law to the
12 contrary, for the state fiscal years beginning April 1, 2023, and there-
13 after, Medicaid payments made for the operating component of hospital
14 outpatient services shall be subject to a uniform rate increase of six
15 and one-half percent in addition to the increase contained in section
16 one of this act, subject to the approval of the commissioner of health
17 and the director of the budget. Notwithstanding any provision of law to
18 the contrary, for the period April 1, 2024 through March 31, 2025 Medi-
19 caid payments made for hospital services shall be increased by an aggre-
20 gate amount of up to \$525,000,000 in addition to the increase contained
21 in sections one and one-b of this act subject to the approval of the
22 commissioner of health and the director of the budget. Notwithstanding
23 any provision of law to the contrary, for the state fiscal years begin-

24 ning April 1, 2025, and thereafter, Medicaid payments made for the oper-
25 ating component of hospital outpatient services shall be subject to a
26 uniform rate increase pursuant to a plan approved by the director of the
27 budget in addition to the applicable increase contained in section one
28 of this act and this section, subject to the approval of the commission-
01/21/25 40 12571-01-5
1 er of health and the director of the budget. Notwithstanding any
2 provision of law to the contrary, for the period April 1, 2025, and
3 thereafter, Medicaid payments made for hospital services shall be
4 increased by an aggregate amount of up to \$425,000,000 in addition to
5 the increase contained in section one of this act and this section,
6 subject to the approval of the commissioner of health and the director
7 of the budget. Such rate increases shall be subject to federal financial
8 participation and the provisions established under section one-f of this
9 act.

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

Office of Health Insurance Programs, Waiver Management Unit, 99 Washington Avenue, 8th floor (Suite 826), Albany, NY, 12210. Please include "1115 Public Forum Comment" in the subject line. All written comments must be postmarked or emailed by April 5, 2025.

About the 1115 Waiver:

- The 1115 Demonstration Waiver, also known as the Medicaid Redesign Team (MRT) Waiver in New York State, is an agreement between the federal Centers for Medicare and Medicaid Services (CMS) and New York State that allows the State to use a managed care delivery system to deliver benefits to Medicaid recipients, create efficiencies in the Medicaid program, and enable the extension of coverage to certain individuals who would otherwise be without health insurance.
- The MRT Waiver was most recently renewed on April 1, 2022, and is effective through March 31, 2027.
- The most recent Annual Monitoring Report can be found here: https://www.health.ny.gov/health_care/medicaid/redesign/reports/docs/2024_pp_annual_rpt.pdf

Pre-registration is required for anyone wishing to provide oral comment using this link: <https://meetny.gov.webex.com/webex/register/r059762b2b87024a7282ad81289d7dba2>. Individuals who wish to provide comment must register with an "SP" in front of their name (ex: SP Jane Doe) and must email 1115waivers@health.ny.gov no later than Tuesday, March 25 at 4pm to confirm registration. Individuals will speak in their order of registration. We kindly request that all presenters limit comments to five minutes or less to ensure that all public comments may be heard. American Sign Language (ASL) interpretation will be available, and the WebEx platform includes a closed captioning feature.

Following the meeting, the Department will post a transcript of the public forum to our website here: https://www.health.ny.gov/health_care/medicaid/redesign/medicaid_waiver_1115.htm

Please direct all questions to 1115waivers@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 in accordance with Section 2559 of the New York State Public Health Law. The following changes are proposed:

Non-Institutional Services

Effective on or after April 1, 2025, a 4% modifier will be added to the reimbursement rate for Early Intervention services delivered to children in underserved and rural areas to address provider capacity issues.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget 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.

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 Part NN of Chapter 57 of the Laws of 2024. The following changes are proposed:

Non-Institutional Services

Effective for the period March 1, 2025 through March 31, 2028, the Department of Health will adjust outpatient rates for hospital providers for services under Article 28 of the Public Health Law, by a ten percent (10%) across the board increase to the operating portion of the rates.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative for state fiscal years 2024-25 and 2025-26 is \$3.69 million and \$44.3 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.

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Staten Island, New York 10301

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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.

NOTICE OF PUBLIC HEARING Department of State

In accordance with Article 8 of the Environmental Conservation Law, the Department of State will conduct a public hearing on May 16, 2025, at 10:00 a.m. on the document titled "Draft Generic Environmental Impact Statement for Proposed Amendment of the New York State Uniform Fire Prevention and Building Code and the State Energy Conservation Construction Code" at the following location:

99 Washington Avenue, Conference Room 505
Albany, New York

Alternatively, anyone may attend the public hearing remotely by pre-registering using the instructions at the following link: <https://dos.ny.gov/state-fire-prevention-and-building-code-council>

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 Part NN of Chapter 57 of the Laws of 2024. The following changes are proposed:

Non-Institutional Services

The following is a clarification to the February 26, 2025, noticed provision to adjust outpatient rates, effective for the period March 1, 2025 through March 31, 2028, for hospital providers for services under Article 28 of the Public Health Law, by a ten percent (10%) across the board increase to the operating portion of the rate.

The Department of Health proposes to amend the Title XIX (Medicaid) State Plan for non-institutional services to comply with Part NN of Chapter 57 of the Laws of 2024 and with clarification, to

comply with the State Fiscal Year 2025-2026 proposed executive budget.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative for state fiscal years 2024-25 and 2025-26 is \$3.69 million and \$44.3 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.

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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 Advisors 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

New York State and Local Retirement System Unclaimed Amounts Payable to Beneficiaries

Pursuant to the Retirement and Social Security Law, the New York State and Local Retirement System hereby gives public notice of the amounts payable to beneficiaries.

The State Comptroller, pursuant to Sections 109(a) and 409(a) of the Retirement and Social Security Law has received, from the New York State and Local Retirement System, a listing of beneficiaries or estates having unclaimed amounts in the Retirement System. A list of names contained in this notice is on file and open to public inspection at the office of the New York State and Local Retirement System located at 110 State St., in the City of Albany, New York.

Set forth below are the names and last known city of record of the beneficiaries and estate appearing from the records of the New York State and Local Retirement System, entitled to the unclaimed benefits.

At the expiration of six months from the date of publication of this list of beneficiaries and estates, unless previously paid to the claimant, the amounts shall be deemed abandoned and placed in the pension accumulation fund to be used for the purposes of said fund.

Any amounts so deemed abandoned and transferred to the pension accumulation fund, may be claimed by the executor or administrator of the estates or beneficiaries so designated to receive such amounts, by filing a claim with the State Comptroller. In the event such claim is properly made, the State Comptroller shall pay over to the estates or the person or persons making such claim, the amount without interest.

Beneficiary Name Beneficiary City

Abbott, Richard W REMSEN
Adams, Damien M CLEARWATER
Adams, Doniell M RNCHO CORDOVA
Adams, Tiffany PLEASANT HILL
Addley, Steven M OROVILLE
Alaimo, Evelyn G BUFFALO
Albert H Nelson, Estate of WELLINGTON
Alessandro, Filomena WHITE PLAINS
Andrzejewski, Kelly CLIFTON SPGS
Baca, Oscar ORLANDO
Bailey, Richard C SUNRISE
Bailey, Veronica R FREEPORT
Bain, Eugene LEOMINSTER
Bain, Frank WEST ISLIP
Bain, Laura NEW WINDSOR
Bakker, Joseph A UNION CITY
Bakker, Leonard J CORNWALL
Barnard III, Ralph R BOCA RATON
Batchelder, Tera HERKIMER
Bedani, Peter ASTORIA
Bell-Ross, Kescha O BREINIGSVILLE
Bellesheim, Allison HUNTINGTON
Bellesheim, Donald HUNTINGTON
Benjamin, Craig LANESVILLE
Bigby, Atiya FUQUAY VARINA
Bigby, Benjamin SAYREVILLE
Biggs, Rebecca HANCOCK
Binnix, Estate of Henry J LAGRANGE
Blackwood, Dwayne PALM SPRINGS
Blasi, Mary K FISHKILL
BOLLER, KATHLEEN GREENLAWN
Bonczyk, Jerome BATAVIA
Boone, Dawn BALDWIN

Bradford, Cynthia CAMILLUS
Branch, Miko MIAMI BEACH
Brim, Karen Ann BEDFORD
Broadhurst, Marie MASSAPEQUA
Burch, Lucinda Ann HUDSON
Burkhardt, Carol A DEPEW
Burt, Annette E APOPKA
Bury, Alan Michael MAHOPAC
Busch, Anna M ROME
Busch, Russell T BAY SHORE
Butcher, Marc J DU BOIS
Buttaro, Valeria L ITHACA
Caivano, Bobby FORT WORTH
Caivano, Cathy FORT WORTH
Callender, Kenneth F JOHNSON CITY
Cardamone, Patricia YONKERS
Carman, Abigail C WOODBINE
Carman, Nina M CAMERON
Caron Jr, Jerry A PORT HENRY
Caron, Edna J. PORT HENRY
Caron, William L. PORT HENRY
Carter, Blake Andrew CAMILLUS
Carter, Justin Charles COPENHAGEN
Carter, Katina LIVERPOOL
Carter, Marneen SYRACUSE
Casappello, Estate of Samuel SCHENECTADY
Casey, Gina PHENIX CITY
Casey, Jade Skye Grace OGDENSBURG
Cassell, Jonathan J GREENSBORO
Chaney III, Alfred NEW CITY
Chaney, Phillip HIRAM
Cheek, Theresa Susan CLEARWATER
Cheryl Springs, Estate of DOSWELL
Choong, Ellen S MORGANVILLE
Ciminieri, David M MILTON
Clark, Douglas M MT JULIET
Clendenin, Tyrone L ROOSEVELT
Cody Jr, John M POUGHKEEPSIE
CONDON, DIANE J EAST ISLIP
Cordes Jr, John MORRISONVILLE
Cordes, Caroline AU SABLE FRKS
Cordes, Kate PERU
Corso, Elaine BAYSIDE
Cratch, Danny L N FT MYERS
Crespo, Regina PINELLAS PARK
Crogan, Tina LEWISTON
Crooks, Rex A BATH
Curcio, Joanne BROOKLYN
Davis Jr, James A BLYTHEVILLE
Davis, Estate of Daniel WHITE HSE STA
Davison, Estate of Malcolm F CAZENOVIA
Deardorff, Patricia A NEW BERN
Dees, Aric PATCHOGUE
Desai, Saroj S FISHKILL
Deveaux, John A GREENVILLE
Deveaux, Tara D LOS ANGELES
Devine, John A BUFFALO
DIBBLEE, ANTOINETTE A MILFORD
Dorchak III, Frank COLORADO SPGS

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

NON-INSTITUTIONAL SERVICES
State Plan Amendment #25-0027

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	\$262.1M	\$524.2M

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.