



Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

June 30, 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 #25-0046
Non-Institutional Services

Dear Director McMillion:

The State requests approval of the enclosed amendment #25-0046 to the Title XIX (Medicaid) State Plan for non-institutional services to be effective April 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 March 26, 2025, and subsequently clarified on July 16, 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 used to redact 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 4 6

2. STATE

N Y3. 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

April 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION

§ 1905(a)(13) Other Diagnostic, Screening, Prev., and Rehab Svc

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 04/01/25-09/30/25 \$ 708,207b. FFY 10/01/25-09/30/26 \$ 1,416,413

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B: Pages 10(a.1)(b), 10(a.3.ii), 10(a.5),
10(a.6)(a), 10(a.7)(a)8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)Attachment 4.19-B: Pages 10(a.1)(b), 10(a.3.ii), 10(a.5),
10(a.6)(a), 10(a.7)(a)

9. SUBJECT OF AMENDMENT

2.6% TARGETED INFLATIONARY INCREASE - 2025 OASAS FREESTANDING ADDIC.SVC AND RESID SVC

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



12. TYPED NAME

Amir Bassiri

13. TITLE

Medicaid Director

14. DATE SUBMITTED

June 30, 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
Second Quarter Amendment
Amended SPA Pages

**New York
10(a.1)(b)****1905(a)(13) Other Diagnostic, Screening, Preventive, and Rehabilitative Services****Rehabilitative Services - Addiction Services****Addiction Residential Services (cont.)**

Effective March 1, 2023, the downstate region fee for Residential Stabilization will receive a 5.6% rate increase for parity to the upstate region. Also on March 1, 2023, Residential Stabilization will receive an additional 15.0% rate increase for both the upstate and downstate regions (compounding with the 5.6% rate increase in the downstate region). On March 1, 2023, Residential Rehabilitation will receive a 4.5% rate increase in each region. Residential Reintegration fees will remain unchanged. All fees associated with these adjustments will be posted on the OASAS website at:

<https://oasas.ny.gov/reimbursement/non-ambulatory>

Effective April 1, 2023, all three elements of the Part 820 service will receive a 4.0% cost-of-living adjustment. Effective April 1, 2024, all three elements of the Part 820 service will receive a 2.84% cost-of-living adjustment. Effective April 1, 2025, all three elements of the Part 820 service will receive a targeted inflationary increase of 2.6%. The revised rates will be posted at the link above.

TN #25-0046

Approval Date

Supersedes TN #24-0048

Effective Date April 1, 2025

**New York
10(a.3.ii)**

1905(a)(13) Other Diagnostic, Screening, Preventive, and Rehabilitative Services

Reimbursement methodology (cont.)

Effective January 1, 2024, the freestanding Ambulatory Patient Group base rates are as follows:

Service	Region	1/1/2024
Addiction Rehab	Upstate	\$ 172.78
Addiction Rehab	Downstate	\$ 202.16
Addiction Day Rehab	Upstate	\$ 172.78
Addiction Day Rehab	Downstate	\$ 202.16
Opioid Treatment Program (OTP)	Upstate	\$ 172.78
Opioid Treatment Program (OTP)	Downstate	\$ 202.16
Offsite - Rehab and Day Rehab	Upstate	\$ 241.89
Offsite - Rehab and Day Rehab	Downstate	\$ 283.02
Offsite - OTP	Upstate	\$ 241.89
Offsite - OTP	Downstate	\$ 283.02

The fee schedule rates in the table above apply to both governmental and private providers.

The rates in the table above are posted at:

<https://oasas.ny.gov/reimbursement/ambulatory-providers>

Effective April 1, 2024, freestanding Ambulatory Patient Group base rates will receive a 2.84% cost-of-living adjustment. Effective April 1, 2025, these rates will receive a targeted inflationary increase of 2.6%. The revised rates will be posted at the link above.

TN **#25-0046**

Approval Date _____

Supersedes TN **#24-0048**

Effective Date **April 1, 2025**

**New York
10(a.5)**

1905(a)(13) Other Diagnostic, Screening, Preventive, and Rehabilitative Services

Statewide RMSW fees:

Bed Size	RMSW Fees
6	\$ 408.97
7	\$ 401.53
8	\$ 395.20
9	\$ 389.70
10	\$ 384.85
11	\$ 380.51
12	\$ 376.59
13	\$ 373.01
14	\$ 369.74
15	\$ 366.72
16	\$ 363.91

The geographic regions and regional cost factors applicable to the statewide fees derived from the table above and used to determine the final facility-specific free-standing residential medically supervised withdrawal fees are as follows:

Region	Factor	Counties
1	1.2267	Bronx, Kings, New York, Richmond, Queens
2	1.2001	Westchester
3	1.1825	Nassau, Suffolk, Rockland, Orange, Putnam
4	1.1009	Dutchess
5	1.0317	Erie, Niagara
6	0.9710	Madison, Onondaga, Oswego, Tompkins, Jefferson, Herkimer, Oneida
7	0.9192	Rest of State

Effective April 1, 2022, the January 1, 2019, fees in the table above will receive a 5.4% cost-of-living adjustment. Effective January 1, 2023, the RMSW, fees will receive a 5.0% rate increase. Effective April 1, 2023, RMSW fees will receive a 4.0% cost-of-living adjustment. All fees will be posted on the OASAS website at:

<https://oasas.ny.gov/reimbursement/non-ambulatory>

Effective April 1, 2024, RMSW fees will receive a 2.84% cost-of-living adjustment. The revised rates will be posted at the link above. Effective April 1, 2025, the RMSW fees will receive a targeted inflationary increase of 2.6%.

TN #25-0046

Approval Date

Supersedes TN #24-0048

Effective Date April 1, 2025

**New York
10(a.6)(a)****1905(a)(13) Other Diagnostic, Screening, Preventive, and Rehabilitative Services****Chemical Dependence Freestanding Residential Rehabilitation Services (cont.)**

Effective April 1, 2022, the January 1, 2019, fees for Freestanding Residential Rehabilitation Services will receive a 5.4% cost-of-living adjustment (COLA). Effective January 1, 2023, fees for Freestanding Residential Rehabilitation Services will receive a 5.0% rate increase. Effective April 1, 2023, fees for Freestanding Residential Rehabilitation Services will receive a 4.0% cost-of-living adjustment. All fees associated with these adjustments will be posted on the OASAS website at:

<https://oasas.ny.gov/reimbursement/non-ambulatory>

Effective April 1, 2024, fees for Freestanding Residential Rehabilitation Services will receive a 2.84% cost-of-living adjustment. Effective April 1, 2025, freestanding Residential Rehabilitation Services will receive a targeted inflationary increase of 2.6%. The revised rates will be posted at the link above.

TN #25-0046

Approval Date

Supersedes TN #24-0048

Effective Date April 1, 2025

**New York
10(a.7)(a)****1905(a)(13) Other Diagnostic, Screening, Preventive, and Rehabilitative Services****OASAS Opioid Treatment Programs (OTPs) Alternative Reimbursement Methodology
– Freestanding Weekly Bundles (cont.)**

Effective April 1, 2022, and through June 30, 2022, the November 1, 2021, freestanding OTP weekly bundle fees will receive a 5.4% cost-of-living adjustment (COLA). Effective July 1, 2022, freestanding OTP weekly bundle fees will receive a 5.4% COLA. Effective January 1, 2023, freestanding OTP weekly bundle fees will receive an additional 5.0% rate increase. Effective April 1, 2023, freestanding OTP weekly bundle fees will receive a 4.0% cost-of-living adjustment. All fees associated with these adjustments will be posted on the OASAS website at:

<https://oasas.ny.gov/reimbursement/ambulatory-providers>

Effective April 1, 2024, freestanding OTP weekly bundle fees will receive a 2.84% cost-of-living adjustment. Effective April 1, 2025, the freestanding OTP weekly bundle fees will receive a targeted inflationary increase of 2.6%. The revised rates will be posted at the link above.

TN #25-0046

Approval Date

Supersedes TN #24-0048

Effective Date April 1, 2025

Appendix II
2025 Title XIX State Plan
Second Quarter Amendment
Summary

SUMMARY
SPA #25-0046

This State Plan Amendment proposes a 2.6% targeted inflationary increase effective April 1, 2025 for OASAS Freestanding Outpatient Services, Residential Rehabilitation Services, and Residential Medically Supervised Withdrawal Services.

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

SPA 25-0046

Chapter 57 of the Laws of 2025 Part FF

2. Notwithstanding any inconsistent provision of law, subject to the approval of the director of the budget and available appropriations therefor, for the period of April 1, 2025 through March 31, 2026, the commissioners shall provide funding to support a two and six-tenths percent (2.6%) targeted inflationary increase under this section for all eligible programs and services as determined pursuant to subdivision four of this section.

(4) (iii) Programs and services funded, licensed, or certified by the office of addiction services and supports (OASAS) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: medically supervised withdrawal services - residential; medically supervised withdrawal services - outpatient; medically managed detoxification; inpatient rehabilitation services; outpatient opioid treatment; residential opioid treatment; residential opioid treatment to abstinence; problem gambling treatment; medically supervised outpatient; outpatient rehabilitation; specialized services substance abuse programs; home and community based waiver services pursuant to subdivision 9 of section 366 of the social services law; children and family treatment and support services; continuum of care rental assistance case management; NY/NY III post-treatment housing; NY/NY III housing for persons at risk for homelessness; permanent supported housing; youth clubhouse; recovery community centers; recovery community organizing initiative; residential rehabilitation services for youth (RRSY); intensive residential; community residential; supportive living; residential services; job placement initiative; case management; family support navigator; local government unit administration; peer engagement; vocational rehabilitation; HIV early intervention services; dual diagnosis coordinator; problem gambling resource centers; problem gambling prevention; prevention resource centers; primary prevention services; other prevention services; comprehensive outpatient clinic; jail-based supports; and regional addiction resource centers.

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

Public Notice
NYS 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 all services to comply with the 2025-2026 enacted budget. The following changes are proposed:

All Services

The following is a clarification to the March 26, 2025, noticed provision to adjust rates of payment statewide to reflect a 2.1 percent (2.1%) Targeted Inflationary Increase.

With clarification, this increase will now be 2.6 percent (2.6%) and relating to the following: Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), and Office for People With Developmental Disabilities (OPWDD) State Plan Services: OMH Outpatient Services, OMH Clinic Services, OMH Rehabilitative Services, Comprehensive Psychiatric Emergency Program, including Extended Observation Beds, Children Family Treatment Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Outpatient Addiction Services, OASAS Freestanding (non-hospital) Inpatient Rehabilitation Services, OASAS Freestanding Inpatient Detox Services, OASAS Part 820 Residential Services, OASAS Residential Rehabilitation Services for Youth, Intermediate Care Facility (ICF/IDD), Day Treatment, Article 16 Clinic Services, Specialty Hospital,

Independent Practitioner Services for Individual with Developmental Disabilities (IPSIDD), and OPWDD Crisis Services.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-26 is now \$34.9 million.

Non-Institutional Services

The following is a clarification to the March 26, 2025, noticed provision to provide a three-year increase in funding associated with the reimbursement for Adult Day Health Care programs (ADHCs).

With clarification, the estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is now \$6.4 million.

The following is a clarification to the March 26, 2025, noticed provision to provide a three-year increase in funding associated with the reimbursement for Hospice programs.

With clarification, the estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is now \$0.3 million.

Institutional Services

The following is a clarification to the March 26, 2025, noticed provision for hospitals owned and operated by the New York City Health and Hospitals Corporation

are removed from participation in the Indigent Care Pool (ICP). Hospitals will continue to be funded in DSH via other DSH transactions.

With clarification, such DSH transactions will continue April 1, 2025 through March 31, 2028. There is no change to the previously published fiscal impact.

Long Term Care Services

The following is a clarification to the March 26, 2025, noticed provision to provide a three-year increase in funding associated with the reimbursement for residential health care facilities.

With clarification, the estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is now \$438.3 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:

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

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

Department of Civil Service

PURSUANT to the Open Meetings Law, the New York State Civil Service Commission hereby gives public notice of the following:

Please take notice that the regular monthly meeting of the State Civil Service Commission for April 2025 will be conducted on April 9 and April 10 commencing at 10:00 a.m. This meeting will be conducted at NYS Media Services Center, Suite 146, South Concourse, Empire State Plaza, Albany, NY with live coverage available at <https://www.cs.ny.gov/commission/>.

For further information, contact: Office of Commission Operations, Department of Civil Service, Empire State Plaza, Agency Bldg. 1, Albany, NY 12239, (518) 473-6598

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 all services to comply with the 2025-2026 proposed executive budget. The following changes are proposed:

All Services

Effective on or after April 1, 2025, the Department of Health will adjust Medicaid rates statewide to reflect a 2.1% percent Targeted Inflationary Increase for the following Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), and Office for People With Developmental Disabilities (OPWDD) State Plan Services: OMH Outpatient Services, OMH Clinic Services, OMH Rehabilitative Services, Comprehensive Psychiatric Emergency Program, including Extended Observation Beds, Children Family Treatment Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Outpatient Addiction Services, OASAS Freestanding (non-hospital) Inpatient

Rehabilitation Services, OASAS Freestanding Inpatient Detox Services, OASAS Part 820 Residential Services, OASAS Residential Rehabilitation Services for Youth, Intermediate Care Facility (ICF/IDD), Day Treatment, Article 16 Clinic Services, Specialty Hospital, Independent Practitioner Services for Individual with Developmental Disabilities (IPSIDD), and OPWDD Crisis Services.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-26 is \$28.3 million.

Non-Institutional Services

Effective on or after April 1, 2025 through March 31, 2028, this proposal would provide a three-year increase in funding associated with the reimbursement for diagnostic and treatment centers, including Federally Qualified Health Centers and Rural Health Clinics.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$20 million.

Effective on or after April 1, 2025 through March 31, 2028, this proposal would provide a three-year increase in funding associated with the reimbursement for Assisted Living Programs (ALPs).

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$15 million.

Effective on or after April 1, 2025 through March 31, 2028, this proposal would provide a three-year increase in funding associated with the reimbursement for Adult Day Health Care programs (ADHCs).

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$5.4 million.

Effective on or after April 1, 2025 through March 31, 2028 this proposal would provide a three-year increase in funding associated with the reimbursement for Hospice programs.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$0.7 million.

Effective on or after April 1, 2025 noticed provision for Supplemental payments intended for services provided for Voluntary Hospitals up to the upper payment limit for Voluntary Hospitals shall be eliminated. Funds shall be available as Indigent Care Pool (ICP) dollars only.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2025, rates of payment for services provided by Health Facilities licensed under Article 29-I of the Public Health Law to individuals under age 21 years, will be increased to account for enhanced programmatic requirements and to ensure access to primary care services in these settings.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-26 is \$36 million.

Effective on or after April 1, 2025, the Department of Health will adjust Medicaid rates statewide to account for increased labor costs resulting from statutorily required increases in New York State minimum wage for the following Office of Mental Health (OMH) State

Plan Services: OMH Outpatient Services, OMH Clinic Services, and OMH Rehabilitative Services.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is \$84,000.

Institutional Services

Effective on or after April 1, 2025, the proposed amendment to the State Plan will allow Title XIX (Medicaid) reimbursement to general hospitals, as defined in Subdivision 10 of Section 2801 of the Public Health Law, for provision of inpatient acute care that is provided off-site, pursuant to the conditions set forth in proposed Subdivision 15 of Section 2803 of the Public Health Law (see Proposed Executive Budget, Health and Mental Hygiene, Part Y). Reimbursement rates will match those provided for inpatient acute care services provided on-site in licensed general hospital settings.

Under the proposed law, the Commissioner of Health of the State of New York may allow general hospitals to provide off-site acute care medical services that are (a) not home care services or professional services as defined in Subdivisions 1 and 2 of Section 3602 of the Public Health Law; (b) provided by a medical professional, including a physician, registered nurse, nurse practitioner, or physician assistant, to a patient with a preexisting clinical relationship with the general hospital or with the health care professional providing the service; and (c) provided to a patient for whom a medical professional has determined is appropriate to receive acute medical services at their residence. To participate, the general hospital must also have appropriate discharge planning in place to coordinate discharge to a home care agency where medically necessary and consented to by the patient after the patient's acute care episode ends, consistent with all applicable federal, state, and local laws.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2025 the provision for Supplemental payments intended for services provided for Voluntary Hospitals up to the upper payment limit for Voluntary Hospitals shall be eliminated. Funds shall be available as Indigent Care Pool (ICP) dollars only.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2025, hospitals owned and operated by the New York City Health and Hospitals Corporation are removed from participation in the Indigent Care Pool (ICP). Hospitals will continue to be funded in DSH via other DSH transactions.

The estimated annual net aggregate decrease in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-26 is (\$113 million).

Long Term Care Services

Effective on or after April 1, 2025 through March 31, 2028 this proposal would provide a three-year increase in funding associated with the reimbursement for residential health care facilities.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$378.9 million.

Effective on or after April 1, 2025, the Department of Health proposes to amend the Title XIX (Medicaid) State Plan for long term care services related to temporary rate adjustments to long term care providers that are undergoing closure, merger, consolidation, acquisition or restructuring themselves or other health care providers. These payments are authorized by current State statutory and regulatory provisions. The temporary rate adjustments will be reviewed and approved by the CINERGY Collaborative.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$30 million.

Effective on or after April 1, 2025 a demonstration program for aging adults with medical fragility shall be established. The aging adults with medical fragility demonstration will certify a medical fragility facility, as defined by Public Health Law § 2808-f, for the purpose of improving the quality of care for aging adults with medical fragility. The facility shall support the continuing needs for adults from age 35 years old to end of life who have a chronic debilitating condition or

conditions, are at risk of hospitalization, are technology-dependent for life or health sustaining functions, require complex medication regimens or medical interventions to maintain or to improve their health status, and/or are in need of ongoing assessment or intervention to prevent serious deterioration of their health status or medical complications that place their life, health or development at risk.

The State intends to utilize its current nursing home reimbursement rates for adults and take into account the methodology used to establish the operating component of the rates with an increase or decrease adjustment as appropriate to account for any discrete expenses associated with caring for aging adults with medical fragility, including addressing their distinct needs as aging adults for medical and psychological support services.

The estimated net aggregate increase in gross Medicaid expenditures attributable to this initiative contained in the budget for state fiscal year 2025-2026 is \$59.6 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 as authorized by § 2826 of New York Public Health Law. The following changes are proposed:

Non-Institutional Services

Effective on or after April 1, 2025, temporary rate adjustments have been approved for services related to providers that are undergoing closure, merger, consolidation, acquisition or restructuring themselves or other health care providers. The temporary rate adjustments have been reviewed and approved for the following Hospital:

- St. Mary's Healthcare

The aggregate payment amounts totaling up to \$11,370,250 for the period April 1, 2025, through March 31, 2026.

The aggregated payment amounts totaling up to \$10,220,250 for the period of April 1, 2026, through March 31, 2027.

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

NON-INSTITUTIONAL SERVICES
State Plan Amendment #25-0046

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.

		4/1/25 – 3/31/26	
Payment Type	Non-Federal Share Funding	Non-Federal	Gross
Normal Per Diem	General Fund; County Contribution	\$26.66M	\$53.33M

- 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. 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	\$5.378B
Suffolk County	\$256M
Nassau County	\$241M
Westchester County	\$223M
Erie County	\$216M
Rest of State (53 Counties)	\$1.320B
Total	\$7.634B

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.

- 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 under this State Plan Amendment are not supplemental payments.

- 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 Medicaid payments authorized under this State Plan Amendment do not impact the UPL demonstrations.

- 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.