NEW YORK STATE | Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

June 30, 2026

Courtney Miller
Director
CMS/Center for Medicaid & CHIP Services
Medicaid & CHIP Operations Group
601 E. 12th St., Room 355
Kansas City, Missouri 64106

RE: SPA #26-0029
Non-Institutional Services

Dear Director Miller:

The State requests approval of the enclosed amendment #26-0029 to the Title XIX (Medicaid) State Plan for non-institutional services to be effective April 1, 2026 (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 notices of this plan amendment, which were given in the *New York State Register* on March 25, 2026, and subsequently clarified on July 15, 2026, 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,

[redacted]

Amir Bassiri
Medicaid Director
Office of Health Insurance Programs

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26 — 0029

2. STATE: NY

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
April 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
§ 1945 of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 04/01/26-09/30/26 $ 178,256
b. FFY 10/01/26-09/30/27 $ 356,513

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
MACPro Portal SPA

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
MACPro Portal SPA

9. SUBJECT OF AMENDMENT
2.7% TARGETED INFLATIONARY INCREASE - 2026 HEALTH HOME PLUS

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
June 30, 2026

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

Instructions on Back

Appendix I
2026 Title XIX State Plan
Second Quarter Amendment
Amended SPA Pages

Records / Submission Packages - Your State

NY - Submission Package - NY2026MS0001O - (NY-26-0029) - Health Homes

Summary Reviewable Units News Related Actions

CMS-10434 OMB 0938-1188

Package Information

Package ID	NY2026MS0001O	**Submission Type**	Official
Program Name	NYS Health Home Program	**State**	NY
SPA ID	NY-26-0029	**Region**	New York, NY
Version Number	1	**Package Status**	Submitted
Submitted By	Jennifer Yungandreas	**Submission Date**	6/30/2026
		Regulatory Clock	90 days remain
		Review Status	Review 1

Submission - Summary

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID NY2026MS0001O
SPA ID NY-26-0029
Submission Type Official
Initial Submission Date 6/30/2026
Approval Date N/A
Effective Date N/A
Superseded SPA ID N/A
Reviewable Unit Instructions

State Information

State/Territory Name: New York
Medicaid Agency Name: Department of Health

Submission Component

- (•) State Plan Amendment
- (•) Medicaid
- ( ) CHIP

Submission - Summary

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

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Superseded SPA ID N/A
Reviewable Unit Instructions

SPA ID and Effective Date

SPA ID NY-26-0029

Reviewable Unit	Proposed Effective Date	Superseded SPA ID
1945 Health Home Intro	4/1/2026	NY-25-0047
1945 Health Home Payment Methodologies	4/1/2026	NY-25-0047

Submission - Summary

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID NY2026MS0001O
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Reviewable Unit Instructions

Executive Summary

Summary Description Including Goals and Objectives SUMMARY
SPA #26-0029

This State Plan Amendment proposes to amend the Title XIX (Medicaid) State Plan for non-institutional services to comply with enacted statutory provisions.

Chapter 57 of the Laws of 2026, Part P of the SFY26/27 Enacted Budget outlines a 2.7% Targeted Inflationary Increase (TII) in eligible Health Home rates for those Health Home members that meet the risk and acuity criteria for Health Home Plus and for those Heath Home members that meet the risk and acuity criteria for Health Home Plus and are receiving Assisted Outpatient Treatment (AOT).

Federal Budget Impact and Statute/Regulation Citation

Federal Budget Impact

	Federal Fiscal Year	Amount
First	2026	$178256
Second	2027	$356513

Federal Statute / Regulation Citation

Section 1945 of the Social Security Act.

Supporting documentation of budget impact is uploaded (optional).

Name	Date Created	
Fiscal Calculations (26-0029) (6-1-26)	6/30/2026 11:41 AM EDT	
Summary (26-0029) (6-1-26)	6/30/2026 11:41 AM EDT	
Authorizing Provisions (26-0029) (6-1-26)	6/30/2026 11:41 AM EDT	

Submission - Summary

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID	NY2026MS0001O	**SPA ID**	NY-26-0029
Submission Type	Official	**Initial Submission Date**	6/30/2026
Approval Date	N/A	**Effective Date**	N/A
Superseded SPA ID	N/A		
Reviewable Unit Instructions			

Governor's Office Review

- (•) No comment
- ( ) Comments received
- ( ) No response within 45 days
- ( ) Other

Submission - Medicaid State Plan

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

CMS-10434 OMB 0938-1188

The submission includes the following:

- [ ] Administration
- [ ] Eligibility
- [x] Benefits and Payments
  - [x] 1945 Health Home Program

Do not use "Create New 1945 Health Home Program" to amend an existing 1945 Health Home program. Instead, use "Amend existing 1945 Health Home program," below.

- ( ) Create new 1945 Health Home program
- (•) Amend existing 1945 Health Home program
- ( ) Terminate existing 1945 Health Home program

NYS Health Home Program

1945 Health Home SPA - Reviewable Units

Only select Reviewable Units to include in the package which you intend to change.

*

	Reviewable Unit Name	Included in Another Submission Package	Source Type
[x]	Health Homes Intro	( )	APPROVED
[ ]	Health Homes Geographic Limitations	( )	APPROVED
[ ]	Health Homes Population and Enrollment Criteria	( )	APPROVED
[ ]	Health Homes Providers	( )	APPROVED
[ ]	Health Homes Service Delivery Systems	( )	APPROVED
[x]	Health Homes Payment Methodologies	( )	APPROVED
[ ]	Health Homes Services	( )	APPROVED
[ ]	Health Homes Monitoring, Quality Measurement and Evaluation	( )	APPROVED

1 – 8 of 8

- [ ] 1945A Health Home Program

Submission - Public Notice/Process

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID NY2026MS0001O
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Reviewable Unit Instructions

Name of 1945 Health Home Program

NYS Health Home Program

☑ Public notice was provided due to proposed changes in methods and standards for setting payment rates for services, pursuant to 42 CFR 447.205.

Upload copies of public notices and other documents used

Name	Date Created	
FPN-NYS Register (03-25-2026)	4/8/2026 1:10 PM EDT	
FPN-2026-2027 Executive Budget Clarifier for DOS (6-26-26)	6/30/2026 11:45 AM EDT	

Submission - Tribal Input

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID NY2026MS0001O
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Effective Date N/A
Superseded SPA ID N/A
Reviewable Unit Instructions

Name of 1945 Health Home Program:

NYS Health Home Program

One or more Indian Health Programs or Urban Indian Organizations furnish health care services in this state

- (•) Yes
- ( ) No

This state plan amendment is likely to have a direct effect on Indians, Indian Health Programs or Urban Indian Organizations, as described in the state consultation plan.

- (•) Yes
- ( ) No

[x] The state has solicited advice from Indian Health Programs and/or Urban Indian Organizations, as required by section 1902(a)(73) of the Social Security Act, and in accordance with the state consultation plan, prior to submission of this SPA.

Complete the following information regarding any solicitation of advice and/or tribal consultation conducted with respect to this submission:

Solicitation of advice and/or Tribal consultation was conducted in the following manner:

[x] All Indian Health Programs

Date of solicitation/consultation:	Method of solicitation/consultation:
6/9/2026	paper mailing/electronic mail

[ ] All Urban Indian Organizations

States are not required to consult with Indian tribal governments, but if such consultation was conducted voluntarily, provide information about such consultation below:

[x] All Indian Tribes

Date of consultation:	Method of consultation:
6/9/2026	paper mailing/electronic mail.

The state must upload copies of documents that support the solicitation of advice in accordance with statutory requirements, including any notices sent to Indian Health Programs and/or Urban Indian Organizations, as well as attendee lists if face-to-face meetings were held. Also upload documents with comments received from Indian Health Programs or Urban Indian Organizations and the state's responses to any issues raised. Alternatively indicate the key issues and summarize any comments received below and describe how the state incorporated them into the design of its program.

Name	Date Created	
Tribal Consultation Summary (26-0029)(6-9-26)	6/30/2026 11:48 AM EDT	

Indicate the key issues raised (optional)

- [ ] Access
- [ ] Quality
- [ ] Cost
- [ ] Payment methodology
- [ ] Eligibility

- [ ] Benefits
- [ ] Service delivery
- [ ] Other issue

Submission - Other Comment

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID NY2026MS0001O
SPA ID NY-26-0029
Submission Type Official
Initial Submission Date 6/30/2026
Approval Date N/A
Effective Date N/A
Superseded SPA ID N/A
Reviewable Unit Instructions

SAMHSA Consultation

Name of 1945 Health Home Program

NYS Health Home Program

☑ The State provides assurance that it has consulted and coordinated with the Substance Abuse and Mental Health Services Administration (SAMHSA) in addressing issues regarding the prevention and treatment of mental illness and substance abuse among eligible individuals with chronic conditions.

Date of consultation
1/1/2014

1945 Health Home Intro

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID	NY2026MS0001O	**SPA ID**	NY-26-0029
Submission Type	Official	**Initial Submission Date**	6/30/2026
Approval Date	N/A	**Effective Date**	4/1/2026
Superseded SPA ID	NY-25-0047		
	User-Entered		
Reviewable Unit Instructions			

Program Authority

1945 of the Social Security Act

The state elects to implement the Health Home state plan option under Section 1945 of the Social Security Act.

Name of 1945 Health Home Program

NYS Health Home Program

Executive Summary

Provide an executive summary of this Health Home program including the goals and objectives of the program, the population, providers, services and service delivery model used

This State Plan Amendment proposes to amend the Title XIX (Medicaid) State Plan for non-institutional services to comply with enacted statutory provisions.

Chapter 57 of the Laws of 2026, Part P of the SFY26/27 Enacted Budget outlines a 2.7% Targeted Inflationary Increase (TII) in eligible Health Home rates for those Health Home members that meet the risk and acuity criteria for Health Home Plus and for those Heath Home members that meet the risk and acuity criteria for Health Home Plus and are receiving Assisted Outpatient Treatment (AOT).

General Assurances

- [x] The state provides assurance that eligible individuals will be given a free choice of Health Home providers.
- [x] The states provides assurance that it will not prevent individuals who are dually eligible for Medicare and Medicaid from receiving Health Home services.
- [x] The state provides assurance that hospitals participating under the state plan or a waiver of such plan will be instructed to establish procedures for referring eligible individuals with chronic conditions who seek or need treatment in a hospital emergency department to designated Health Home providers.
- [x] The state provides assurance that FMAP for 1945 Health Home services shall be 90% for the first eight fiscal quarters from the effective date of the SPA. After the first eight quarters, expenditures will be claimed at the regular matching rate.
- [x] The state provides assurance that it will have the systems in place so that only one 8-quarter period of enhanced FMAP for each health home enrollee will be claimed.
- [x] The state provides assurance that there will be no duplication of services and payment for similar services provided under other Medicaid authorities.

1945 Health Home Payment Methodologies

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID NY2026MS0001O

SPA ID NY-26-0029

Submission Type Official

Initial Submission Date 6/30/2026

Approval Date N/A

Effective Date 4/1/2026

Superseded SPA ID NY-25-0047

User-Entered

Reviewable Unit Instructions

Payment Methodology

The State's Health Home payment methodology will contain the following features

☑ Fee for Service

☐ Individual Rates Per Service

☑ Per Member, Per Month Rates

☑ Fee for Service Rates based on

☑ Severity of each individual's chronic conditions

☐ Capabilities of the team of health care professionals, designated provider, or health team

☑ Other

Describe below

see text box below regarding rates

☐ Comprehensive Methodology Included in the Plan

☐ Incentive Payment Reimbursement

Describe any variations in payment based on provider qualifications, individual care needs, or the intensity of the services provided

see text below

☐ PCCM (description included in Service Delivery section)

☐ Risk Based Managed Care (description included in Service Delivery section)

☐ Alternative models of payment, other than Fee for Service or PMPM payments (describe below)

1945 Health Home Payment Methodologies

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID NY2026MS0001O
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Superseded SPA ID NY-25-0047

User-Entered

Reviewable Unit Instructions

Agency Rates

Describe the rates used

- ○ FFS Rates included in plan
- ○ Comprehensive methodology included in plan
- ◉ The agency rates are set as of the following date and are effective for services provided on or after that date

Effective Date

4/1/2026

Website where rates are displayed

https://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/billing/hh_rates.htm

1945 Health Home Payment Methodologies

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

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User-Entered

Reviewable Unit Instructions

Rate Development

Provide a comprehensive description in the SPA of the manner in which rates were set

1. In the SPA please provide the cost data and assumptions that were used to develop each of the rates;
2. Please identify the reimbursable unit(s) of service;
3. Please describe the minimum level of activities that the state agency requires for providers to receive payment per the defined unit;
4. Please describe the state's standards and process required for service documentation, and;
5. Please describe in the SPA the procedures for reviewing and rebasing the rates, including:
   - the frequency with which the state will review the rates, and
   - the factors that will be reviewed by the state in order to understand if the rates are economic and efficient and sufficient to ensure quality services.

Comprehensive Description Provider Types

NYS Medicaid providers eligible to become Health Homes (HHs) include: Medicaid Managed Care Plans (MMCPs); hospitals; medical, mental, and chemical dependency treatment clinics; primary care practitioner practices; PCMHs; Federally Qualified Health Centers (FQHCs); Targeted Case Management (TCM) providers; Certified Home Healthcare Agencies (CHHAs), and any other Medicaid enrolled providers that meet HH provider standards.

Care Management (CM) Fees

HHs meeting State and Federal standards are paid a per member per month (PMPM) CM fee that is adjusted based on region and case mix method for Health Homes Serving Adults (HHSA) class members; or the Child and Adolescent Needs and Strength Assessment of New York (CANS-NY) for Health Homes Serving Children (HHSC) (age 0 through 20). The total costs relating to a care manager (salary, fringe benefits, non-personal services, capital and administration costs), in conjunction with caseload assumptions, are used to develop the HHCM fees. The State periodically reviews HH claims data in conjunction with Department of Labor salary data to ensure that the fees are sufficient to ensure quality services. Except as otherwise noted in the plan, State developed fee schedules are the same for both governmental and private providers.

All current/pending HHSC, HHSA, and HH+ fees are published on the DOH website:
https://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/billing/docs/hh_rates.pdf

All historical HHSC, HHSA, and HH+ fees are published on the DOH website:
https://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/archive/historical.htm

A unit of service will be defined as a billable unit per service month. In order to be reimbursed for a billable unit of service per month HH providers must, at a minimum, provide one of the core HH services per month. The monthly payment will be paid via the active CM PMPM. Once a patient has consented to receive services, has been assigned a care manager, and is enrolled in the HH program; the active CM PMPM may be billed. Care managers must document all services provided to the member in the member's care plan.

Population Case Mix Definitions for Health Homes Serving Adults (HHSA) Class Members

Health Home Plus (HH+) class CM includes adults with an active AOT order or expired AOT order within the last year; adults stepping down from State Psychiatric Care (PC) and Assertive Community Treatment (ACT); Health and Recovery Plan (HARP) members that meet high risk criteria (recent incarceration, homelessness, multiple hospital admissions, etc.); and members identified at the discretion of the MMCP or State designated entity for adults not currently enrolled in a MMCP.

HHSA High Risk/High Need class CM includes adults that are Health and Recovery Plan (HARP) enrolled members not included in HH+ CM; any adult member meeting high risk criteria based on the high, medium and low Clinical and Functional Assessment; and members identified at the discretion of the MMCP or State designated entity for adults not currently enrolled in a MMCP.

HHSA Home Transition class includes adults who, under the terms of a Stipulation and Order of Settlement between the U.S. Department of Justice and New York State, are Adult Home Residents with serious mental illness (SMI) who are required to transition from Adult Homes located in New York City to the community.

HHSA class CM includes all other adults not meeting the criteria for HH+ CM, High Risk/High Need CM, or HHSA Home Transition.

Managed Care (MC) Considerations

Similar to the NY patient centered Medical Home program, it is the intention of the State to coordinate and pay for HH

services through MMCPs, but at State set fees for the service. The State will address any existing CM resources in the current plan premium for HH enrollees under CMS guidelines (bring this resource out of the capitation and create federal matching for those resources under the HH payment). MMCPs will pay HH providers State set fees when providers are contracted to provide all HH services. In cases where the MMCP performs a portion of the HH service (e.g. telephonic post discharge tracking) and downstream providers perform a separate portion (e.g. face to face CM), the MMCP will split the State generated PMPM proportional to the contracted effort.

The Medicaid/FHP Model Contract has been modified to include language similar to that outlined below which addresses any duplication of payment between the Managed Care Organization (MCO) capitation payments and HH payments. The delivery design and payment methodology will not result in any duplication of payment between HHs and managed care.

- MMCPs are not required to provide services that would duplicate CMS reimbursed HH services for members participating in the State's HH program.
- MMCPs will be informed of members assigned to a HH or will assign its members to a HH for services. MMCPs may need to expand their networks to include additional State designated HH providers to ensure appropriate access.
- MMCPs are required to have signed contracts including clearly established responsibilities with the provider based HHs.
- MMCPs are required to inform either the individual's HH or the State of any inpatient admission or discharge of a HH member that the MMCP learns of through its inpatient admission initial authorization and concurrent review processes as soon as possible to promote appropriate follow-up and coordination of services.
- MMCPs will assist State designated HH providers in their network with coordinating access to data as needed.
- MMCPs will, as appropriate, assist with the collection of required CM and patient experience of care data from State designated HH providers in its network.

The State has a HH advisory committee of providers and MMCPs through which any issues with payment should be raised and addressed. Directions have been given to MMCPs to match HH payment to providers based on relative HHCM effort. Further information on specific construction on HH payments includes specific administration compensation to guide rate differential construct.

Effective January 1, 2012 the State envisions that eventually all Targeted Case Management (TCM) programs operating in New York will convert to or become part of HHs, and these providers will require time to meet State and Federal HH standards. The State will allow TCM providers that can meet HH standards to convert to HHs or join with larger HHs. TCM providers that convert to HHs will be governed under NYS HH Provider Qualification Standards, not TCM standards. The payment method will be designed to transition all existing TCM capacity from the current rates to the new HH fee payment structure.

HHCM services may be provided to children that are eligible and enrolled in both the Early Intervention (EI) and HHSC programs and will meet and fulfill the requirements of the ongoing service coordination required to be provided to children enrolled in the EI program.

All payments will be made under the HH payment detailed above in the CM Fee section if they convert to or become part of a HH.

Effective December 1, 2016 risk adjusted payments (high, medium, low acuity levels) for all Health Home member classes allow providers to service a diverse population of patients and assign patients to various levels of CM intensity without having to meet preset standards for contact counts. Providers are able to respond to and adjust the intensity and frequency of intervention based on a patient’s current condition and needs (from tracking to high touch).

Effective June 1, 2018 the PMPM CM fee for HHs that are designated HHSC only, or designated HHSC in 43 counties and both HHSA and HHSC in 1 county, shall receive an additional $4 million in payments to supplement CM fees. The supplemental payments shall be lump sum payments paid no later than March 31, 2019 and will be allocated proportionately among such HHs based on services provided between June 1, 2018 and December 1, 2018.

Effective January 1, 2019 Providers delivering Individualized Care Coordination (ICC) under the 1915c SED or Health Care Integration (HCI) under the 1915c B2H waivers, who shall provide HHCM services in accordance with this section shall be eligible for a transition fee add-on for two years to enable providers to transition to HHSC fees. HHSC CM services eligible for the transition fee add-on shall be limited to services provided to the number of children such providers served as of December 31, 2018. Services provided to a greater number of children than such providers served as of December 31, 2018 shall be reimbursed the HHSC fee without the add-on.

Effective October,1, 2022 HHSC may receive an assessment fee to ensure that any child who may be eligible for Home and Community-Based Services (HCBS) under the Consolidated Children's Waiver or State Plan authority will be eligible to receive a timely HCBS assessment under the HH program. The HHSC HCBS assessment fee will compensate the HH for the costs associated with conduct of:

- Evaluation and/or re-evaluation of HCBS level of care;
- Assessment and/or reassessment of the need for HCBS;
- Inclusion of all aspects of an HCBS Plan of Care in the HH's Comprehensive Care Plan.

This fee will be paid in addition to the CM PMPM and is contingent upon the HH completing a timely and complete assessment.

Effective January 1, 2024 a PMPM CM fee was developed separately for HHSC designated by the NYS designation process and providing High Fidelity Wraparound (HFW). The fee is based on modeling estimated enrollment, staff salaries, benefits, non-personnel costs, overhead, and administrative costs that is based on region under HFW based on caseload assumptions. Separate projections and fees are developed for this population of most vulnerable children who meet the following conditions to be part of this service:

SED diagnosis as well as additional criteria, namely that the child or youth is:

- Between 6 and 21 years of age;
- Has a functional impairment in the home, school, or community as measured by the CANS-NY system;
- Is HH enrolled/eligible through SED or has 2 mental health (MH) diagnoses;
- Is involved with two or more systems;
- Has a history of service utilization with out-of-home residential or inpatient services, crisis and emergency services, intensive treatment programs or represents high needs populations.

Effective April 1, 2024 a supplemental PMPM CM fee was developed for the HHSA designated by the NYS designation process and providing HH+ CM to members who are receiving HH+ CM due to an Assisted Outpatient Treatment (AOT) Order.

Effective April 1, 2025 a 2.6% Targeted Inflationary Increase (TII) is applied to the CM fees for those HH members that meet the risk and acuity criteria for HH+ and for those members that meet the risk and acuity criteria for HH+ and are receiving AOT as per the SFY 2026 enacted budget.

Effective April 1, 2026 a 2.7% TII is applied to the CM fees for those HH members that meet the risk and acuity criteria for HH+ and for those members that meet the risk and acuity criteria for HH+ and are receiving AOT as per the SFY 2027 enacted budget.

1945 Health Home Payment Methodologies

MEDICAID | Medicaid State Plan | Health Homes | NY2026MS0001O | NY-26-0029 | NYS Health Home Program

Package Header

Package ID	NY2026MS0001O	**SPA ID**	NY-26-0029
Submission Type	Official	**Initial Submission Date**	6/30/2026
Approval Date	N/A	**Effective Date**	4/1/2026
Superseded SPA ID	NY-25-0047		
	User-Entered		
Reviewable Unit Instructions			

Assurances

☑ The State provides assurance that it will ensure non-duplication of payment for services similar to Health Home services that are offered/covered under a different statutory authority, such as 1915(c) waivers or targeted case management.

Describe below how non-duplication of payment will be achieved

All rates are published on the DOH website. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. All of the above payment policies have been developed to assure that there is no duplication of payment for health home services.

https://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/billing/docs/hh_rates.pdf

☑ The state has developed payment methodologies and rates that are consistent with section 1902(a)(30)(A).

☑ The State provides assurance that all governmental and private providers are reimbursed according to the same rate schedule, unless otherwise described above.

☑ The State provides assurance that it shall reimburse providers directly, except when there are employment or contractual arrangements consistent with section 1902(a)(32).

Optional Supporting Material Upload

Name	Date Created	
2026 NI Rate SFQs (26-0029) (6-1-26)	6/30/2026 11:50 AM EDT	

This view was generated on 6/30/2026 11:52 AM EDT

Appendix II
2026 Title XIX State Plan
Second Quarter Amendment
Summary

SUMMARY
SPA #26-0029

This State Plan Amendment proposes to amend the Title XIX (Medicaid) State Plan for non-institutional services to comply with enacted statutory provisions.

Chapter 57 of the Laws of 2026, Part P of the SFY26/27 Enacted Budget outlines a 2.7% targeted inflationary increase (TII) in eligible Health Home rates for those Health Home members that meet the risk and acuity criteria for Health Home Plus and for those Heath Home members that meet the risk and acuity criteria for Health Home Plus and are receiving Assisted Outpatient Treatment (AOT).

Appendix III
2026 Title XIX State Plan
Second Quarter Amendment
Authorizing Provisions

SPA 26-0029

Chapter 57 of the Laws of 2026, Part P

Section 1.

1. Subject to available appropriations and approval of the director of the budget, the commissioners of the office of mental health, office for people with developmental disabilities, office of addiction services and supports, office of temporary and disability assistance, office of children and family services, and the director of the state office for the aging (hereinafter "the commissioners") shall establish a state fiscal year 2026-2027 targeted inflationary increase, effective April 1, 2026, for projecting for the effects of inflation upon rates of payments, contracts, or any other form of reimbursement for the programs and services listed in subdivision four of this section. The targeted inflationary increase established herein shall be applied to the appropriate portion of reimbursable costs or contract amounts. Where appropriate, transfers to the department of health (DOH) shall be made as reimbursement for the state and/or local share of medical assistance.

2. Notwithstanding any inconsistent provision of law, subject to the approval of the director of the budget and available appropriations therefore, for the period of April 1, 2026 through March 31, 2027, the commissioners shall provide funding to support a two and seven-tenths percent (2.7%) targeted inflationary increase under this section for all eligible programs and services as determined pursuant to subdivision four of this section.

3. Notwithstanding any inconsistent provision of law, and as approved by the director of the budget, the 2.7 percent targeted inflationary increase established herein shall be inclusive of all other inflationary increases, cost of living type increases, inflation factors, or trend factors that are newly applied effective April 1, 2026. Except for the 2.7 percent targeted inflationary increase established herein, for the period commencing on April 1, 2026 and ending March 31, 2027, the commissioners shall not apply any other new targeted inflationary increases or cost of living adjustments for the purpose of establishing rates of payments, contracts or any other form of reimbursement. The phrase "all other inflationary increases, cost of living type increases, inflation factors, or trend factors" as defined in this subdivision shall not include payments made pursuant to the American Rescue Plan Act or other federal relief programs related to the Coronavirus Disease 2019 (COVID-19) pandemic public health emergency. This subdivision shall not prevent the office of children and family services from applying additional trend factors or staff retention factors to eligible programs and services under paragraph (v) of subdivision four of this section.

4. Eligible programs and services.

(i) Programs and services funded, licensed, or certified by the office of mental health (OMH) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: office of mental health licensed outpatient programs, pursuant to parts 587 and 599 of title 14 CRR-NY of the office of mental health

regulations including clinic (mental health outpatient treatment and rehabilitative services programs), continuing day treatment, day treatment, intensive outpatient programs and partial hospitalization; outreach; crisis residence; crisis stabilization, crisis/respite beds; mobile crisis, part 590 comprehensive psychiatric emergency program services; crisis intervention; home based crisis intervention; family care; residential program services, excluding property costs, for supported single room occupancy and community residence single room occupancy; supported housing programs/services excluding rent; treatment congregate; supported congregate; community residence - children and youth; treatment/apartment; supported apartment; on-site rehabilitation; employment programs; recreation; respite care; transportation; psychosocial club; assertive community treatment; case management; care coordination, including health home plus services; local government unit administration; monitoring and evaluation; children and youth vocational services; single point of access; school-based mental health program; family support children and youth; advocacy/support services; drop in centers; recovery centers; transition management
services; bridger; home and community based waiver services; behavioral health waiver services authorized pursuant to the section 1115 MRT waiver; self-help programs; consumer service dollars; conference of local mental hygiene directors; multicultural initiative; ongoing integrated supported employment services; supported education; mentally ill/chemical abuse (MICA) network; personalized recovery oriented services; children and family treatment and support services; residential treatment facilities operating pursuant to part 584 of title 14-NYCRR; geriatric demonstration programs; community-based mental health family treatment and support; coordinated children's service initiative; homeless services; and promise zones.

(ii) Programs and services funded, licensed, or certified by the office for people with developmental disabilities (OPWDD) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: local/unified services; chapter 620 services; voluntary operated community residential services; article 16 clinics; day treatment services; family support services; 100% day training; epilepsy services; traumatic brain injury services; hepatitis B services; independent practitioner services for individuals with intellectual and/or developmental disabilities; crisis services for individuals with intellectual and/or developmental disabilities; family care residential habilitation; supervised residential habilitation; supportive residential habilitation; respite; day habilitation; prevocational services; supported employment; community habilitation; intermediate care facility day and residential services; specialty hospital; pathways to employment; intensive behavioral services; community transition services; family education and training; fiscal intermediary; support broker; and personal resource accounts.

(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; supported housing services, excluding rent, for the following programs: NY/NY III post-treatment housing, NY/NY III housing for persons at risk for homelessness, and 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.

(iv) Programs and services funded, licensed, or certified by the office of temporary and disability assistance (OTDA) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: the nutrition outreach and education program (NOEP).

(v) Programs and services funded, licensed, or certified by the office of children and family services (OCFS) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: programs for which the office of children and family services establishes maximum state aid rates pursuant to section 398-a of the social services law and section 4003 of the education law; emergency foster homes; foster family boarding homes and therapeutic foster homes; supervised settings as defined by subdivision 22 of section 371 of the social services law; adoptive parents receiving adoption subsidy pursuant to section 453 of the social services law; and congregate and scattered supportive housing programs and supportive services provided under the NY/NY III supportive housing agreement to young adults leaving or having recently left foster care.

(vi) Programs and services funded, licensed, or certified by the state office for the aging (SOFA) eligible for the targeted inflationary increase established herein, pending federal approval where applicable, include: community services for the elderly; expanded in-home services for the elderly; and the wellness in nutrition program.

5. Each local government unit or direct contract provider receiving funding for the targeted inflationary increase established herein shall submit a written certification, in such form and at such time as each commissioner shall prescribe, attesting how such funding will be or was used to first promote the recruitment and retention of support staff, direct care staff, clinical staff, non-executive administrative staff, or respond to other critical non-personal service costs prior to supporting any salary increases or other compensation for executive level job titles.

6. Notwithstanding any inconsistent provision of law to the contrary, agency commissioners shall be authorized to recoup funding from a local governmental unit or direct contract provider for the targeted inflationary increase established herein determined to have been used in a manner inconsistent with the appropriation, or any other provision of this section. Such agency commissioners shall be authorized to employ any legal mechanism to recoup such funds, including an offset of other
funds that are owed to such local governmental unit or direct contract provider.

§ 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2026.

Appendix IV
2026 Title XIX State Plan
Second Quarter Amendment
Public Notice

MISCELLANEOUS
NOTICES/HEARINGS

Notice of Abandoned Property Received by the State Comptroller

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

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

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

PUBLIC NOTICE

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 2026-2027 proposed executive budget. The following changes are proposed:

All Services

Effective on or after April 1, 2026, the Department of Health will adjust Medicaid rates statewide to reflect a 1.7% 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 and Family Treatment and Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Part 822 Outpatient Addiction Services, OASAS Part 818 Substance Use Disorder Residential Rehabilitation Services (freestanding), OASAS Part 816 Residential Medically Supervised Withdrawal and Stabilization Services (freestanding), OASAS Part 820 Residential Services, OASAS Part 817 Substance Use Disorder 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 is $24.9 million.

Non-Institutional Services

Effective on or after April 1, 2026, 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 $85,000.

Effective on or after April 1, 2026, the State will invest up to $60 million in diagnostic and treatment centers, including Federally Qualified Health Centers and Rural Health Clinics, licensed under Article 28 of the Public Health Law, by an aggregate amount up to $60 million per year.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $60 million.

Effective on April 1, 2026, for the 2026 rate year and thereafter, the reimbursement methodology for personal care services will be revised. Personal care direct services rates will be based on reported allowable costs not to exceed, or fall below, one standard deviation of the mean for the applicable geographic group. The administrative portion of the rate will not exceed 15 percent of the total rate. Providers' payments for nursing services will be a fee.

The estimated annual net aggregate decrease in gross Medicaid expenditures attributable to this initiative is ($15 million).

Effective on or after April 1, 2026 through March 31, 2027, the State will invest up to $1.5 billion in hospital outpatient services when combined with investments in hospital inpatient and residential health care facility services. The State will invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $1.5 billion.

Effective on or after April 1, 2026, the State will provide Medicaid reimbursement to freestanding birth centers, including midwifery birth centers and birth centers licensed as diagnostic and treatment centers. The Ambulatory Patient Group (APG) payment methodology will be utilized to reimburse services provided in freestanding birth centers. A separate payment will also be made to the healthcare professionals providing services in freestanding birth centers.

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

Institutional Services

Effective on or after April 1, 2026, this proposal continues the indigent care pool payments made to general hospitals, subject to all provisions of PHL 2807-k.

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

Effective on or after April 1, 2026, 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 K, Section 6). 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, 2026 through March 31, 2027, the State will invest up to $1.5 billion in hospital inpatient services when combined with investments in hospital outpatient and residential health care facility services. The State will invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $1.5 billion.

Long Term Care

Effective on or after April 1, 2026, this proposal would end-date the previously enacted 10% reduction to nursing home capital reimbursement. The 10% reduction will not continue going forward.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is $58 million.

Effective on or after April 1, 2026 through March 31, 2027, the State will invest up to $1.5 billion in residential health care facility services when combined with investments in hospital inpatient and hospital outpatient services. The State will invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $1.5 billion.

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 core 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 April 2, 2026.

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 City Deferred Compensation Plan

The New York City Deferred Compensation Plan (the "Plan") is seeking qualified vendors to provide liquidity support services, including maintenance of daily liquidity, for the Stable Income Fund ("the Fund") investment option of the Plan. The objective of the Fund is to provide an opportunity to invest in high quality fixed income securities with an emphasis on safety of principal and consistency of returns. 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 April 2, 2026.

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-2026-0002
Date of Issuance – March 25, 2026

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-2026-0002, the applicant, Joseph Milito, PHH Bank, is proposing to install an approx. 200' long rock revetment along the toe of the bluff, including 10' and 12' returns, and place erosion control matting with approx. 1,400 cubic yards of clean sand backfill to be planted with indigenous species to revegetate the bluff face. This project is located at 10 Richards Path, Village of St. James, Suffolk County, Long Island Sound.

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

https://dos.ny.gov/f-2026-0002 or at https://dos.ny.gov/public-notices

The proposed activity would be located within or has the potential to affect the following Special Management or Regulated Area(s):

- Town of Smithtown Local Waterfront Revitalization Program:

  https://dos.ny.gov/location/town-smithtown-local-waterfront-revitalization-program
- Villages of Head of the Harbor and Nissequogue Local Waterfront Revitalization Program:

For publication in the
July 15, 2026, edition of the
New York State Register

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 2026-2027 enacted budget. The following changes are proposed:

All Services

The following is a clarification to the March 25th, 2026, noticed proposal to adjust rates of payment statewide to reflect a 1.7 percent (1.7%) Targeted Inflationary Increase. With clarification, this increase will now be 2.7 percent (2.7%) 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 and Family Treatment and Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Part 822 Outpatient Addiction Services, OASAS Part 818 Substance Use Disorder Residential Rehabilitation Services (freestanding), OASAS Part 816 Residential Medically Supervised Withdrawal and Stabilization Services (freestanding), OASAS Part 820 Residential Services, OASAS Part 817 Substance Use Disorder 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 is $39.6 million.

Non-Institutional Services

The following is a clarification to the March 25, 2026, noticed provision to invest up to $60 million in diagnostic and treatment centers, including Federally Qualified Health Centers and Rural Health Clinics, by an aggregate amount up to $60 million per year, effective on or after April 1, 2026.

With clarification, that State will invest up to $80 million per year in diagnostic and treatment centers, designated as Federally Qualified Health Centers or Rural Health Clinics, effective on or after April 1, 2026.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $80 million.

The following is a clarification to the March 25, 2026, noticed provision to invest up to $1.5 billion in hospital outpatient services, when combined with investments in hospital inpatient and residential health care facility services. The state would also invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

With clarification, the state will invest up to $706 million in hospital outpatient services, including hospital-based Federally Qualified Health Center and Rural Health Clinic outpatient services, when combined with investments in hospital inpatient services, effective on or after April 1, 2026 and each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $706 million.

Institutional Services

The following is a clarification to the March 25, 2026, noticed provision to invest up to $1.5 billion in hospital inpatient services, when combined with investments in hospital outpatient and residential health care facility services. The state would also invest up to $1.0 billion, collectively, in each state fiscal year thereafter.

With clarification, the state will invest up to $706 million in hospital inpatient services, when combined with investments in hospital outpatient services, including hospital-based Federally Qualified Health Center and Rural Health Clinic outpatient services, effective on or after April 1, 2026 and each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $706 million.

Long Term Care Services

The following is a clarification to the March 25, 2026, noticed provision to the distribution of the previously identified $1.5 billion investment for residential health care facilities and hospitals.

With clarification, effective on or after April 1, 2026, through March 31, 2027, the State will invest up to $480 million in residential health care facility services when combined with investments in Adult Day Health Care, AIDS Adult Day Health Care, and Hospice programs. The State will invest up to $480 million, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to $480 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

Appendix V
2026 Title XIX State Plan
Second Quarter Amendment
Responses to Standard Funding Questions

NON-INSTITUTIONAL SERVICES
State Plan Amendment #26-0029

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.

		4/1/26 – 3/31/27	
Payment Type	**Non-Federal Share Funding**	**Non-Federal**	**Gross**
Normal Per Diem	General Fund; County Contribution	$ 36.075M	$ 72.150M

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 precent 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.

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

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.