



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

Mr. Michael Melendez
Associate Regional Administrator
Department of Health & Human Services
Centers for Medicare & Medicaid Services
New York Regional Office
Division of Medicaid and Children's Health
26 Federal Plaza - Room 3800
New York, New York 10278

MAY 26 2015

Re: SPA 13-0008-A
Formerly SPA 13-0008
Non-Institutional Services

Dear Mr. Melendez:


The State is resubmitting and requests approval of the enclosed amendment #13-0008-A to the Title XIX (Medicaid) State Plan for non-institutional services to be effective April 1, 2013.

As requested by CMS, SPA 13-0008 was split into two separate SPAs; one related to payments for Coler-Bird Memorial and Coler-Goldwater Hospitals (13-0008) and one related to payments for all other HHC public hospitals (13-0008-A). This was done to move forward with the approval of SPA 13-0008.

Based on CMS comments received May 21, 2015, the State is now re-submitting SPA 13-008-A for approval. Attached are the appropriate pages, revised CMS-179, and a revised payment allocation chart applicable to SPA 13-0008-A.

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

Sincerely,



Jason A. Hepperson
Medicaid Director
Office of Health Insurance Programs

Attachments

cc: Mr. John Guhl
Mr. Robert Weaver

NYS Responses to CMS Additional Questions of 5/21/2015
SPA# 13-0008-A

1. The cover letter mentions that payments in NY-11-0016 were for 'Coney Island', when it really should have mentioned 'Coler & Goldwater'. Because, it then goes on to say that 13-0008-A will pay all other HHC hospitals (implying that it doesn't impact Coney Island when it really does; and that it would impact Coler & Goldwater' when it really won't). To avoid any potential future confusion, NY should revise this so that the cover letter is factually accurate.

Response: The cover letter has been appropriately revised.

2. The total pool amount in this SPA is allocated using discharges (not charges) from two years prior to the rate year. In all the other recent correspondence from HHC, charges were used to calculate the allocations among HHC hospitals. So there is no misunderstanding between NY and CMS, please both:
 - a. Provide a work paper with the detailed calculations that show the basis for the allocation and how much of the \$341,030,040 will actually be paid to each hospital, and
 - b. Make sure that the plan page describes the correct basis for the allocation.

Response: Since the receipt of CMS 5.19.15 comments an alternative method of allocation has been presented by CMS. An updated 2013 spreadsheet has been attached that shows how the \$300M will actually be paid to each hospital based on days.

3. There's no provision in this SPA language to address something HHC mentioned recently. HHC said they would 're-allocate' these supplemental UPL payments - after the DSH audits were complete - if the UPL payments resulting from the new broader allocation methodology caused any of the HHC hospitals to exceed the hospital-specific DSH limit. If HHC wants to do that:
 - a. The methodology has to be comprehensively described somewhere in the state plan - either in the UPL provisions or the DSH provisions.
 - b. And if that re-allocation occurs in the UPL section, in order to avoid a potential two-year timely claiming issue the UPL payments should be clearly described as interim payments that are then settled based on the results of the annual DSH audit (since those audits occur three years after the rate year).

Response: The plan page has been updated to include language to address the re-allocation of payments. Please see the revised plan page.

4. The page numbering might not be right. The page in NY-13-0008-A is numbered "161(1.1)", which seems to say that it follows page 161(1).
 - But the eligibility criteria for a payment in this SPA includes the provision that the hospital "(3) did not qualify for a supplemental payment under the *immediately preceding provision*".
 - And the immediately preceding provision on page 161(1) deals with supplemental 'UPL' payments for voluntary hospitals.
 - It appear that this provision really meant to refer to the previous HHC supplemental 'UPL' payments on page 161.

This just needs to be clearer. There are probably a few different ways to fix this:

- The page in NY-11-0016-A could be numbered "161.1"

5/26/2015

**NYS Responses to CMS Additional Questions of 5/21/2015
SPA# 13-0008-A**

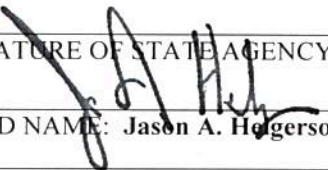
- The cross-reference in (3) could be more specific (e.g. 'did not qualify for a supplemental specialty hospital adjustment for SFY 2012-13')
- Etc.

Depending on the approach used, Box 8 and 9 of the CMS-179 might need to be revised, too.

Response: The page numbering has been updated to read 161(0) and the CMS-179 has been updated to reflect. Please see the attached plan page and CMS-179.

5. What was NY trying to convey to CMS by including a copy of the Local Medicaid Share Cap legislation with the RAI Response? NY says in the response to Q3 that this legislation "... assumes locate districts contribute". But it doesn't appear to actually address these payments to HHC. Please clarify.

Response: Please find attached the amended Cap legislation (chapter 161 laws of 2005) that specifies UPL payments.

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: #13-008-A	2. STATE New York
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE April 1, 2013	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(a) of the Social Security Act, and 42 CFR 447		7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY 04/01/13-09/30/13 \$75,061.54 b. FFY 10/01/13-09/30/14 \$75,061.54	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A: Page 161(0)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>):	
10. SUBJECT OF AMENDMENT: Note: Impact \$ covers the period 4/1/13 – 3/31/14 2013 Inpatient UPL Payments-All Other HHC Hospitals (FMAP = 50%)			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: New York State Department of Health Division of Health Care Financing 99 Washington Ave – One Commerce Plaza Suite 1460 Albany, NY 12210	
13. TYPED NAME: Jason A. Hegerson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: MAY 26 2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED:	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			

New York
161(0)

Additional Inpatient Hospital Payments (Continued)

For state fiscal year beginning April 1, 2013 and ending March 31, 2014 the State will provide an additional supplemental payment for all inpatient services provided by eligible government general hospitals except Coney Island, Coler-Bird Memorial, and Coler-Goldwater. To be eligible, the other hospitals must (1) be a government general hospital, (2) not be operated by the State of New York or the State University of New York, and (3) be located in a city with a population over one million.

The amount of the supplemental payment will be \$300,246,179. Medical assistance payments will be made for all inpatient services for patients eligible for federal financial participation under Title XIX of the Federal Social Security Act initially using each such hospital's proportionate share of total Medicaid days of all eligible hospitals reported for the period from 1/1/2013 to 12/31/2013.

Upon completion of the annually required DSH audit for the rate year, a final reconciliation of the supplemental payment distribution to eligible facilities will be completed and such payments will be further adjusted, if necessary, to avoid payments from exceeding any hospital-specific DSH limit. Any adjustments will be calculated and redistributed proportionally using each hospital's remaining uncompensated care cost that is not in excess of their individual DSH limit.

TN #13-0008-A

Approval Date _____

Supersedes TN #11-0016-A

Effective Date _____

2013 IP UPL Payment Distribution by days

volume Adj code (All)
Rate Cd (Multiple Items)

Sum of SUM(Mcaid Only Days)

Billing Prov Name	Total	Proposed Net Initial Payment by Hospital
BELLEVUE HOSPITAL CENTER	62,857	47,008,477
ELMHURST HOSPITAL CENTER	50,583	37,829,197
HARLEM HOSPITAL CENTER	22,208	16,608,560
JACOBI MEDICAL CENTER	39,631	29,638,592
KINGS COUNTY HOSPITAL CENTER	69,503	51,978,780
LINCOLN MEDICAL/MENTAL HLTH	23,426	17,519,458
METROPOLITAN HOSPITAL CENTER	30,599	22,883,886
NORTH CENTRAL BRONX	13,497	10,093,918
QUEENS HOSPITAL	28,267	21,139,867
WOODHULL MED & MNTL HLTH CTR	34,496	25,798,311
Grand Total	375,067	280,499,047
	HCRA Surcharge	19,747,133
		300,246,180

thousand five, qualified investments made in, or contributions in the form of donations made to, one or more empire zone capital ~~[credits]~~ corporations established pursuant to section nine hundred sixty-four of the general municipal law prior to January first, two thousand five, (B) qualified investments in certified zone businesses which during the twelve month period immediately preceding the month in which such investment is made employed full-time within the state an average number of individuals, excluding general executive officers, of two hundred fifty or fewer, computed pursuant to the provisions of subparagraph (C) of paragraph two of subsection (g) of this section, except for investments made by or on behalf of an owner of the business, including, but not limited to, a stockholder, partner or sole proprietor, or any related person, as defined in subparagraph (C) of paragraph three of subsection (b) of section four hundred sixty-five of the internal revenue code, and (C) contributions of money to community development projects as defined in regulations promulgated by the commissioner of economic development. "Qualified investments" means the contribution of property to a corporation in exchange for original issue capital stock or other ownership interest, the contribution of property to a partnership in exchange for an interest in the partnership, and similar contributions in the case of a business entity not in corporate or partnership form in exchange for an ownership interest in such entity. The total amount of credit allowable to a taxpayer under this provision for all years, taken in the aggregate, shall not exceed three hundred thousand dollars, and shall not exceed one hundred thousand dollars with respect to the investments and contributions described in each of subparagraphs (A), (B) and (C) of this paragraph.

§ 29. Subdivision (a) of section 1 of part C of chapter 58 of the laws of 2005 amending the public health law and other laws relating to implementing the state fiscal plan for the 2005-2006 state fiscal year is amended to read as follows:

(a) Notwithstanding the provisions of section 368-a of the social services law, or any other provision of law, the department of health shall provide reimbursement for expenditures made by or on behalf of social services districts for medical assistance for needy persons, and the administration thereof, in accordance with the provisions of this section; provided, however, that this section shall not apply to amounts expended for health care services under section 369-ee of the social services law, which amounts shall be reimbursed in accordance with paragraph (t) of subdivision 1 of section 368-a of such law and shall be excluded from all calculations made pursuant to this section; and provided further that amounts expended pursuant to: subdivision 12 of section 2808 of the public health law; sections 211 and 212 of chapter 474 of the laws of 1996, as amended; and sections 11 through 14 of part A and sections 13 and 14 of part B of chapter 1 of the laws of 2002, shall be excluded from all calculations made pursuant to this section.

§ 30. Subdivision 4 of section 2808-d of the public health law, as amended by section 5 of part B of chapter 58 of the laws of 2005, is amended to read as follows:

4. Grants and adjustments to Medicaid rates of payment made pursuant to this section shall not, in aggregate, exceed sixty-two million five hundred thousand dollars for the period beginning April first, two thousand two and ending December thirty-first, two thousand two, and, on an annualized basis, for each annual period thereafter beginning January first, two thousand three and ending December thirty-first, two thousand four, and shall not, in aggregate, exceed forty-six million eight