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State/Territory Name: NY

State Plan Amendment (SPA) #: 22-0011

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

April 12, 2024

Amir Bassiri
State Medicaid Director
New York State Department of Health
99 Washington Ave- One Commerce Plaza, Suite 1605
Albany, NY 12237

RE: State Plan Amendment (SPA) TN 22-0011

Dear Director Bassiri:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 22-0011. Effective February 1, 2022, this amendment revises Psychiatric Residential Treatment Facility (PRTF) rates to include a twenty-five (25%) rate adjustment to the clinical/direct care component of the rate.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1923 and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. This letter is to inform you that New York 22-0011 is approved effective February 1, 2022. The CMS-179 and approved plan pages are enclosed.

If you have any questions, please contact Novena James-Hailey at (617) 565-1291 or Novena.JamesHailey@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

Rory Howe
Director

Enclosures

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

1. TRANSMITTAL NUMBER <u>2 2</u> — <u>0 0</u> <u>1 1</u>	2. STATE <u>NY</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE
February 01, 2022

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR § 447.272(a) § 1905(a)(16) Inpatient Psychiatric Hospital – PRTF

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 02/01/22-09/30/22 \$ 2,000,000
b. FFY 10/01/22-09/30/23 \$ 3,000,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A Part III Page: 3 Pages: 4, 4.1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-A Part III Page: 3 4

9. SUBJECT OF AMENDMENT
RTF C/DC Percentage Increase PRTF C/DC Percentage Increase

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
Brett R. Friedman

13. TITLE
Acting Medicaid Director

14. DATE SUBMITTED
March 31, 2022

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
March 31, 2022

17. DATE APPROVED
April 12, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
February 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL
[Redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS **Pen and ink changes:**
Box 5. Federal Statute/ Regulation Citation: 1905(a)(16) Inpatient Psychiatric Hospital – PRTF
Box 7. Page Number of the Plan Section or Attachment - Page 4.19-A Part III Page: 4, 4.1
Box 8. Page Number of the Superseded Plan Section or Attachment (If Applicable) -Page 4.19-A Part III Page: 4
Box 9. Subject of Amendment - PRTF C/DC Percentage Increase

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1905(a)(16) Inpatient Psychiatric Hospital – PRTF

Allowable operating costs as determined in the preceding paragraphs will be trended by the Medicare inflation factor.

Effective July 01, 2021 through March 31, 2022, operating rates of payment will be increased for a Cost of Living Adjustment (COLA), calculated to support a one percent (1.0%) annual aggregate payment to be paid out over the 9 month period between July 1, 2021 and March 31, 2022, and a one percent (1%) annual increase to be paid out over 12 months in subsequent years until such time as the COLA increase is reflected in the base period cost reports.

Effective on or after February 1, 2022, the C/DC rate component will be adjusted to include a twenty-five percent (25%) increase to include additional funds, not included in the base year, appropriate to maintain the required level of care. This increase will be included until such a time as the increase is reflected in the base period cost reports.

TN **#22-0011**

Approval Date April 12, 2024

Supersedes TN **#21-0045**

Effective Date **February 1, 2022**

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1905(a)(16) Inpatient Psychiatric Hospital – PRTF (Continued)

2. CAPITAL COSTS

To allowable operating costs are added allowable capital costs. Allowable capital costs are determined by the application of principles developed for determining reasonable cost payments under the Medicare program. Allowable capital costs include an allowance for depreciation and interest. To be allowable, capital expenditures which are subject to the Office of Mental Health’s Prior Approval Review (PAR) procedures must be reviewed and approved by the Office of Mental Health.

Transfer of Ownership

In establishing an appropriate allowance for depreciation and for interest on capital indebtedness and (if applicable) a return on equity capital with respect to an asset of a hospital which has undergone a change of ownership, that the valuation of the asset after such change of ownership will be the lesser of the allowable acquisition cost of such asset to the owner of record as of July 18, 1984 (or, in the case of an asset not in existence as of such date, the first owner of record of the asset after such date), or the acquisition cost of such asset to the new owner.

3. APPEALS

The Commissioner will consider requests for rate revisions which are based on errors in the calculation of the rate or based on significant changes in costs resulting from changes in:

- Capital projects approved by the Commissioner in connection with OMH’s PAR procedures.
- OMH approved changes in staffing plans submitted to DOH in a form as determined by the DOH.
- OMH approved changes in capacity approved by the Commissioner in connect with OMH’s PAR procedures;
- Other rate revisions will be based on requirements to meet accreditation standards of the Joint Commission on Accreditation of Hospitals, or other Federal or State mandated requirements resulting in increased costs.

Revised rates will utilize existing facility cost reports, adjusted as necessary. The rates of payment will be subject to total allowable costs, total allowable days, staffing standards as approved by the Commissioner, and a limitation on operating expenses as determined by the Commissioner. These rates must be certified by the Commissioners of OMH and DOH and approved by the Director of the Budget.

TN #22-0011

Approval Date April 12, 2024

Supersedes TN #NEW

Effective Date February 1, 2022