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Region II
Federal Building
26 Federal Plaza
New York, N.Y. 10278

July 26, 2010

Donna Frescatore
Deputy Commissioner
New York State Department of Health
Corning Tower
Empire State Plaza
Albany, New York 12237

Dear Commissioner Frescatore:

This is to notify you that New York State Plan Amendment (SPA) #08-30 has been approved for adoption into the State Medicaid Plan with an effective date of April 1, 2008.

The SPA provides for the continuation of providing adjustments to the rates of certain freestanding diagnostic and treatment centers, for the purpose of improving recruitment and retention for non-supervisory workers or workers with direct patient care responsibility.

This SPA approval consists of 2 Pages. We are approving the following Pages which were submitted with the State's June 18, 2010 electronic submission to the CMS SPA Mailbox: Attachment 4.19-B-Pages 2(c)(vii), and 2(c)(viii). At that time, New York requested that these 2 Pages replace the Pages 2(c)(vii) and 2(c)(viii) which were originally provided with its SPA submission of June 23, 2008. This approval is for the 2 newly submitted Pages.

This amendment satisfies all of the statutory requirements at sections 1902(a)(13) and (a)(30) of the Social Security Act, and the implementing regulations at 42 CFR 447.250 and 447.272. Enclosed are copies of the SPA #08-30 and the HCFA-179, as approved.

If you have any questions or wish to discuss this SPA further, please contact Michael Melendez or Shing Jew of this office. Mr. Melendez may be reached at (212) 616-2430, and Mr. Jew's telephone number is (212) 616-2426.

Sincerely,

/s/

Sue Kelly
Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosure: SPA #08-30
HCFA-179 Form

CC: JUlberg
PMossman
SUrwin
SGaskins
LTavener
GCritelli
MSamuel
SJew

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 08-30	2. STATE New York
		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, 2008	
5. TYPE OF PLAN MATERIAL (Check One): <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 (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(a) of the Social Security Act, and 42 CFR 447.204		7. FEDERAL BUDGET IMPACT: a. FFY 04/01/08-09/30/08 \$3,250,000 b. FFY 10/01/08-09/30/09 \$6,500,000	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, pages 2(c)(vii), 2(c)(viii) ** SEE REMARKS		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, pages 2(c)(vii), 2(c)(viii)	
10. SUBJECT OF AMENDMENT: Clinic Recruitment & Retention			
11. GOVERNOR'S REVIEW (Check One): <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 Corning Tower Empire State Plaza Albany, New York 12237	
13. TYPED NAME: Donna Frescatore			
14. TITLE: Medicaid Director & Deputy Commissioner Department of Health			
15. DATE SUBMITTED: June 18, 2010 (originally submitted 6/23/08)			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: JUL 26 2010	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR 01 2008		20. SIGNATURE OF REGIONAL OFFICIAL: <i>[Signature]</i>	
21. TYPED NAME: Sue Kelly		22. TITLE: Associate Regional Administrator Division of Medicaid and State Operations	
23. REMARKS: Originally submitted pages Attachment 4.19-B-Pages 2(c)(vii), and 2(c)(viii), have been replaced by revised pages submitted via State e-mail of June 18, 2010.			

Workforce Recruitment And Retention

Effective for dates of service beginning on April 1, 2002 and ending on March 31, 2008, medical assistance rates of payment shall be adjusted for comprehensive freestanding diagnostic and treatment centers that qualify for distributions under the state's comprehensive diagnostic and treatment centers indigent care program or indicate on the cost reports submitted to the state that they receive funding under section three hundred thirty-three of the Federal Public Health Services Act for health care for the homeless, freestanding clinics that provide services to clients with developmental disabilities as their principal mission, licensed facilities authorized to provide dental services and sponsored by a university or dental school, licensed freestanding family planning clinics, and freestanding diagnostic and treatment centers operating an approved program under the prenatal care assistance program to include costs associated with the recruitment and retention of non-supervisory workers or any worker with direct patient care responsibility. For the period April 1, 2002 through December 31, 2002, the aggregate amount of thirteen million dollars will be available for this purpose. The aggregate amount of thirteen million dollars will also be available each year for the periods January 1, 2003 through December 31, 2006. For the period January 1, 2007 through June 30, 2007 the aggregate amount of six million five hundred thousand dollars will be available for this purpose. For the period July 1, 2007 through March 31, 2008, nine million seven hundred fifty thousand dollars will be available. For the period April 1, 2008 through March 31, 2009, thirteen million dollars will be available. For the period April 1, 2009 through March 31, 2010, thirteen million dollars will be available. For the period April 1, 2010 through March 31, 2011, thirteen million dollars will be available. Payments will be made as adjustments to the rates of payment allocated proportionately based upon each diagnostic and treatment center's total annual gross salary and fringe benefit costs as reported in their 1999 cost report submitted to the Department of Health prior to November 21, 2001. These amounts shall be included as a reimbursable cost add-on to medical assistance fee-for-service rates of payment established pursuant to this section, based on Medicaid utilization data in each facility's annual cost report submitted two years prior to the rate year or projected Medicaid utilization data for those facilities that have not submitted an annual cost report for the period two years prior to the rate year. Such amounts shall not be reconciled to reflect changes in medical assistance utilization between the year two years prior to the rate year and the rate year. For the periods on and after July 1, 2007, payments will be made as adjustments to the rates of payment and the available funding allocated proportionately based upon each diagnostic and treatment center's total reported Medicaid visits as reported in their 2004 cost report submitted to the Department of Health prior to January 31, 2007, to the total of such Medicaid visits for all diagnostic and treatment centers.

The Commissioner of Health shall increase medical assistance rates of payment [for eligible diagnostic and treatment centers] by three percent for services provided on and after December first, two thousand two for purposes of improving recruitment and retention of non-supervisory

TN #08-30

Approval Date **JUL 26 2010**

Supersedes TN #07-33

Effective Date **APR 01 2008**

OFFICIAL

**New York
2(c)(viii)**

**Attachment 4.19-B
(04/08)**

workers or any worker with direct patient care responsibility for[. Eligible diagnostic and treatment center shall mean a] voluntary, not-for-profit diagnostic and treatment centers that received medical assistance rates of payment reflecting assignment to (1) limited primary care or (2) drug free peer groups and that provides primary health care services to a patient population primarily comprised of substance abuse patients and that [is] are ineligible for an adjustment to medical assistance rates of payment under the first paragraph of this section of the plan.

Diagnostic and treatment centers which have their rates adjusted for this purpose shall use such funds solely for the purposes of recruitment and retention of non-supervisory workers or any worker with direct patient care responsibility and are prohibited from using such funds for any other purpose. The commissioner is authorized to audit each such diagnostic and treatment center to ensure compliance with this purpose and shall recoup any funds determined to have been used for purposes other than recruitment and retention of non-supervisory workers or any worker with direct patient care responsibility.

The Commissioner shall increase medical assistance rates of payment by three percent for services provided on and after December first, two thousand two by freestanding methadone maintenance service and program providers; subject to provisions of the following paragraph. Freestanding methadone maintenance services and program providers which are eligible for rate adjustments pursuant to this paragraph and which are also eligible for rate adjustments pursuant to the first paragraph of this section of the plan shall, on or before July first, two thousand two, submit, amendments to their 1999 AHCF-1 cost report segregating wages and fringe benefit costs associated with methadone maintenance services, for the purpose of excluding such wages and fringe benefits from awards determined on and after January 1, 2003, pursuant to the first paragraph of this section of the plan titled Workforce Recruitment And Retention.

Freestanding methadone maintenance service and program providers which have their rates adjusted in accordance with the above shall use such funds solely for the purpose of recruitment and retention of non-supervisory workers or any worker with direct patient care responsibility and are prohibited from using such funds for any other purpose. The Commissioner is authorized to audit each freestanding methadone maintenance services and program provider to ensure compliance with this purpose and shall recoup any funds determined to have been used for purposes other than recruitment and retention of non-supervisory workers or any worker with direct patient care responsibility.

TN #08-30 _____

Approval Date JUL 26 2010

Supersedes TN #07-33 _____

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