

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP, and Survey & Certification

Jason A. Helgerson
Deputy Commissioner
New York State Department of Health
Corning Tower
Empire State Plaza
Albany, New York 12237

JAN 25 2011

RE: TN 09-12-B

Dear Mr. Helgerson:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 09-12-B. Effective April 1, 2009, this amendment adjusts the reimbursement rate for fully depreciated propriety nursing homes that incur capital or renovation costs to either improve health and safety or modify the remaining nursing home facility when a part of it is converted to some other alternative long term use. Costs not related to the provision of ongoing nursing home services are not eligible for reimbursement under this provision. This amendment also ends a supplemental payment for recruitment and retention of health care workers.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. This is to inform you that New York 09-12-B is approved effective April 1, 2009 and I have enclosed the HCFA-179 and the approved plan pages.

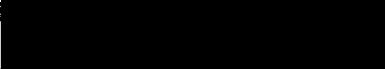

If you have any questions, please contact Tom Brady at 518-396-3810 or Rob Weaver at 410-786-5914.

Sincerely,



of Emily Mann
Director, (CMCS)

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 09-12-B	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, 2009	
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:		7. FEDERAL BUDGET IMPACT: a. FFY 4/1/09 – 9/30/09 (\$8,068,290) b. FFY 10/1/09 – 9/30/10 (\$16,136,580)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D: Pages 47(t), 84		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D: Pages 47(t), 84	
10. SUBJECT OF AMENDMENT: NH Recruitment & Modify Capital Rates for Certain Proprietary Homes (FMAP = 61.59% as of effective date)			
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: 		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: OCT 28 2008			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: 01-25-2009	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR - 1 2009			
21. TYPED NAME: William Lasowski		Deputy Director, CMCS	
23. REMARKS:			

New York
47(t)

Attachment 4.19-D
(04/09)

The Commissioner of Health shall adjust medical assistance rates of payment for services provided on or after April 1, 2002, established pursuant to this section for non-public residential health care facilities for purposes of recruitment and retention of health care workers in the following aggregate amounts for the following periods:

For non-public residential health care facilities, \$53.5 million on an annualized basis for the period April 1, 2002 through December 31, 2002; \$83.3 million on an annualized basis for the period January 1, 2003 through December 31, 2003; \$115.8 million on an annualized basis for the period January 1, 2004 through December 31, 2006; \$57.9 million for the period January 1, 2007 through June 30, 2007; \$57.9 million for the period July 1, 2007 through March 31, 2008; and \$64.8 million for the period May 8, 2008 through March 31, 2009[, and \$26.2 million for the period April 1, 2009 through March 31, 2010].

For periods through June 30, 2007, for non-public residential health care facilities, such increases shall be allocated proportionally based on each non-public residential health care facility's reported total gross salary and fringe benefit costs on exhibit H of the 1999 RHCF-4 cost report or exhibit 11 of the 1999 institutional cost report as submitted on or before November 1, 2001, where applicable, to the total of such reported costs for all non-public residential health care facilities.

For periods on and after July 1, 2007, for non-public residential health care facilities, 50% of such increases shall be allocated proportionally based on each such facility's salary and fringe benefit costs as reported on Exhibit H in the 1999 cost report submitted prior to November 1, 2001, to the total of such costs for all non-public facilities. The remaining 50% of such increases shall be allocated proportionally based on each non-public facility's Medicaid revenue as reported in the applicable 2005 cost report submitted prior to November 1, 2006, to the total of such Medicaid revenue for all non-public facilities.

Non-public residential health care facilities in operation as of April 1, 2002, which have not submitted 1999 RHCF-4 cost reports or 1999 institutional cost reports, but which have submitted such reports for cost years subsequent to 1999, shall have such increases allocated based on total gross salary and fringe benefit costs on exhibit H of the earliest subsequently submitted institutional cost report or exhibit 11 of the earliest subsequently submitted RHCF-4 cost report, as trended downward to 1999 using authorized trend factors. These trend factors shall be developed in accordance with Page 51(a) of this Attachment and will be consistent with those used in the calculation of the facility's reimbursement rates.

TN #09-12-B

Approval Date

JAN 25 2011

Supersedes TN #08-25

Effective Date

APR - 1 2009

(2) affects the health and safety of the patients; and

(3) the facility can demonstrate dire financial condition;

then the limitation set forth in section 86-2.21(e)(6) of this Subpart will be modified to allow for the reimbursement of the debt service associated with the financing of the approved capital improvement over the effective term of the obligation or five years, whichever is greater. Any contribution to the improvement by the facility and not financed by the debt obligation will be considered an equity contribution and an adjustment to the facility's total capital equity will be made.

(d) If a facility undertakes an authorized improvement without incurring additional debt, then the facility will receive a return on equity and, when a determination has been made in accordance with section 86-2.21(e)(4) of this Subpart, a return of equity, for the funds invested in the improvement.

(e) Effective April 1, 2009, any proprietary facility entitled to residual reimbursement, will have the capital cost component of its rate recalculated by the Department to take into account any capital improvements and/or renovations made to the facility's existing infrastructure for the purpose of converting beds to alternative long-term care uses or protecting the health and safety of patients, subject to the approval of the Commissioner and all applicable certificate of need requirements. Capital improvements and/or renovation costs that are not related to the provision of nursing facility services are not eligible to be reimbursed in the capital cost component of the nursing home rate.

(f)(1) With respect to facilities granted operating certificates prior to March 10, 1975, the Commissioner will modify or

TN #09-12 -B

JAN 25 2011
Approval Date _____

Supersedes TN #86-4

APR - 1 2009
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