



Refer to DMCH: SJ

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

April 05, 2011

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

Dear Commissioner Helgerson:

This is to notify you that New York State Plan Amendment (SPA) #09-43-B has been approved for adoption into the State Medicaid Plan with an effective date of September 1, 2009. The SPA provides smoking cessation counseling services for pregnant women provided by freestanding diagnostic and treatment centers (clinics) for dates of service on and after September 1, 2009. In addition, payments to providers for the following services will be based on fees or rates established by the Department of Health: wheelchair evaluations, eyeglass dispensing, individual psychotherapy services provided by licensed social workers to persons under the age of 19, and to persons requiring such services as a result of or related to pregnancy or giving birth, and individual psychotherapy services provided by social workers at freestanding clinics that provided, billed for, and received payment for such services between January 1, 2007 through December 31, 2007.

This SPA approval consists of 2 Pages. We are approving the following Pages which were submitted with the State's February 14, 2011 electronic submission to the CMS SPA Mailbox: Attachment 4.19-B-Pages 2(p), and 2(p)(i). On August 20, 2010, the State had requested the original SPA 09-43 (which was submitted on March 31, 2009) be split into 2 new and separate SPAs: 09-43-A and 09-43-B. These 2 Pages replace the 2 Pages which were provided with its SPA submission of March 31, 2009 (Attachment 4.19-B, page 2(c)(A) and 2(c)(B)). In addition, in its letter of February 14, 2011, New York has revised and requested that the original March 1, 2009 requested effective date for 09-43 be changed to September 1, 2009 for SPA 09-43-B. We are approving the State's request, and the approval for 09-43-B reflects an effective date of September 1, 2009. This approval is for SPA 09-43-B only; SPA 09-43-A is still under review and we will advise you about this SPA upon completion of our review. In addition, we are using the revised Form HCFA-179 which was submitted to CMS on February 24, 2011 in the approval package materials for SPA 09-43-B.

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 09-43-B and the HCFA-179, as approved.

If you have any questions or wish to discuss this SPA further, please contact Ricardo Holligan or Shing Jew of this office. Mr. Holligan may be reached at (212) 616-2424, and Mr. Jew's telephone number is (212) 616-2426.

Sincerely,

/s/

Michael Melendez  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health

Enclosure: SPA #09-43-B  
HCFA-179 Form

CC: JUlberg  
PMossman  
KKnuth  
SGaskins  
RWeaver  
LTavener  
GCritelli  
MSamuel  
SJew

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER:  <b>09-43-B</b>	2. STATE  <b>New York</b>
		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 <b>September 1, 2009</b>	
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: <b>Section 1902(a)(30) of the Social Security Act</b> <b>42 CFR Part 447.204</b>		7. FEDERAL BUDGET IMPACT: a. FFY 09/01/09 - 09/30/09    \$ 598,206 b. FFY 10/01/09 - 09/30/10    \$7,178,499	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-B: Pages 2(p) and 2(p)(i)</b>  <b>** SEE REMARKS</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>Attachment 4.19-B: Page 2(p)</b>	
10. SUBJECT OF AMENDMENT: <b>Freestanding Clinic Svcs. &amp; Payments (inc. smoking cessation, wheelchair evaluations, eyeglass dispensing and individual psychotherapy)</b> <b>FMAP = 61.59% Impact Based on Start Date of 9/1/09</b>			
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:	
13. TYPED NAME: <b>Jason A. Helgerson</b>		<b>New York State Department of Health</b>	
14. TITLE: <b>Medicaid Director &amp; Deputy Commissioner</b> <b>Department of Health</b>		<b>Corning Tower</b>	
15. DATE SUBMITTED:		<b>Empire State Plaza</b>	
		<b>Albany, New York 12237</b>	
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: <b>APR 05 2011</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>SEP 01 2009</b>		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: <b>Michael Melendez</b>		22. TITLE: <b>Acting Associate Regional Administrator</b> <b>Division of Medicaid and State Operations</b>	
23. REMARKS:  <b>This SPA approval consists of 2 Pages. We are approving the following Pages which were submitted with the State's February 14, 2011 electronic submission to the CMS SPA Mailbox: Attachment 4.19-B-Pages 2(p), and 2(p)(i). On August 20, 2010, the State had requested the original SPA 09-43 (which was submitted on March 31, 2009) be split into 2 new and separate SPAs: 09-43-A and 09-43-B. These 2 Pages replace the 2 Pages which were provided with its SPA submission of March 31, 2009 (Attachment 4.19-B, page 2(c)(A) and 2(c)(B)). In addition, in its letter of February 14, 2011, New York has revised and requested that the original March 1, 2009 requested effective date for 09-43 be changed to September 1, 2009 for SPA 09-43-B.</b>			

New York  
2(p)(i)

**OFFICIAL**

**Attachment 4.19-B  
(1/09)**

Effective September 1, 2009, immunization services provided in a freestanding clinic when no other medical services are provided during that patient visit shall be reimbursed entirely on the APG methodology.

Effective for dates of service on and after September 1, 2009, payments to freestanding clinics for the following services shall be based on fees or rates established by the Department of Health: (1) wheelchair evaluations, (2) eyeglass dispensing, and (3) individual psychotherapy services provided by licensed social workers to persons under the age of 21, and to persons requiring such services as a result of or related to pregnancy or giving birth, and (4) individual psychotherapy services provided by licensed social workers at freestanding clinics that provided, billed for, and received payment for these services between January 1, 2007 through December 31, 2007.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's current fee schedule rates are available at <http://www.emedny.org/ProviderManuals/index.html>.

TN #09-43-B

Approval Date APR 05 2011

Supersedes TN New **New**

Effective Date SEP 01 2009

**OFFICIAL**

**New York  
2(p)**

**Attachment 4.19-B  
(1/09)**

The following is an example of a sample APG base rate calculation:

a. 2007 Peer Group Reimbursement	\$51,000,000
b. Additional Investment	\$25,000,000
c. Case Mix Index	8.1610
d. Coding Improvement Factor	1.05
e. 2007 Base Year Visits	50,000

$$(\$51,000,000 + \$25,000,000) / (8.1610 \times 1.05 \times 50,000) = \$177.38 \text{ (Base Rate)}$$

VI. During the transition period, reimbursement for freestanding clinic and ambulatory surgery center services shall consist of a blend of each facility's average 2007 Medicaid rate and the APG calculation for that visit. The average 2007 Medicaid rate for purposes of blending is computed by dividing the amount paid in calendar year 2007 for all rate codes reflected in the APG rate setting methodology, by the total visits paid through those codes for the same time period. In the initial phase (ending December 31, 2009) 25% of the operating payment for each visit will be based upon the APG reimbursement methodology and 75% will be based upon the provider specific average operating payment for calendar year 2007. During 2010, the blend will be 50/50. During 2011, the blend will be 75/25. Payments will be based upon 100% of the APG operating component beginning on January 1, 2012. Per the enabling statute, as new services the Education APGs and the Extended Hours APGs are not subject to the blend requirement.

Effective for dates of service on and after September 1, 2009, smoking cessation counseling services provided to pregnant women on any day of her pregnancy, during a medical visit provided by a freestanding clinic shall be reimbursed entirely on the APG methodology.

TN #09-43-B

Approval Date APR 05 2011

Supersedes TN #09-01

Effective Date SEP 01 2009