

**DEPARTMENT OF HEALTH & HUMAN SERVICES****Centers for Medicare &
Medicaid Services**

Refer to DMCH: SJ

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

May 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) #09-49-C has been approved for adoption into the State Medicaid Plan with an effective date of December 1, 2009. The SPA provides that certain diagnostic and treatment centers (D&TCs, clinics) will be certified as patient centered medical homes in order to improve health outcomes and efficiency through patient care continuity and coordination of health services, and they are eligible for enhanced payments for services provided to recipients.

This SPA approval consists of 2 Pages. We are approving the Attachment 4.19B-Page 1(c)(i)(E) and Page 1(c)(i)(F), which were submitted with the State's April 23, 2010 electronic submission to the CMS SPA Mailbox. At that time, New York requested that its previous March 17, 2010 submission, which split the original SPA 09-49 submission of September 24, 2009 into three separate SPAs (09-49-A, 09-49-B and 09-49-C), be revised to split 09-49 into 4 parts, with the newest part being 09-49-D. This approval is for SPA 09-49-C only; you will be notified separately on the other 09-49 SPAs.

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 SPA #09-49-C and the HCFA-179 form, 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,


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

Enclosure: SPA #09-49-C
HCFA-179 Form


DEPARTMENT OF HEALTH AND HUMAN SERVICES
 HEALTH CARE FINANCING ADMINISTRATION


FORM APPROVED
 OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 09-49-C	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 December 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: Section 1902(a) of the Social Security Act, and 42 CFR 447.204	7. FEDERAL BUDGET IMPACT: a. FFY 12/01/09-09/30/10 \$ 594,241 b. FFY 10/01/10-09/30/11 \$ 1,799,211	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, pages 1(c)(i)(E), 1(c)(i)(F)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
** SEE REMARKS		

10. SUBJECT OF AMENDMENT:
Patient Centered Medical Home Programs (Freestanding D&TCs) - 61.59% FMAP

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 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. TYPE OF REVIEW: <i>De novo</i>	
14. TITLE: Deputy Commissioner Department of Health	
15. DATE SUBMITTED: September 24, 2009	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED	18. DATE APPROVED Nov 23 2009
19. EFFECTIVE DATE OF APPROVED MATERIAL DEC 01 2009	20. 
21. APPROVED NAME Joe Kelly	22. TITLE Division of Medicaid and State Operations
23. REMARKS	

New York
1(c)(i)(E)

OFFICIAL

Attachment 4.19-B
(10/09)

Statewide Patient Centered Medical Home - Freestanding Clinics

Effective for periods on and after December 1, 2009, the Commissioner of Health is authorized to certify certain clinics as patient centered medical homes to improve health outcomes and efficiency through patient care continuity and coordination of health services. Certified providers will be eligible for incentive payments for services provided to recipients eligible for Medicaid fee-for-service (FFS).

Clinic shall mean a general hospital providing outpatient care or a freestanding diagnostic and treatment center, licensed under Article 28 of the Public Health Law.

To improve access to high quality primary care services, the statewide Patient Centered Medicaid Medical Home initiative will provide incentive payments to Clinics meeting "medical home" standards established by the Department. Those standards will be consistent with the National Committee for Quality Assurance's Physician Practice Connections @ - Patient Centered Medical Home™ (PPC@-PCMH™) Recognition Program. Clinics achieving NCOA PPC@-PCMH™ recognition will be eligible for incentive payments for providing services to Medicaid FFS patients.

Per visit incentive payments will be made to Clinics that meet the Department standards for certification as a patient centered medical homes, consistent with the NCOA PPC@-PCMH™ Program. There are three levels of "medical home" recognition: Levels 1, 2 and 3. Eligible Clinics will receive a per visit incentive payment commensurate with their level of "medical home" recognition. Incentive payments will be added to claims from NCOA recognized Clinics for visits with evaluation and management codes identified by the Department as "primary care."

To determine appropriate incentive payment amounts, the NY Medicaid Program conducted a review of "medical home" incentive payments nationally. Most programs paid medical home incentive payments on a per member per month (PMPM) basis. To work in the fee-for-service payment context, PMPM benchmark amounts used by

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Attachment 4.19-B
(10/09)

programs in several other states (\$2, \$4, and \$6) were converted to per-visit payment amounts by first multiplying the PMPM payment by twelve (12) to calculate an annual per member payment, and then dividing the annual amount by the average number of annual primary care visits to general hospitals providing outpatient care, free standing diagnostic and treatment centers, and Federally Qualified Health Centers to arrive at a per-visit incentive payment amount for each level of medical home recognition.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers recognized as patient centered medical homes. The agency's fee schedule rates were set as of December 1, 2009 and are effective for services provided on or after that date. All rates are published on the State Department of Health's website.

The "medical home" recognition for clinics is site-specific. Once a Clinic advances to a higher level of "medical home" designation it will no longer be eligible for the lower level incentive payment per Evaluation and Management visit. A Clinic may only receive one level of incentive payment at a time for each eligible visit. Medical home incentive payments are only applicable to claims when Medicaid is the primary payer.

To maintain eligibility for incentive payments, Clinics must: (a) renew their "patient centered medical home" certification at a frequency determined by the Commissioner; and (b) provide data to the Department to permit the Commissioner to evaluate the impact of patient centered medical homes on quality, outcomes and cost.

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