



Refer to DMCH: SJ

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

May 25, 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-D has been approved for adoption into the State Medicaid Plan with an effective date of December 1, 2009. The SPA provides that certain Federally Qualified Health Centers (FQHCs) 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 these FQHCs will be 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)(I), which was 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. In addition, we are approving the Attachment 4.19B-Page 1(c)(i)(J) which was provided with New York State's May 6, 2010 e-mail to CMS/ This approval is for SPA 09-49-D 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 the approved SPA #09-49-D and the HCFA-179.

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 #09-49-D  
HCFA-179 Form

CC: JUlberg  
PMossman  
SIrwin  
SGaskins  
LTavener  
SFuentes  
MSamuel  
SJew

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

**09-49-D**

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*):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

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 \$ 832,370  
b. FFY 10/01/10-09/30/11 \$ 2,520,204

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
**Attachment 4.19-B, pages 1(c)(i)(I), 1(c)(i)(J)**

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (*If Applicable*):

10. SUBJECT OF AMENDMENT:  
**Patient Centered Medical Home Programs (FQHCs) – 61.59% FMAP**

11. 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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: **Deborah Bachrach**

14. TITLE: **Deputy Commissioner  
Department of Health**

15. DATE SUBMITTED:

**September 24, 2009**

16. RETURN TO:

**New York State Department of Health  
Corning Tower  
Empire State Plaza  
Albany, New York 12237**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED

**MAY 25 2010**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

**DEC 01 2009**

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME:

**Sue Kelly**

22. TITLE: **Associate Regional Administrator  
Division of Medicaid and State Operations**

23. REMARKS

New York  
1(c)(i)(I)

OFFICIAL

Attachment 4.19-B  
(10/09)

**Statewide Patient Centered Medical Home – Federally Qualified Health Centers**

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).

A Federally Qualified Health Center shall mean a general hospital providing outpatient care or a free standing diagnostic and treatment center licensed under Article 28 of the Public Health Law that is designated as a Federally Qualified Health Center pursuant to Section 1861(aa) of the Social Security Act.

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

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

TN#:                     #09-49-D                    

Approval Date:                     MAY 25 2010                    

Supersedes TN#:                     New New                    

Effective Date:                     DEC 01 2009



**OFFICIAL**

New York  
1(c)(i)(J)

**Attachment 4.19-B  
(10/09)**

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 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 level for Federally Qualified Health Centers is site-specific. Once a Federally Qualified Health Center advances to a higher level of "medical home" recognition it will no longer be eligible for the lower level incentive payment per Evaluation and Management visit. A Federally Qualified Health Center 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, Federally Qualified Health Centers must: (a) renew their "patient centered medical home" certification at a frequency determined by the Commissioner; and (b) provide data to the Department of Health to permit the Commissioner to evaluate the effect of patient centered medical homes on quality, outcomes, and cost.

TN#:           #09-49-D          

Approval Date:           MAY 25 2010          

Supersedes TN#:           New ~~New~~

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