

Centers for Medicare & Medicaid Services

Refer to DMCH: SJ

OCT 2 0 2011

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

Jason A. Helgerson
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) #09-65-C has been approved for adoption into the State Medicaid Plan with an effective date of December 1, 2009. The SPA provides for the extension of the Outpatient Ambulatory Patient Group (APG) reimbursement methodology. The APG system was to expire March 31, 2010, but is now being extended for an additional two-year period to March 31, 2012.

This SPA approval consists of 1 Page. We are approving the following Page which was submitted with the State's September 28, 2011 electronic submission to the CMS SPA Mailbox: Attachment 4.19-B-Page 1(e)(1). At that time, New York requested that its original SPA 09-65 submission of December 28, 2009 be split into several components, one of which is 09-65-C. This approval is for SPA 09-65-C only; you will be notified separately on the other 09-65 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 #09-65-C and the HCFA-179 form, 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.

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

Enclosure:

SPA #09-65-C HCFA-179 Form CC: JUlberg

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TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	OMB NO. 0938-			
STATE PLAN MATERIAL	1. IKANSMITTAL NUMBER:	2. STATE			
	09-65-C	New York			
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: T	ITI E VIV OF THE			
	SOCIAL SECURITY ACT (MED	ICAID)			
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE	•			
HEALTH CARE FINANCING ADMINISTRATION	December 1, 2009				
DEPARTMENT OF HEALTH AND HUMAN SERVICES	December 1, 2009				
5. TYPE OF PLAN MATERIAL (Check One):					
☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONS	SIDERED AS NEW PLAN	AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMEND	MENT (Separate Transmittal for each a	mendment)			
o. rederal Statute/Regulation CHATION:	7. FEDERAL BUDGET IMPACT:				
Section 1902(a) of the Social Security Act, and 42 CFR	a. FFY 12/01/09-09/30/10 \$0				
447.204	b. FFY 10/01/10-09/31/11 \$0				
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERS	SEDED PLAN			
Attachment 4.19-B, pages 1(e)(1)	SECTION OR ATTACHMENT (If Applicable):				
readiment 4.10-b, pages 1(e)(1)					
** SEE REMARKS					
10. SUBJECT OF AMENDMENT:					
Extend APG system	·				
11. GOVERNOR'S REVIEW (Check One):					
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT	OTHER ACCRECIENT				
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	OTHER, AS SPECIFIED:				
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL					
12. SISNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:				
	New York State Department of Health Corning Tower				
13. TYPEO NAME: Vason A. Helgerson					
	Empire State Plaza				
14. TITLE: Medicaid Director & Deputy Commissioner	Albany, New York 12237				
Department of Health					
15. DATE SUBMITTED:					
September 28, 2011 FOR REGIONAL OFFICE	CE LOD ANIA				
17. DATE RECEIVED:	18, DATE APPROVED:				
	October 20, 2011	and the same of			
PLAN APPROVED - ONE C		-			
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OF	FICIALS			
December 1, 2009 21. TYPED NAME: Michael Molander					
21. TYPED NAME: Michael Melendez	Associate Regional	Administrator			
23. REMARKS:	Division of Medicaid and State (Operations			
The SPA will extend the Outpatient Ambulatory Patient Group (APG) reimbursement methodology for an					
additional 2 years, with a new termination date of March 31, 2012.					
	DE 1				



New York 1(e)(1)

Attachment 4.19-B (10/09)

Ambulatory Patient Group System: Hospital-Based Outpatient

For dates of service beginning December 1, 2008, for hospital outpatient clinic and ambulatory surgery services, and beginning January 1, 2009, for emergency department services, through March 31, 2012, the operating component of rates for hospital based outpatient services shall be reimbursed using a methodology that is prospective and associated with resource utilization to ensure that ambulatory services are economically and efficiently provided. The methodology is based upon the Ambulatory Patient Group (APG) classification and reimbursement system. This methodology incorporates payments for the separate covered Medicaid benefits in accordance with the payment methods for these services. Reimbursement for the capital component of these rates shall be made as an add-on to the operating component as described in the APG Rate Computation section.

The Ambulatory Patient Group patient classification system is designed to explain the amount and type of resources used in an ambulatory visit by grouping patients with similar clinical characteristics and similar resource use into a specific APG. Each procedure code associated with a patient visit is assigned to an APG using the grouping logic developed by 3M Health Information Systems. When evaluation and management codes are coded, the APG grouping logic also uses the diagnosis code to make the APG assignment. Ultimately, the procedures and diagnoses coded for a patient visit will result in a list of APGs that correspond on a one-for-one basis with each procedure coded for the visit.

TN #0	9-65-C		Approval Date _	UUI	20	2011
Supersedes TN	NEW	40	Effective Date	DEC	0 1	2009