

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

Donna Frescatore
Deputy Commissioner
New York State Department of Health
Corning Tower
Empire State Plaza
Albany, New York 12237

DEC 20 2010

RE: TN 10-20-A

Dear Ms. Frescatore:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 10-20-A. Effective July 1, 2010, this amendment creates a new supplemental payment for non-government hospitals while reducing Disproportionate Share Hospital (DSH) payments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. This is to inform you that New York 10-20-A is approved effective July 1, 2010 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,

A solid black rectangular box used to redact the signature of the sender.

✓ Cindy Mann
Director, CMCS

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 10-20-A	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 July 1, 2010	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <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 (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(a) of the Social Security Act, and 42 CFR 447		7. FEDERAL BUDGET IMPACT: a. FFY 07/01/10-09/30/10 (\$8.26) million b. FFY 10/01/10-09/30/11 (\$14.29) million	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A: Pages 144(d), 161(1), 161(1)(a)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-A: Pages 144(d)	
10. SUBJECT OF AMENDMENT: Indigent Care Pool/UPL Swap (FMAP = 61.59% as of effective date)			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <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: 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: June 30, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: 12-20-10	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL - 1 2010		20. [REDACTED]	
21. TYPED NAME: William Lasowski		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

**New York
161(1)**

**Attachment 4.19-A
(04/10)**

Effective for the period July 1, 2010 through March 31, 2011, additional inpatient hospital payments are authorized to voluntary sector hospitals, excluding government general hospitals, for inpatient hospital services after all other medical assistance payments, of \$235.5M for the period July 1, 2010 through March 31, 2011 and \$314M for the period April 1, 2011 through March 31, 2012 subject to the requirements of 42 CFR 447.272 (upper payment limit). Such payments may be added to rates of payment or made as aggregate payments to eligible voluntary sector owned or operated general hospitals, excluding government general hospitals.

Eligibility to receive such additional payments will be based on data from the period two years prior to the rate year, as reported on the Institutional Cost Report (ICR) submitted to the Department as of October 1 of the prior rate year.

(a) Thirty percent of such payments will be allocated to safety net hospitals based on each eligible hospital's proportionate share of all eligible safety net hospitals' Medicaid discharges for inpatient hospital services, including both Medicaid fee-for-service and managed care discharges for acute and exempt services;

(i) Safety net hospitals are defined as non-government owned or operated hospitals which provide emergency room services having either: a Medicaid share of total inpatient hospital discharges of at least 35%, including both fee-for-service and managed care discharges for acute and exempt services; or a Medicaid share of total discharges of at least 30%, including both fee-for-service and managed care discharges for acute and exempt services, and also providing obstetrical services.

(b) Seventy percent of such payments will be allocated to eligible general hospitals, which provide emergency room services, based on each such hospital's proportionate share of all eligible hospitals' Medicaid discharges for inpatient hospital services, including both Medicaid fee-for-service and managed care discharges for acute and exempt services;

(c) No eligible general hospital's annual payment amount will exceed the lower of the sum of the annual amounts due that hospital in accordance with the Medicaid Disproportionate Share Section, the Supplemental Indigent Care Distributions Section, and the High Need Indigent Care Adjustment Pool Section of this Attachment, or the hospital's facility specific projected disproportionate share hospital payment ceiling

TN #10-20-A _____

Approval Date DEC 2 0 2010

Supersedes TN New

Effective Date JUL - 1 2010

**New York
161(1)(a)**

**Attachment 4.19-A
(04/10)**

established pursuant to federal law. Payment amounts to eligible hospitals pursuant to paragraphs (a) and (b) of this section in excess of the lower of such sum or payment ceiling will be reallocated to eligible hospitals that do not have excess payment amounts. Such reallocations will be proportional to each such hospital's aggregate payment amount pursuant to paragraphs (a) and (b) of this section to the total of all payment amounts for such eligible hospitals; and

(d) These payments will be included in Medicaid revenues for the purpose of computing each general hospital's disproportionate share limitations.

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**New York
144(d)**

**Attachment 4.19-A
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- (d) (i) Continuing annually for periods on and after January 1, 2009, no general hospital will receive DSH payment distributions that exceed the costs incurred by such hospital during the distribution period for providing inpatient and outpatient hospital services to Medicaid eligible patients or, uninsured patients. Such costs will be net of monies received from non-DSH related Medicaid payments and collections from uninsured patients.
- (ii) DSH payment reductions will first be made from the public general hospital indigent care adjustment payments pursuant to this Attachment, and then from payments from this section.
- (e) Distributions to voluntary sector general hospitals, excluding government general hospitals, made in accordance with the Medicaid Disproportionate Share Section, the Supplemental Indigent Care Distributions Section, and the High Need Indigent Care Adjustment Pool Section will be reduced proportionally by the final payment amounts paid to eligible voluntary sector general hospitals, excluding government general hospitals, made in accordance with the Additional Inpatient Hospitals Payments Section for the period commencing July 1, 2010 and annually thereafter.
- (f) In addition to reductions noted in paragraph (e), distributions to voluntary sector general hospitals, made in accordance with the Medicaid Disproportionate Share Section, the Supplemental Indigent Care Distributions Section, and the High Need Indigent Care Adjustment Pool Section will be reduced proportionally by \$69.4M for the period commencing July 1, 2010 through December 31, 2010 and by \$73.2M annually for rate periods commencing January 1, 2011 and thereafter excluding distributions made in accordance with subparagraphs (b), (c), and (d) of paragraph (3) of the Supplemental Indigent Care Distributions Section.

TN #10-20-A _____

Approval Date DEC 20 2010

Supersedes #09-34

Effective Date JUL - 1 2010