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

JUN 1 5 2011

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

RE: TN 11-41

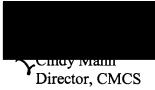
Dear Mr. Helgerson:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 11-41. This amendment provides for a one time supplemental payment to nursing facilities that have experienced reduction in Medicaid rates resulting directly from prior rate changes relating to partial rebasing and Medicaid case-mix adjustments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2) 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. New York State plan amendment 11-41 is approved effective May 1, 2011. We 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,



**Enclosures** 

June 1, 2011	The state of the s
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17. DATE RECEIVED:	18. DATE APPROVED:
	06-15-11
	VED – ONE COPY ATTACHED
19. EFFECTIVE DATE OF APPROVED MATERIAL: MAY - 1 201	20 20 20 20 20 20 20 20 20 20 20 20 20 2
21. TYPED NAME: WILLAM LASOWSKI	Deputy Director CMCS
23. REMARKS:	

## New York 50(i)

Attachment 4.19-D (04/11)

## Supplemental payments

For the period May 1, 2011 through May 31, 2011, supplemental payments in the form of rate add-ons, in the amount of \$221.3 million, will be made to eligible residential health care facilities which the Commissioner has determined have experienced a net reduction in their rate for the period April 1, 2009 through March 31, 2011 as a result of the 2002 rebasing methodology, Medicaid-only case mix methodology, and the application of proportional adjustments required to be made by the application of the residential health care facility cap. In determining the net reduction, the impact of case mix adjustments applicable to July 2010 and Medicaid rate adjustments for appeals and patient review instrument (PRI) case mix updates processed for payment after October 19, 2010 will be disregarded by the Commissioner. The following facilities are eligible for such supplemental payments:

- a) Facilities which were eligible for Financially Disadvantaged distributions for the 2009 period; non-public facilities whose total operating losses equal or exceed five percent of total operating revenue and whose Medicaid utilization equals or exceeds seventy percent (based on either their 2009 cost report or their most recently available cost report); or facilities or distinct units of facilities providing services primarily to children under the age of twenty-one, will receive a supplemental payment that is equal to 100 percent of the net reduction determined above.
- b) Facilities other than eligible facilities described in paragraph (a) above will receive supplemental payments equal to 50 percent of their net reduction.
- c) Facilities described in paragraph (b) above, which after the application of the rate adjustments described in paragraph (b) remain subject to a net reduction in their inpatient Medicaid revenue that is in excess of two percent (as measured with regard to the non-capital components of facility inpatient rates in effect on March 31, 2009 computed prior to the application of trend factor adjustments attributable to the 2008 and 2009 calendar years) will have their payments further adjusted such that the net reduction does not exceed two percent.

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Attachment 4.19-D (04/11)

d) Facilities as described in paragraph (c) above which have experienced a net reduction in their inpatient rates of more than \$6 million over the period April 1, 2009 through March 31, 2011 as a result of the application of proportional adjustments required to be made by the application of the residential health care facility cap will have their payments further adjusted so that their net reduction is reduced to zero.

Additional rate adjustments, in the form of rate add-ons, will be made to the eligible facilities described above for the period May 1, 2011 through May 31, 2011 in an aggregate amount equal to 25% of the payments described above (or 25% of \$221.3 million which equals \$55.3 million). The payments will be distributed to eligible facilities in the same proportion as the total \$221.3 million of distributions made to each eligible facility.

The supplemental payments described above will not be subject to subsequent adjustment or reconciliation and will be disregarded for purposes of calculating the limitations on Medicaid rates required by the application of the residential health care facility cap.

TN #11-41	Approval Date	JUN 1 5 2011
Supersedes TN <u>NEW</u>	Effective Date	MAY - 1 2011