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**State/Territory Name:**                      **New York**

**State Plan Amendment (SPA) #:**      **16-0009**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

**JAN 30 2017**

Jason A. Helgerson  
State Medicaid Director  
Deputy Commissioner  
Office of Health Insurance Programs  
NYS Department of Health  
Corning Tower (OCP – 1211)  
Albany, NY 12237

RE: State Plan Amendment (SPA) TN 16-0009

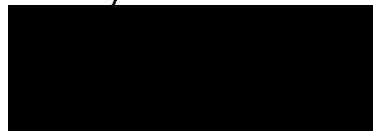
Dear Mr. Helgerson:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State Plan submitted under transmittal number (TN) 16-0009. Effective November 1, 2016, this amendment creates a new nursing home specialty rate for the neurodegenerative disease population, which includes only those patients diagnosed with Huntington's disease and Amyotrophic Lateral Sclerosis.

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 implementing Federal regulations at 42 CFR Part 447. This letter is to inform you that New York 16-0009 is approved effective November 1, 2016. The CMS-179 and approved plan pages are enclosed.

If you have any questions, please contact Betsy Pinho at 518-396-3810.

Sincerely,



Kristin Fan  
Director

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER: 16-0009	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 November 1, 2016	
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: NYCRR 86-2.10 (x); 86-2.40 (ad)(iv)		7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY 11/01/16-09/30/17 \$ 2,903.71 b. FFY 10/01/17-09/30/18 \$ 3,167.68	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D Part I Page 47(s)(i), 47(s)(ii), (47(s)(iii); 110(d)(3)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D Page 47(s)(i); 110(d)(3)	
10. SUBJECT OF AMENDMENT: Neurodegenerative Disease includes HD & ALS (FMAP = 50%)			
11. GOVERNOR'S REVIEW (Check One): <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 Bureau of Federal Relations & Provider Assessments 99 Washington Ave – One Commerce Plaza Suite 1460 Albany, NY 12210	
13. TYPED NAME: Jason A. Helgerson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: JUN 30 2016			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: JAN 30 2017	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: NOV 01 2016		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Fan		22. TITLE: Director, FMC	
23. REMARKS:			

New York  
47(s)(i)

**Huntington's disease**

For periods on and after July 1, 2011, Medicaid rates of payments for inpatient services provided by existing residential health care facilities with more than 40 beds that operate discrete units for the treatment of residents with Huntington's disease will be increased by a rate add-on amount. The aggregate amount of such rate add-ons for the period July 1, 2011 through December 31, 2011 will be \$850,000 and for calendar year 2012 and each year thereafter will be \$1,700,000. Payments will be calculated as follows:

- (1) Amounts will be allocated to each eligible residential health care facility proportionally based on the number of beds in each facility's discrete unit for treatment of Huntington's disease relative to the total number of such beds in all such units based on the bed capacity reported in certified cost reports submitted to the Department of Health for the calendar year period two years prior to the applicable rate year.
- (2) Rate add-ons will be computed utilizing reported Medicaid days from certified cost reports as submitted to the Department of Health for the calendar year period two years prior to the applicable rate year.
- (3) Rate add-ons shall not be subject to subsequent adjustment or reconciliation.
- (4) Payments under this section end on October 31, 2016.

**Specialized programs for residents with neurodegenerative disease providing care to patients diagnosed with Huntington's disease and Amyotrophic Lateral Sclerosis (ALS) Disease.**

Effective November 1, 2016, new and existing facilities which have been approved to operate discrete specialty units specifically designated for the purpose of providing care to residents with Huntington's disease and amyotrophic lateral sclerosis, will have rates calculated for Medicaid reimbursement separate and distinct from the general nursing home rate. Rates established in these new specialty units will be based on budgeted cost as submitted by the facility and approved by the department. Budgeted rates will be in effect until such time the specialty facility files a calendar year certified cost report reflecting such specialty unit's first twelve months of operation at an occupancy level of 90% or more. The department will thereafter issue such facilities rates with non-capital components reflecting such cost report and such rates will be effective as of January 1 of the calendar year in which the facility reaches at least a 90% occupancy rate based on a filed cost report of that given year. The capital component will be a continuation of the budget updated for current indebtedness. Should a facility fail to reach 90% occupancy after five (5) years, the Department will review the continued need for a specialty unit in that facility.

The facility specific rate will be calculated as follows:

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Supersedes TN #11-0010

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New York  
47(s)(ii)

a. The facility specific direct component of the rate will include allowable costs reported in the following functional cost centers on the facility's annual cost report (RHCF-4) or extracted from a hospital-based facility's annual cost report (RHCF-2) and the institutional cost report of its related hospital, after first deducting for capital costs and allowable items not subject to trending:

- (i) nursing administration;
- (ii) activities;
- (iii) social services;
- (iv) transportation;
- (v) physical therapy;
- (vi) occupational therapy;
- (vii) laundry and linen;
- (viii) speech and hearing therapy – (speech therapy portion only);
- (ix) central service supply; and
- (x) specialty unit.

Direct component costs are not subject to case mix adjustment.

b. The facility specific indirect component of the rate will include costs reported in the following functional cost centers on the facility's annual cost report (RHCF-4) or extracted from a hospital based facility's annual cost report (RHCF-2) and the institutional cost report of its related hospital, after first deducting for capital costs and allowable items not subject to trending:

- (i) fiscal services;
- (ii) administrative services;
- (iii) plant operations and maintenance (with the exception of utilities and real estate and occupancy taxes);
- (iv) grounds;
- (v) security;
- (vi) laundry and linen;
- (vii) housekeeping;
- (viii) patient food services;
- (ix) cafeteria;
- (x) non-physician education;
- (xi) medical education;
- (xii) housing; and
- (xiii) medical records

c. The facility specific noncomparable component of the rate will include allowable costs associated with supervision of facility volunteers and costs reported in the following functional cost centers as reported on the facility's annual cost report (RHCF-4) or extracted from a hospital based facility's annual cost report (RHCF-2) and the institutional cost report of its related hospital, after first deducting capital cost and allowable items not subject to trending:

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New York  
47(s)(iii)

- i. Laboratory Services;
- ii. ECG;
- iii. EEG;
- iv. Radiology;
- v. Inhalation Therapy;
- vi. Podiatry;
- vii. Dental;
- viii. Psychiatric;
- ix. Speech and Hearing Therapy – (Hearing Therapy Only);
- x. Medical Director Office;
- xi. Medical Staff Services;
- xii. Utilization Review;
- xiii. Other Ancillary; and
- xiv. Plant Operations and maintenance – (cost for facilities and real estate and occupancy taxes only).

Nothing in this subparagraph will be understood as exempting specialty facilities which have not yet achieved 90% occupancy from the generally applicable requirement to file annual calendar year cost reports.

TN #16-0009

Supersedes TN NEW

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Effective Date NOV 01 2016

New York  
110(d)(3)

**Computation of a Price for the Operating Component of the Rate for Non-specialty Facilities and the Non-capital Component of the Rate for Specialty Facilities**

- a) Effective January 1, 2012, the operating component of rates of payment for non-specialty residential health care facilities (RHCFs) shall be a price and shall consist of the sum of the following components:
- 1)  $((50\% \text{ of the statewide direct price for all non-specialty facilities} + 50\% \text{ of the peer group direct price}) \times (\text{direct WEF adjustment}) \times (\text{case mix adjustment})) + ((50\% \text{ of the statewide indirect price for all non-specialty facilities} + 50\% \text{ of the peer group indirect price}) \times (\text{indirect WEF adjustment})) + \text{non comparable component} + \text{applicable rate add-ons}$
- b) For purposes of calculating the direct and indirect price component of the rates, peer group shall mean:
- 1) all non-specialty facilities (NSF)
  - 2) all non-specialty hospital-based facilities and non-specialty freestanding facilities with certified bed capacities of 300 beds or more (NSHB/NS300+)
  - 3) non-specialty freestanding facilities with certified bed capacities of less than 300 beds (NS300-)
- c) Specialty facilities shall mean:
- 1) AIDS facilities or discrete AIDS units within facilities;
  - 2) discrete units for residents receiving care in a long-term inpatient rehabilitation program for traumatic brain injured persons;
  - 3) discrete units providing specialized programs for residents requiring behavioral interventions;
  - 4) discrete units for long-term ventilator dependent residents; and
  - 5) facilities or discrete units within facilities that provide extensive nursing, medical, psychological and counseling support services solely to children.
  - 6) discrete units for residents with Neurodegenerative diseases; Amyotrophic Lateral Sclerosis and Huntington as is defined in Attachment 4.19-D Part I Huntington's disease.

TN #16-0009

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Supersedes TN #11-0023-A

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