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State/Territory Name: **New York**

State Plan Amendment (SPA) #: **19-45**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Page

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



New York Regional Operations Group

October 22, 2019

Donna Frescatore
Medicaid Director
NYS Department of Health
One Commerce Plaza
Suite 1211
Albany, NY 12210

RE: State Plan Amendment (SPA) 19-0045

Dear Ms. Frescatore:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number 19-0045. This amendment provides a separate reimbursement rate for care and services furnished in newly licensed distinct units that provide specialized hospital-based psychiatric services dedicated solely to the treatment of children with diagnoses of both developmental disability and mental illness, effective August 1, 2019.

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 implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and, therefore, have approved them with an effective date of August 1, 2019. We are enclosing the CMS-179 and the amended approved plan page.

If you have any questions, please call Charlene Holzbaaur at (609) 882-4103 Extension 104.

Sincerely,

A solid black rectangular box redacting the signature of Kristin Fan.

Kristin Fan
Director

cc:

R. Weaver
R. Holligan
T. Brady
C. Holzbaaur

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>1 9 — 0 0 4 5</u>	2. STATE New York
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE August 1, 2019	

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 §1902(a) of the Social Security Act and 42 CFR 447	7. FEDERAL BUDGET IMPACT a. FFY 08/01/19-09/30/19 \$ 485.79 b. FFY 10/01/19-09/30/20 \$ 2,915.50
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment: 4.19-A: Page 119	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment: 4.19-A: Page 119

10. SUBJECT OF AMENDMENT
Kids DD IP
(FMAP=50%)

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO New York State Department of Health Division of Finance and Rate Setting 99 Washington Ave -- One Commerce Plaza Suite 1432 Albany, NY 12210
13. TYPED NAME Donna Frescatore	
14. TITLE Medicaid Director, Department of Health	
15. DATE SUBMITTED September 30, 2019	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED	18. DATE APPROVED OCT 22 2019

PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL AUG 9 2019	20. SIGNATURE OF REGIONAL OFFICIAL
21. TYPED NAME Kristin Fan	22. TITLE Director, FMG

23. REMARKS

**New York
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12. *New hospitals and new hospital units.* The operating cost component of rates of payment for new hospitals, or hospital units, without adequate cost experience will be computed based on either budgeted cost projections, subsequently reconciled to actual reported cost data, or the regional ceiling calculated in accordance with paragraph (10) of this section, whichever is lower. The capital cost component of such rates will be calculated in accordance with the capital cost provisions of this Attachment.
13. Effective July 1, 2018, Hospitals that have been approved by the Office of Mental Health to operate distinct units to provide specialized inpatient psychiatric care to stabilize adults with co-morbid mental illness and intellectual developmental disability diagnoses as defined in the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association, will be reimbursed a flat per diem operating rate of \$1,177.11, and the rate-setting methodology provided in paragraph 8 of this section will not apply to services furnished in such units. Capital costs will be reimbursed on a per diem basis for the cost of capital in accordance with paragraph 11 of this section. Specialized inpatient psychiatric units are a new approach to treating dually-diagnosed individuals. The units are physically distinct and have been approved by the State to provide such care and services based on a review of the unit's physical plant specifications, enhanced staffing, and adherence to specialized clinical protocols, which demonstrate sufficient specialization in the assessment and treatment of adults with co-occurring intellectual or developmental disability, including autism spectrum disorder, and mental illness diagnoses, who exhibit destructive behaviors, or an acute safety risk or decrease in functioning.
14. Effective August 1, 2019, Hospitals that have been approved by the Office of Mental Health to operate distinct units to provide specialized inpatient psychiatric care to stabilize children with co-morbid mental illness and intellectual developmental disability diagnoses as defined in the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association, will be reimbursed a flat per diem operating rate of \$1,792.50, and the rate-setting methodology provided in paragraph 8 of this section will not apply to services furnished in such units. Capital costs will be reimbursed on a per diem basis for the cost of capital in accordance with paragraph 11 of this section. Specialized inpatient psychiatric units are a new approach to treating dually-diagnosed individuals. The units are physically distinct and have been approved by the State to provide such care and services based on a review of the unit's physical plant specifications, enhanced staffing, and adherence to specialized clinical protocols, which demonstrate sufficient specialization in the assessment and treatment of children with co-occurring intellectual or developmental disability, including autism spectrum disorder, and mental illness diagnoses, who exhibit destructive behaviors, or an acute safety risk or decrease in functioning.

TN #19-0045
Supersedes TN #18-0001

Approval Date OCT 22 2019
Effective Date AUG 01 2019