Tableof Contents

State/TerritoryName: NY

State Plan Amendment(SPA)#: 21-0045

This file contains the following documentsin the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850

Financial Management Group

April 12, 2024

Amir Bassiri
State Medicaid Director
New York State Department of Health
99 Washington Ave- One Commerce Plaza, Suite 1605
Albany, NY 12237

RE: State Plan Amendment (SPA) TN 21-0045

Dear Director Bassiri:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0045. Effective July 1, 2021, this amendment implements a one percent (1%) Cost-of-Living Adjustment (COLA) to psychiatric residential treatment facility (PRTF) rates.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1923 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 21-0045 is approved effective July 1, 2021. The CMS-179 and approved plan pages are enclosed.

If you have any questions, please contact Novena James-Hailey at (617) 565-1291 or Novena.JamesHailey@cms.hhs.gov.

Sincerely,

[redacted]

Rory Howe
Director

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 21 — 0045

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
July 1, 2021

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
~~42 CFR § 447.272(a)~~ 1905(a)(16) Inpatient Psychiatric Hospital - PRTF

7. FEDERAL BUDGET IMPACT
a. FFY 07/01/21-09/30/21 $ ~~271.56~~ $ 111,656.00
b. FFY 10/01/21-09/30/22 $ ~~543.13~~ $446,625.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Part III Page: 4
~~Attachment 4.19-A Part VII Page: 2(e)~~

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*

Attachment 4.19-A Part III Page: 4
~~Attachment 4.19-A Part VII Page: 2(e)~~

10. SUBJECT OF AMENDMENT
~~Inpatient 2021 1% COLA~~ PRTF 2021 1% COLA
(FMAP=50%)

11. GOVERNOR'S REVIEW *(Check One)*

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

12. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

13. TYPED NAME
Brett Friedman

14. TITLE
Acting Medicaid Director, Department of Health

15. DATE SUBMITTED September 30, 2021

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED
September 30, 2021

18. DATE APPROVED
April 12, 2024

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL
[redacted]

21. TYPED NAME
Rory Howe

22. TITLE
Director, Financial Management Group

23. REMARKS The State authorizes the following pen and ink revisions to the HCFA 179:

Box 6. Federal Statute/ Regulation Citation:
1905(a)(16) Inpatient Psychiatric Hospital - PRTF

Box 7. Federal Budget Impact
a. FFY 07/01/21-09/30/21 $ 111,656.00
b. FFY 10/01/21-09/30/22 $ 446,625.00

Box 8. Page Number of the Plan Section or Attachment
Attachment 4.19-A Part III Page: 4

Box 9. Page Number of the Superseded Plan Section or Attachment (If Applicable) Attachment 4.19-A Part III Page: 4

Box 10: Subject of Amendment: PRTF 2021 1% COLA

Instructions on Back

1905(a)(16) Inpatient Psychiatric Hospital - PRTF

Allowable operating costs as determined in the preceding paragraphs will be trended by the Medicare inflation factor.

Effective July 01, 2021 through March 31, 2022, operating rates of payment will be increased for a Cost of Living Adjustment (COLA), calculated to support a one percent (1.0%) annual aggregate payment to be paid out over the 9 month period between July 1, 2021 and March 31, 2022, and a one percent (1%) annual increase to be paid out over 12 months in subsequent years until such time as the COLA increase is reflected in the base period cost reports.

2. CAPITAL COSTS

To allowable operating costs are added allowable capital costs. Allowable capital costs are determined by the application of principles developed for determining reasonable cost payments under the Medicare program. Allowable capital costs include an allowance for depreciation and interest. To be allowable, capital expenditures which are subject to the Office of Mental Health's Prior Approval Review (PAR) procedures must be reviewed and approved by the Office of Mental Health.

Transfer of Ownership

In establishing an appropriate allowance for depreciation and for interest on capital indebtedness and (if applicable) a return on equity capital with respect to an asset of a hospital which has undergone a change of ownership, that the valuation of the asset after such change of ownership will be the lesser of the allowable acquisition cost of such asset to the owner of record as of July 18, 1984 (or, in the case of an asset not in existence as of such date, the first owner of record of the asset after such date), or the acquisition cost of such asset to the new owner.

3. APPEALS

The Commissioner will consider requests for rate revisions which are based on errors in the calculation of the rate or based on significant changes in costs resulting from changes in:

- Capital projects approved by the Commissioner in connection with OMH's PAR procedures.
- OMH approved changes in staffing plans submitted to DOH in a form as determined by the DOH.
- OMH approved changes in capacity approved by the Commissioner in connect with OMH's PAR procedures;
- Other rate revisions will be based on requirements to meet accreditation standards of the Joint Commission on Accreditation of Hospitals, or other Federal or State mandated requirements resulting in increased costs.

Revised rates will utilize existing facility cost reports, adjusted as necessary. The rates of payment will be subject to total allowable costs, total allowable days, staffing standards as approved by the Commissioner, and a limitation on operating expenses as determined by the Commissioner. These rates must be certified by the Commissioners of OMH and DOH and approved by the Director of the Budget.