

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group/ Division of Reimbursement Review**

March 4, 2020

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

RE: TN 19-0017

Dear Ms Frescatore:

We have reviewed the proposed New York State Plan Amendment (SPA) to Attachment 4.19-B, NY-19-0017, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 29, 2019. This plan amendment establishes the rate setting methodology for NYS Office of Alcoholism and Substance Abuse Services (OASAS) freestanding medically supervised withdraw facilities.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1, 2019. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Charlene Holzbaur at (609) 882-4796 or [Charlene.holzbaur@cms.hhs.gov](mailto:Charlene.holzbaur@cms.hhs.gov).

Sincerely,

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

Todd McMillion  
Acting Director

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>1 9 — 0 0 1 7</b>	2. STATE <b>New York</b>
	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 <b>January 1, 2019</b>	

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 <b>42 CFR 440.130(d)</b>	7. FEDERAL BUDGET IMPACT a. FEEY 01/01/19-09/30/19      \$ 0.00 b. FFY 10/01/19-09/30/20      \$ 0.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment: 4.19-B Pages: 10(a.4), 10(a.5)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment:

10. SUBJECT OF AMENDMENT  
**OASAS Medically Supervised Residential Withdrawal  
(50% FMAP on non-room and board portion of rate for facilities under 17 beds)**

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 <b>Donna Frescatore</b>	
14. TITLE <b>Medicaid Director, Department of Health</b>	
15. DATE SUBMITTED <b>March 29, 2019</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED <b>March 29, 2019</b>	18. DATE APPROVED <b>03/04/2020</b>
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL <b>January 1, 2019</b>	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME <b>Todd McMillion</b>	22. TITLE <b>Acting Director, DRR, FMG</b>

23. REMARKS

New York  
10(a.4)

**Residential Medically Supervised Withdrawal Services**

Medically supervised withdrawal services are for patients at a mild or moderate level of withdrawal, or are at risk for such, as well as patients with sub-acute physical or psychiatric complications related to alcohol and/or substance related dependence, are intoxicated, or have mild withdrawal with a situational crisis, or are unable to abstain yet have no past withdrawal complications. The fee methodology described here will apply only to freestanding (non-hospital) residential medically supervised withdrawal (RMSW) facilities that are certified by the Office of Alcoholism and Substance Abuse Services (OASAS, "the Office") solely under Article 32 of the New York State Mental Hygiene Law. This methodology will not apply to Article 28 facilities.

Medicaid fees will be based on both bed size and the county in which the facility is located. The fees will be inclusive of both operating and capital reimbursement. There will be no capital add-on to these fees or any separate Medicaid reimbursement for capital costs. These fees will be effective on and after January 1, 2019 and will replace those of all prior methodologies for this service.

For new RMSW facilities the "bed size" used for the fee calculation will be based on 80% of the certified capacity rounded to the nearest integer. After the first full year of operation, the fee will be revised based on 90% of certified capacity rounded to the nearest integer. If the certified capacity changes for any RMSW program, including programs that have been in operation for less than one year, the fee will be revised based on 90% of the new certified capacity, effective on the date of the capacity change. Facilities with fewer than 6 "beds" will use the 6 bed fee.

To calculate the fee, the "statewide fee" based on calculated bed size will be taken from the first table below and then adjusted by the applicable regional factor from the second table to arrive at the facility-specific fee.

RMSW providers may request retroactive fee adjustments based on documented low service volume relative to certified capacity (underutilization). These adjustments are approvable solely at the discretion of the Office and will require compelling justification relative to the provider's inability to fill the beds. RMSW beds that were used as "swing beds" for other programs (e.g., Residential Rehabilitation) do not constitute underutilization and will not justify an RMSW fee increase. The adjusted fee will be based on the bed size calculated as follows:

(certified capacity x 365 – approved vacant days) / 365 ; rounded to the nearest integer.

TN #19-0017  
Supersedes TN #NEW

Approval Date March 4, 2020  
Effective Date January 1, 2019

**New York  
10(a.5)**

Statewide RMSW fees:

<u>Bed Size</u>	<u>RMSW Fees</u>
<u>6</u>	<u>\$ 408.97</u>
<u>7</u>	<u>\$ 401.53</u>
<u>8</u>	<u>\$ 395.20</u>
<u>9</u>	<u>\$ 389.70</u>
<u>10</u>	<u>\$ 384.85</u>
<u>11</u>	<u>\$ 380.51</u>
<u>12</u>	<u>\$ 376.59</u>
<u>13</u>	<u>\$ 373.01</u>
<u>14</u>	<u>\$ 369.74</u>
<u>15</u>	<u>\$ 366.72</u>
<u>16</u>	<u>\$ 363.91</u>

The geographic regions and regional cost factors applicable to the statewide fees derived from the table above and used to determine the final facility-specific free-standing residential medically supervised withdrawal fees are as follows:

<u>Region</u>	<u>Factor</u>	<u>Counties</u>
<u>1</u>	<u>1.2267</u>	<u>Bronx, Kings, New York, Richmond, Queens</u>
<u>2</u>	<u>1.2001</u>	<u>Westchester</u>
<u>3</u>	<u>1.1825</u>	<u>Nassau, Suffolk, Rockland, Orange, Putnam</u>
<u>4</u>	<u>1.1009</u>	<u>Dutchess</u>
<u>5</u>	<u>1.0317</u>	<u>Erle, Niagara</u>
<u>6</u>	<u>0.9710</u>	<u>Madison, Onondaga, Oswego, Tompkins, Jefferson, Herkimer, Oneida</u>
<u>7</u>	<u>0.9192</u>	<u>Rest of State</u>

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