DEPARTMENT OF HEALTH & HUMAN SERVICES

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



Financial Management Group

June 3, 2021

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

RE: TN 21-0011

Dear Ms. Frescatore:

We have reviewed the proposed New York State Plan Amendment (SPA) to Attachment 4.19-B transmittal number 21-0011, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 22, 2021. New York State Department of Health updates the Ambulatory Patient Group (APG) methodology for Outpatient Hospitals.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 21, 2020. 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 Tamara Sampson at 214-767-6431 or <a href="maintain:real-range-new-maintain-range-new

Sincerely,

Todd McMillion Director Division of Reimbursement Review

Enclosures

CENTERS FOR MEDICARE & MEDICAID SERVICES			
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER 2. STATE 2 1 — 0 0 1 1 New York		
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	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 January 21, 2021		
5. TYPE OF PLAN MATERIAL (Check One)			
□ NEW STATE PLAN □ AMENDMENT TO BE CONSID			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMEN			
6. FEDERAL STATUTE/REGULATION CITATION §1902(a) of the Social Security Act, and 42 CFR 447	7. FEDERAL BUDGET IMPACT a. FFY 01/21/21-09/30/21 \$ 217,100.00 b. FFY 10/01/21-09/30/22 \$ 312,000.00		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)		
Attachment 4.19-B Pages: 1(e)(1), 1(e)(2), 1(e)(2.1)	Attachment 4.19-B Pages: 1(e)(1), 1(e)(2), 1(e)(2.1)		
10. SUBJECT OF AMENDMENT			
January 2021 APG Updates for Hospital OP (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		
N. S.	6. RETURN TO lew York State Department of Health Division of Finance and Rate Setting		
13. TYPED NAME	Washington Ave – One Commerce Plaza		
14 TIT F	Suite 1432 Albany, NY 12210		
15. DATE SUBMITTED March 22, 2021			
FOR REGIONAL OFFICE USE ONLY			
Wiarch 22, 2021	8. DATE APPROVED June 3, 2021		
PLAN APPROVED - ON			
19. EFFECTIVE DATE OF APPROVED MATERIAL January 21, 2021	0. SIGNATURE OF REGIONAL OFFICIAL		
21. TYPED NAME Todd McMillion	Million 22. TITLE Director, Division of Reimbursement Review		
23. REMARKS			

New York 1(e)(1)

Ambulatory Patient Group System: Hospital-Based Outpatient

For dates of service beginning December 1, 2008, for hospital outpatient clinic and ambulatory surgery services, and beginning January 1, 2009, for emergency department services, through December 31, [2020] 2021, the operating component of rates for hospital based outpatient services [shall] will be reimbursed using a methodology that is prospective and associated with resource utilization to ensure that ambulatory services are economically and efficiently provided. The methodology is based upon the Ambulatory Patient Group (APG) classification and reimbursement system. This methodology incorporates payments for the separate covered Medicaid benefits in accordance with the payment methods for these services. Reimbursement for the capital component of these rates [shall] will be made as an add-on to the operating component as described in the APG Rate Computation section.

If a clinic is certified by the Office of People with Developmental Disabilities (OPWDD), reimbursement will be as specified in the OPWDD section of the State Plan.

The Ambulatory Patient Group patient classification system is designed to explain the amount and type of resources used in an ambulatory visit by grouping patients with similar clinical characteristics and similar resource use into a specific APG. Each procedure code associated with a patient visit is assigned to an APG using the grouping logic developed by 3M Health Information Systems. When evaluation and management codes are coded, the APG grouping logic also uses the diagnosis code to make the APG assignment. Ultimately, the procedures and diagnoses coded for a patient visit will result in a list of APGs that correspond on a one-for-one basis with each procedure coded for the visit.

Supersedes TN _	#20-0011	Effective Date	January 21, 2021
TN#2:	L-0011	Approval Date_	June 3, 2021

New York 1(e)(2)

APG Reimbursement Methodology – Hospital Outpatient

The following links direct users to the various definitions and factors that comprise the APG reimbursement methodology, which can also be found in aggregate on the APG website at http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm. In addition, prior period information associated with these links is available upon request to the Department of Health.

Contact Information:

http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm Click on "Contacts."

3M APG Crosswalk, version 3.15; updated as of [07/01/20 and 10/01/20] <u>01/21/21 and</u> 04/01/21:

http://www.health.ny.gov/health_care/medicaid/rates/crosswalk/index.htm http://dashboard.emedny.org/CrossWalk/html/cwAgreement.html Click on "Accept" at bottom of page to gain access.

APG Alternative Payment Fee Schedule; updated as of 01/01/11:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Alternative Payment Fee Schedule."

APG Consolidation Logic; logic is from the version of 4/01/08, updated as of 10/01/20: http://www.health.ny.gov/health_care/medicaid/rates/bundling/ Click on "2020"

APG 3M Definitions Manual Versions; updated as of [07/01/20 and 10/01/20] <u>01/21/21 and 04/01/21</u>:

http://www.health.ny.gov/health care/medicaid/rates/crosswalk/index.htm

APG Investments by Rate Period; updated as of 01/01/11:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Investments by Rate Period."

APG Relative Weights; updated as of [07/01/20] 01/21/21:

Associated Ancillaries; updated as of 01/01/20:

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New York 1(e)(2.1)

Carve-outs;	undated as	of 10	/01	/12:

Coding Improvement Factors (CIF); updated as of 07/01/12:

If Stand Alone, Do Not Pay APGs; updated as of 01/01/15:

If Stand Alone, Do Not Pay Procedures; updated as of 01/01/19:

Modifiers; updated as of 07/01/18:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click_on "Modifiers."

Never Pay APGs; updated as of 01/01/20:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Never Pay APGs."

Never Pay Procedures; updated as of [07/01/20] 01/21/21:

http://www.health.ny.gov/health_care/medicaid/rates/methodology/index.htm Click on "Never Pay Procedures."

No-Blend APGs; updated as of 01/01/20:

No-Blend Procedures; updated as of 01/01/11:

TN#	[‡] 21-0011	Approval DateJune 3, 2021
Supersedes TN	#20-0058	Effective Date <u>January 21, 2021</u>