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## Proposed Medicaid State Plan amendments impacting providers in the new year

By Peter Egan, Jena Grady, and Jennifer Greco

The New York State Department of Health (DOH) closed out 2019 with the issuance of three public notices that proposed amendments to the Medicaid State Plan. These proposed amendments may impact Medicaid payment rates to various provider-types, including providers of behavioral health services, and were also submitted to Centers for Medicare and Medicaid Services (CMS) for review. Each of these proposed amendments is open to public comment and is available [here](#).

### Reduction in Medicaid payments

Beginning January 1, 2020, DOH proposes to reduce Medicaid payments made with non-exempt DOH state funds by one percent. The public notices did not provide a complete list of exemptions from the proposed Medicaid payments reductions. However, the public notices did specify certain payments, which generally would be exempted from the payment reduction. These exempted payments include the following:

- Payments based on federal law prohibitions, including federally qualified health center services payments under the New York Mental Hygiene Law, state contributions for Medicare Part D prescription drug benefits, any local share cap payment required by Federal Medicaid Assistance Percentage, and hospice services payments.
- Payments funded exclusively with federal and/or local funds, including certain disproportionate share payments and upper payment limit payments to non-state owned or government-operated hospitals, public expenditure payments to the New York City Health and Hospital Corporation, and managed care payments sponsored by public benefit corporations.

For the last quarter of the 2019 to 2020 fiscal year (January through March of 2020), DOH estimates that this proposed payment reduction will result in a savings of \$124,000,000. Beginning in March 2020, DOH estimates that Medicaid expenditures will be reduced by \$496,000,000 per fiscal year.

## **Mental hygiene payment increase to support an increase in direct support staff salaries**

DOH also proposes annual salary and fringe benefits of direct care staff, direct support professionals, and clinical staff for qualifying mental hygiene services to be increased by two percent beginning on or after April 1, 2020. To support this salary increase, New York will change the payment methodology for all qualified mental hygiene services beginning on or after January 1, 2020. However, the public notice did not provide details regarding the payment methodology change. To determine the applicability of the funding increase, programs should look to their consolidated fiscal report. Fiscal reporting positions with title codes ranging from 100 to 399 would be impacted by this proposed funding increase.

## **Payment methodology and fee revisions for services to individuals with developmental disabilities**

Lastly, DOH has proposed amendments to the Medicaid State Plan applicable to payments for non-institutional services provided to individuals with developmental disabilities. Under this proposal, the Ambulatory Patient Group (APG) reimbursement methodology would be extended through the end of 2020 and revised to include recalculated weights and components to address medical advances and any changes in service delivery patterns. Additionally, Independent Practitioner Services for Individuals with Developmental Disabilities (IPSIDD) fees will be revised.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

- Peter Egan at [pegan@nixonpeabody.com](mailto:pegan@nixonpeabody.com) or 516-832-7633
- Jena Grady at [jgrady@nixonpeabody.com](mailto:jgrady@nixonpeabody.com) or 212-940-3114
- Jennifer Greco at [jgreco@nixonpeabody.com](mailto:jgreco@nixonpeabody.com) or 516-832-7641