

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
New York Regional Office
26 Federal Plaza, Room 37-100
New York, NY 10278



DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS

May 30, 2013

Jason A. Helgerson
State Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs
NYS Department of Health
Corning Tower (OCP - 1211)
Albany, NY 12237

RE: TN 13-04

Dear Mr. Helgerson:

We have reviewed the proposed amendment to Attachment 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 13-04. This amendment with an effective date of January 1, 2013 proposes to increase the primary care service payment for physicians.

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 regulations at 42 CFR 447 Subpart C. This is to inform you that New York 13-04 is approved effective January 1, 2013.

Enclosed are copies of SPA #13-04 and the HCFA-179 form, as approved.

As we are working in partnership to implement this important provision, we would greatly appreciate if you can inform us when your state begins to pay the increased rates to your providers. Additionally, to the extent you have information regarding the number of providers receiving the enhanced payments; we would appreciate that information as well.

If you have any questions, please call Patricia Vasquez at 212-616-2470 or call Rob Weaver at 410-786-5914.

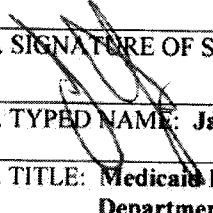
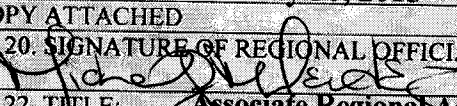
Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Melendez", is written over a faint, circular official stamp or watermark.

Michael J. Melendez
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures: SPA #13-04
HCFA-179 Form

cc: J. Ulberg
M. Hance
S. Jew
K. Knuth
P. Mossman
L. Tavener
P. Vasquez
R. Weaver

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 13-04	2. STATE New York
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 1, 2013	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.405, 447.410, 447.415		7. FEDERAL BUDGET IMPACT: a. FFY 01/01/13-09/30/13 \$ 171,417,211 b. FFY 10/01/13-09/30/14 \$ 226,632,006	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B: Pages 1.11, 1.12, 1.13, 1.14, 1.15, 1.16		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
10. SUBJECT OF AMENDMENT: Increase Primary Care Service Payments for Physicians (FMAP = 100%)			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: New York State Department of Health Bureau of HCRA Oper & Financial Analysis 99 Washington Ave - OCP Suite 810 Albany, NY 12210	
13. TYPED NAME: Jason A. Helgerson			
14. TITLE: Medicaid Director Department of Health			
15. DATE SUBMITTED: March 29, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: May 30, 2013	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 01, 2013		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Michael Melendez		22. TITLE: Associate Regional Administrator Division of Medicaid and State Operations	
23. REMARKS:			

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Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415

Physician Services 42 CFR 447.405 Amount of Minimum Payment

The state reimburses for services provided by physicians meeting the requirements of 42 CFR 447.400(a) at the Medicare Part B fee schedule rate using the Medicare physician fee schedule rate in effect in calendar years 2013 and 2014 or, if greater, the payment rates that would be applicable in those years using the calendar year 2009 Medicare physician fee schedule conversion factor. If there is no applicable rate established by Medicare, the state uses the rate specified in a fee schedule established and announced by CMS.

- The rates reflect all Medicare site of service and locality adjustments. (refer to Addendum)
- The rates do not reflect site of service adjustments, but reimburse at the Medicare rate applicable to the office setting.
- The rates reflect all Medicare geographic/locality adjustments.
- The rates are statewide and reflect the mean value over all counties for each of the specified evaluation and management and vaccine billing codes.

The following formula was used to determine the mean rate over all counties for each code: _____

Method of Payment

- The state has adjusted its fee schedule to make payment at the higher rate for each E&M and vaccine administration code. (refer to Addendum)
- The state reimburses a supplemental amount equal to the difference between the Medicaid rate in effect on July 1, 2009 and the minimum payment required at 42 CFR 447.405.

Supplemental payment is made: monthly quarterly

Primary Care Services Affected by this Payment Methodology

- This payment applies to all Evaluation and Management (E&M) billing codes 99201 through 99499.
- The State did not make payment as of July 1, 2009 for the following codes and will not make payment for those codes under this SPA (specify codes). (refer to Addendum)

99288, 99318, 99339, 99340, 99358, 99359, 99360, 99363, 99364, 99366, 66367, 99368, 99374, 99375, 99377, 99378, 99379, 99380, 99401, 99402, 99403, 99404, 99408, 99409, 99411, 99412, 99420, 99429, 99441, 99442, 99443, 99444, 99450, 99455, 99456, 99461, 99464, 99499, 90461

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(Primary Care Services Affected by this Payment Methodology – continued)

The state will make payment under this SPA for the following codes which have been added to the fee schedule since July 1, 2009 (specify code and date added).

99224 (4/1/11), 99225 (4/1/11), 99226 (4/1/11), 90460 (1/1/13), 90471 (1/1/13), 90472 (1/1/13), 90473 (1/1/13) & 90474 (1/1/13)

Physician Services – Vaccine Administration

For calendar years (CYs) 2013 and 2014, the state reimburses vaccine administration services furnished by physicians meeting the requirements of 42 CFR 447.400(a) at the lesser of the state regional maximum administration fee set by the Vaccines for Children (VFC) program or the Medicare rate in effect in CYs 2013 and 2014 or, if higher, the rate using the CY 2009 conversion factor.

- Medicare Physician Fee Schedule rate
- State regional maximum administration fee set by the Vaccines for Children program
- Rate using the CY 2009 conversion factor

Documentation of Vaccine Administration Rates in Effect 7/1/09

The state uses one of the following methodologies to impute the payment rate in effect at 7/1/09 for code 90460, which was introduced in 2011 as a successor billing code for billing codes 90465 and 90471.

The imputed rate in effect at 7/1/09 for code 90460 equals the rate in effect at 7/1/09 for billing codes 90465 and 90471 times their respective claims volume for a 12 month period which encompasses July 1, 2009. Using this methodology, the imputed rate in effect for code 90460 at 7/1/09 is: _____.

A single rate was in effect on 7/1/09 for all vaccine administration services, regardless of billing code. This 2009 rate is: \$17.85.

Alternative methodology to calculate the vaccine administration rate in effect 7/1/09: For VFC vaccines the vaccine product was billed with the "SL" modifier. The VFC administration fee was reimbursed.

Note: This section contains a description of the state's methodology and specifies the affected billing codes.

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Effective Date of Payment

E & M Services

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at <https://www.emedny.org/ProviderManuals/Physician/index.aspx>

Vaccine Administration

This reimbursement methodology applies to services delivered on and after January 1, 2013, ending on December 31, 2014 but not prior to December 31, 2014. All rates are published at <https://www.emedny.org/ProviderManuals/Physician/index.aspx>

(refer to Addendum)

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Addendum
Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415

1. Attachment 4.19-B: Physician Services 42 CFR 447.405 Amount of Minimum Payment

New York's rates will reflect all Medicare site of service and locality adjustments. The Deloitte rates provided by CMS in the file *CMS New York – Primary Care Payment Rates for EM vaccine administration ser.xlsx* provided on March 28, 2013 and the 2014 file will be used. New York will not update the rates throughout the year.

2. Method of Payment

New York's MMIS is being modified to make payment at the higher rate to each E&M and vaccine administration code.

3. Primary Care Services Affected by this Payment Methodology

This section contains a description of New York's methodology and specifies the affected billing codes. New York will not make payment under this SPA for certain listed codes, as described in this section, for which it did not make payment for as of 7/1/09. New York will make payment under this SPA for the following codes (as described in this section) which have been added to the fee schedule since 7/1/09:

- **Subsequent observation care services** were covered and reimbursed by New York State Medicaid as of 7/1/09. Provider Manual Reference for: New York State Medicaid Program Physician – Procedure Codes Section 2 – Medicine, Drugs and Drug Administration (Revised 4/1/09), p 20: "The following codes are used to report the encounter(s) by the supervising practitioner with the patient when designated as "observation status." This refers to the initiation of observation status, supervision of the care plan for observation and performance of periodic reassessments."(emphasis added).

https://www.emedny.org/ProviderManuals/Physician/PDFS/Physician%20Procedure%20Codes%20Sect2_2009-1.pdf

Vaccine administration services were covered and reimbursed by New York State Medicaid as of 7/1/09. Refer to item #5 of the Addendum, Documentation of Vaccine Administration Rates in Effect 7/1/09, for more details.

4. Physician Services – Vaccine Administration

Since the VFC Regional Maximum is the "lesser of" rate for children, New York will reimburse \$25.10 to qualified physicians.

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Crosswalk of Vaccine Product Codes to Administration Codes

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Vaccine Code	Administration Code
90585	90471, 90472
90586	90471, 90472
90632	90460, 90471, 90472
90633	90460, 90471, 90472
90636	90460, 90471, 90472
90645	90471, 90472
90646	90471, 90472
90647	90460, 90471, 90472
90648	90460, 90471, 90472
90649	90460, 90471, 90472
90650	90460, 90471, 90472
90654	90471, 90472
90655	90460
90656	90460, 90471, 90472
90657	90460
90658	90460, 90471, 90472
90660	90460, 90473, 90474
90662	90471, 90472
90669	90460, 90471, 90472
90670	90460, 90471, 90472
90675	90471, 90472
90676	90471, 90472
90680	90460, 90473, 90474
90681	90460, 90473, 90474
90690	90473, 90474
90691	90471, 90472
90692	90471, 90472
90696	90460
90698	90460, 90471, 90472
90700	90460
90702	90471, 90472
90703	90471, 90472
90704	90471, 90472
90705	90471, 90472
90706	90471, 90472
90707	90460, 90471, 90472
90708	90471, 90472
90710	90460
90712	90473, 90474
90713	90460, 90471, 90472
90714	90460, 90471, 90472
90715	90460, 90471, 90472
90716	90460, 90471, 90472
90717	90471, 90472
90720	90471, 90472
90721	90460, 90471, 90472
90723	90460, 90471, 90472
90725	90471, 90472
90732	90460, 90471, 90472
90733	90471, 90472
90734	90460, 90471, 90472
90735	90471, 90472
90736	90471, 90472
90738	90471, 90472
90740	90471, 90472
90743	90460, 90471, 90472
90744	90460, 90471, 90472
90746	90460, 90471, 90472
90747	90471, 90472
90748	90460, 90471, 90472

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Addendum (continued)
Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415

5. Documentation of Vaccine Administration Rates in Effect 7/1/09

The documentation is available from the: New York State Medicaid Program Physician – Procedure Codes Section 3 Drugs and Drug Administration (Revised 4/1/09), page 5:

VFC: "For dates of service on or after 7/1/03 when immunization materials are supplied by the Vaccine for Children Program (VFC), bill using the procedure code that represents the immunization(s) administered and **append modifier –SL State Supplied Vaccine** to receive the VFC administration fee."

Adults/non-VFC: "The maximum fees for immunization injection codes are adjusted periodically by the State to reflect the current acquisition cost of the antigen. For immunizations not supplied by the VFC Program insert acquisition cost per dose plus a two dollar (\$2.00) administration fee in amount charged field on claim form."

https://www.emedny.org/ProviderManuals/Physician/PDFS/Physician%20Procedure%20Codes%20Sect3_2009-1.pdf

For further illustration, the following crosswalk is provided for reference between vaccine immunization administration codes activated for 1/1/13 and New York State Medicaid **billing instructions for the service on 7/1/09:**

90460 Immunization administration through 18 years of age via any route: Reported vaccine immunization code plus SL modifier for reimbursement of VFC supplied vaccine(s).

90471 Percutaneous, intradermal, subcutaneous, intramuscular administration, one vaccine: Included in payment for vaccine code for adults; add \$2.00 administration fee to the charge for the vaccine immunization code.

90472 Percutaneous, intradermal, subcutaneous, intramuscular administration, each additional vaccine: Included in payment for vaccine code for adults; add \$2.00 administration fee to the charge for the vaccine immunization code.

90473 Oral or nasal administration; 1 vaccine: Included in payment for vaccine code for adults; add \$2.00 administration fee to the charge for the vaccine immunization code.

90474 Oral or nasal administration, each additional vaccine: Included in payment for vaccine code for adults; add \$2.00 administration fee to the charge for the vaccine immunization code.

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Addendum (continued)
Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415

6. Effective Date of Payment

Physicians were notified of the effective date of the payment for the primary care rate increase in the December 2012 Medicaid Update, available at:

http://www.health.ny.gov/health_care/medicaid/program/update/2012/dec12mu.pdf

When the SPA is approved, the fee schedule for qualified physicians will be available at

<https://www.emedny.org/ProviderManuals/Physician/index.aspx>

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