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Region II
Federal Building
26 Federal Plaza
New York, N.Y. 10278

June 10, 2010

Donna Frescatore
Deputy Commissioner
New York State Department of Health
Corning Tower
Empire State Plaza
Albany, New York 12237

Dear Commissioner Frescatore:

This is to notify you that New York State Plan Amendment (SPA) #09-01 has been approved for adoption into the State Medicaid Plan with an effective date of September 1, 2009. The SPA would establish a new reimbursement methodology, known as Ambulatory Patient Group (APG), for freestanding diagnostic and treatment center (clinic) and ambulatory surgery center services. Reimbursement under APG will be phased in over a four-year period for all clinic services effective September 1, 2009.

This SPA approval consists of 14 Pages. We are approving the following Pages which was submitted with the State's May 28, 2010 electronic submission to the CMS SPA Mailbox: Attachment 4.19-B-Pages 2(h), 2(i), 2(j), 2(k), 2(l), 2(m), 2(n), 2(o), 2(p), 2(q), 2(r), 2(s), 2(t), and 2(u). At that time, New York requested that these 14 Pages replace the Pages which were provided with its SPA submission of September 19, 2008 (originally, only Attachment 4.19-B-Page 2(h), 2(i), 2(j), 2(k), 2(l), 2(m), 2(n), 2(o) and 2(p), a total of 9 Pages, were submitted). These are 14 new Pages; they do not replace any existing State Plan Pages. In addition, in that electronic transmission, New York requested that the originally requested effective date of March 1, 2009 be changed to September 1, 2009. This approval reflects the change in the effective date for 09-01 to September 1, 2009, and the approval is for the 14 newly provided Pages.

This amendment satisfies all of the statutory requirements at sections 1902(a)(13) and (a)(30) of the Social Security Act, and the implementing regulations at 42 CFR 447.250 and 447.272. Enclosed are copies of the SPA #09-01 and the HCFA-179, as approved.

If you have any questions or wish to discuss this SPA further, please contact Michael Melendez or Shing Jew of this office. Mr. Melendez may be reached at (212) 616-2430, and Mr. Jew's telephone number is (212) 616-2426.

Sincerely,

/s/

Sue Kelly
Associate Regional Administrator
Division of Medicaid and Children's Health

Enclosure: SPA #09-01
HCFA-179 Form

CC: JUlberg
PMossman
SUrwin
SGaskins
LTavener
GCritelli
PMarra
MSamuel
SJew