

## **State to Implement Across the Board (ATB) Medicaid Payment Reductions Provider Notification Letter**

The FY 2020 Enacted Budget authorizes the State to implement an across the board (ATB) reduction to Medicaid payments up to \$190.2 million State share. Pursuant to this authority, such payment reductions will apply for dates of service January 1, 2020, through March 31, 2020, and each State Fiscal Year thereafter. All non-exempt Department of Health state funds Medicaid payments will be uniformly reduced by 1%. For services subject to the 1% reduction, all fee-for service payments will receive a decrease to Medicaid checks and/or Electronic Funds Transfers for dates of services on or after January 1, 2020. Conversely, managed care payments to health plans will be reduced through a 1% reduction to premium rates effective January 1, 2020.

Medicaid payments that will be exempted from the uniform reduction include:

1. Payments based on federal law prohibitions include, but are not limited to, the following:
  - Federally Qualified Health Center services;
  - Indian Health Services and services provided to Native Americans;
  - Supplemental Medical Insurance – Part A and Part B;
  - State Contribution for Prescription Drug Benefit (aka Medicare Part D payments);
  - Any local share cap payment required by the Federal Medical Assistance Percentage (FMAP) increase legislation;
  - Required payments related to the School Supportive Health Services Program and Preschool Supportive Health Services Program;
  - Services provided to American citizen repatriates;
  - Payments pursuant to the mental hygiene law;
  - Payments for services provided by Other State Agencies including Office of Children and Family Services, State Education Department, and the Department of Corrections and Community Supervision.
  - Court orders and judgments; and
  - Hospice Services.
2. Payments funded exclusively with federal and/or local funds include, but are not limited to, the following:
  - Upper payment limit payments to non-state owned or operated governmental providers certified under Article 28 of the NYS Public Health Law;
  - Certified public expenditure payments to the NYC Health and Hospital Corporation;
  - Certain disproportionate share payments to non-state operated or owned governmental hospitals;
  - Certain managed care payments pursuant to section 3-d of Part B of the Chapter 58 of the Laws of 2010; and
  - Services provided to inmates of local correctional facilities.

3. Payments where applying the reduction would result in a lower FMAP as determined by the Commissioner of Health and the Director of the Budget will also be exempt.

All questions should be submitted to the following electronic mailbox:

[health.sm.ATB-reduction@health.ny.gov](mailto:health.sm.ATB-reduction@health.ny.gov)

Please include your provider name and Medicaid number on the email so that questions may be reviewed by program area. Keep in mind that we will not be able to respond to individual emails; however, responses to frequently asked questions will be posted to the Department's website. Please access the website regularly for the most updated information.

The table below reflects the services that have been subject to the 1% Across-the-Board Medicaid payment reduction:

| Category                                  | Program or Service Area  |
|---|--|
| Inpatient Services                        | <ul style="list-style-type: none"> <li>• Hospital Inpatient Reimbursement;</li> <li>• Indigent Care Pool payments;</li> <li>• Graduate Medical Education payments for Medicaid Managed Care patients;</li> <li>• Hospital Disproportionate Share payments and Indigent Care Adjustments made to governmental hospitals operated by the State of New York or the State University of New York; and</li> <li>• Supplemental Medicaid payments and Hospital Disproportionate Share payments made to voluntary hospitals.</li> </ul> |
| Nursing Homes                             | <ul style="list-style-type: none"> <li>• In State Nursing Homes; and</li> <li>• Out of State Nursing Homes.</li> </ul>   |
| Non-Institutional Long-Term Care Services | <ul style="list-style-type: none"> <li>• Assisted Living programs;</li> <li>• Home Health; and</li> <li>• Personal Care.</li> </ul>  |
| Other Services                            | <ul style="list-style-type: none"> <li>• Freestanding Clinics;</li> <li>• Hospital Based Outpatient;</li> <li>• Methadone Maintenance Treatment programs (MMTP);</li> <li>• Pharmacy;</li> <li>• Physicians both office-based and other places of service; and</li> <li>• Dental, Eye, X-ray, etc.).</li> </ul>  |
| Managed Care                              | <ul style="list-style-type: none"> <li>• Managed Long Term Care (including Partial Capitation, Medicaid, Advantage, Medicaid Advantage Plus (MAP) and Programs of All-Inclusive Care for the Elderly (PACE); and</li> <li>• Managed Care (including Mainstream Managed Care (MMC), Health and Recovery Plans (HARP), HIV Special Needs Plans (SNP) and Reinsurance).</li> </ul>  |