TO:       Local District Commissioners

SUBJECT: Notification of proposed changes in reimbursement as required
by 42 CFR Section 447.205.

ATTACHMENTS: Proposed Title XIX reimbursement State Plan Amendments:
· Products of Ambulatory Care Reimbursement Program
· Comprehensive primary care diagnostic/treatment centers
· Community and residential-based certified home health care agencies (not available on-line)

This is to inform you of proposed changes affecting the reimbursement to
certain provider types in the Medical Assistance Program. An amendment to
the State Plan is proposed to permit continuation of the demonstration
reimbursement methodology for participating providers and others who may
choose to participate in the Products of Ambulatory Care (PACs) Reimbursement Program.

This will also inform you of proposed reimbursement changes that will occur
through a State Plan amendment for:

· comprehensive primary care diagnostic/treatment centers
· community and residential-based certified home health care agencies

These changes will provide reimbursement for facilities that provide a
disproportionate share of charity care to their service areas.

Federal public notice of these changes will appear in the New York State
Register. The notices state, as required by 42CFR Section 447.205, that
copies of the proposed changes are available in each social services
district for public review. These proposed amendments are being forwarded
to you so that these changes can be made available as required.

Jo-Ann A. Costantino
Deputy Commissioner
Division of Medical Assistance