§ 364-j-2. Transitional supplemental payments. 1. As used in this section, "covered provider" shall mean a voluntary not-for-profit health care provider that is any of the following:

(a) a freestanding diagnostic and treatment center licensed under article twenty-eight of the public health law that qualifies for a distribution pursuant to section twenty-eight hundred seven-p of such article, or section seven of chapter four hundred thirty-three of the laws of nineteen hundred ninety-seven, or receives funding under section three hundred thirty-three of the federal public health services act for health care for the homeless; or

(b) a freestanding diagnostic and treatment center which operates an approved program under the prenatal care assistance program established pursuant to article twenty-five of the public health law; or

(c) a facility licensed under article twenty-eight of the public health law that is sponsored by a university or dental school which has been granted an operating certificate pursuant to article twenty-eight of the public health law to provide dental services; or

(d) a freestanding family planning clinic licensed under article twenty-eight of the public health law.

2. (a) Notwithstanding paragraphs (b) and (h) of subdivision two of section twenty-eight hundred seven of the public health law, the commissioner of health shall make supplemental payments of nine million eight hundred twenty-four thousand dollars ($9,824,000), to covered providers described in subdivision one of this section who are qualified providers as described in paragraph (a) of subdivision three of this section, based on adjustments to fee-for-service rates for the period February first through March thirty-first, two thousand two and nine million eight hundred twenty-four thousand dollars ($9,824,000) for the period October first through December thirty-first, two thousand two and four million nine hundred twelve thousand dollars ($4,912,000) for the period October first through December thirty-first, two thousand three and an additional amount of four million nine hundred twelve thousand dollars ($4,912,000) for the period October first through December thirty-first, two thousand three and nine million eight hundred twenty-four thousand dollars ($9,824,000) for the period April first through June thirtieth, two thousand five, and nine million eight

hundred twenty-four thousand dollars ($9,824,000) for the period October first through December thirty-first, two thousand six, and an additional nine million eight hundred twenty-four thousand dollars ($9,824,000) for the period October first through December thirty-first, two thousand six, and nine million eight hundred twenty-four thousand dollars ($9,824,000) for the period October first through December thirty-first, two thousand seven, as medical assistance payments for services provided pursuant to this title for persons eligible for federal financial participation under title XIX of the federal social security act to reflect additional costs associated with the transition to a managed care environment, and nine million eight hundred twenty-four thousand dollars ($9,824,000) for the period October first through December thirty-first, two thousand eight, and seven million three hundred eighty-eight thousand dollars ($7,388,000) for the period October first through December thirty-first, two thousand nine, as medical assistance payments for services provided pursuant to this title for persons eligible for federal financial participation under title XIX of the federal social security act to reflect additional costs associated with the operation of electronic health record systems that meet such standards as may be established by the commissioner of health. There shall be no local share in these payments. The director of the budget shall allocate the non-federal share of such payments from an appropriation for the miscellaneous special revenue fund - 339 community service provider assistance program account for the two thousand one--two thousand two state fiscal year for adjustments for the period February first through March thirty-first, two thousand two. Adjustments for the period October first, two thousand two through December thirty-first, two thousand two shall be within amounts appropriated for the two thousand two--two thousand three state fiscal year and adjustments for the period October first, two thousand three through December thirty-first, two thousand three shall be within amounts appropriated for the two thousand three--two thousand four state fiscal year and adjustments for the non-federal share of the additional amount of four million nine hundred twelve thousand dollars ($4,912,000) for such period shall be allocated by the director of the budget from an appropriation for maintenance undistributed general fund community projects fund - 007 account for the two thousand three--two thousand

four state fiscal year. The director of the budget shall allocate the non-federal share of adjustments for the period April first, two thousand five through June thirtieth, two thousand five from an appropriation for the maintenance undistributed general fund community projects fund - 007 - cc account for the two thousand four--two thousand five state fiscal year. The director of the budget shall allocate the non-federal share of adjustments for the period October first, two thousand six through December thirty-first, two thousand six from an appropriation for the maintenance undistributed, general fund, community projects fund - 007-cc account for the two thousand five--two thousand six state fiscal year. The director of the budget shall allocate the non-federal share of the additional adjustments for the period October first, two thousand six through December thirty-first, two thousand six from such funds as may be made available from an appropriation for the maintenance undistributed, general fund, community projects fund - 007-cc account for the two thousand six--two thousand seven state fiscal year. The director of the budget shall allocate the non-federal share of the adjustments for the period October first, two thousand seven through December thirty-first, two thousand seven from an appropriation for the medical assistance program, general fund, local assistance account - 001 for the two thousand seven--two thousand eight state fiscal year. The director of the budget shall allocate the non-federal share of the adjustments for the period October first, two thousand eight through December thirty-first, two thousand eight from an appropriation for the medical assistance program, general fund, local assistance account - 001 for the two thousand eight--two thousand nine state fiscal year. The director of the budget shall allocate the non-federal share of the adjustments for the period October first, two thousand nine through December thirty-first, two thousand nine from an appropriation for the medical assistance program, general fund, local assistance account - 001 for the two thousand nine--two thousand ten state fiscal year. Such adjustments to fee for service rates shall not be subject to subsequent adjustment or reconciliation. Alternatively, such payments may be made as aggregate payments to eligible providers.

(a-1) Notwithstanding the provisions of paragraph (a) of this subdivision, for facilities licensed under article twenty-eight of the public health law that are sponsored by a university or dental school

which has been granted an operating certificate pursuant to article twenty-eight of the public health law and which provides dental services as its principal mission, two hundred twenty-four thousand dollars ($224,000) in the aggregate for use pursuant to this section shall be allocated for distribution to such facilities pursuant to the methodology described in paragraph (b) of subdivision two and subparagraph (i) of paragraph (b) of subdivision four of section two thousand eight hundred seven-p of the public health law for services provided for the period February first, two thousand two through March thirty-first, two thousand two to persons eligible for federal financial participation under title XIX of the federal social security act, provided, however, that the amount paid pursuant to this paragraph for each such facility shall equal the facility's proportional share of the total nominal payment amounts calculated under this section of all such facilities multiplied by the total funds allocated for such payments. There shall be no local share in these payments. The director of the budget shall allocate the non-federal share of such payments from an appropriation for the miscellaneous special revenue fund - 339 community service provider assistance program account for the two thousand one--two thousand two state fiscal year. Such adjustments to fee for service rates shall not be subject to subsequent adjustment or reconciliation. Alternatively, such payments may be made as aggregate payments to eligible providers.

(a-2) (i) Notwithstanding the provisions of paragraph (a) of this subdivision, for facilities licensed under article twenty-eight of the public health law that are sponsored by a university or dental school which has been granted an operating certificate pursuant to article twenty-eight of the public health law and which provides dental services as its principal mission, two hundred twenty-four thousand dollars ($224,000) in the aggregate of the amount appropriated for the two thousand two--two thousand three state fiscal year for use pursuant to this section shall be allocated for the period October first through December thirty-first, two thousand two and one hundred twelve thousand dollars ($112,000) in the aggregate of the amount appropriated for the two thousand three--two thousand four state fiscal year, and an additional amount of one hundred twelve thousand dollars ($112,000) in the aggregate for use pursuant to this section shall be allocated for

the period October first through December thirty-first, two thousand three and two hundred twenty-four thousand dollars ($224,000) in the aggregate of the amount appropriated for the two thousand four--two thousand five state fiscal year shall be allocated for the period April first, two thousand five through June thirtieth, two thousand five, and two hundred twenty-four thousand dollars ($224,000) in the aggregate of the amount appropriated for the two thousand five--two thousand six state fiscal year shall be allocated for the period October first, two thousand six through December thirty-first, two thousand six, and an additional two hundred twenty-four thousand dollars ($224,000) in the aggregate of the amount appropriated for the two thousand six--two thousand seven state fiscal year shall be allocated for the period October first, two thousand six through December thirty-first, two thousand six, and two hundred twenty-four thousand dollars ($224,000) in the aggregate of the amount appropriated for the two thousand seven--two thousand eight state fiscal year shall be allocated for the period October first, two thousand seven through December thirty-first, two thousand seven, and two hundred twenty-four thousand dollars ($224,000) in the aggregate of the amount appropriated for the two thousand eight--two thousand nine state fiscal year shall be allocated for the period October first, two thousand eight through December thirty-first, two thousand eight and two hundred twenty-four thousand dollars ($224,000) in the aggregate of the amount appropriated for the two thousand nine--two thousand ten state fiscal year shall be allocated for the period October first, two thousand nine through December thirty-first, two thousand nine for distribution to such facilities pursuant to subparagraphs (ii) and (iii) of this paragraph. Adjustments for the non-federal share of the additional amount of one hundred twelve thousand dollars ($112,000) for the period October first, two thousand three through December thirty-first, two thousand three shall be allocated by the director of the budget from an appropriation for maintenance undistributed general fund community projects fund - 007 account for the two thousand three--two thousand four state fiscal year. The non-federal share of adjustments for the period April first, two thousand five through June thirtieth, two thousand five shall be allocated by the director of the budget from an appropriation for the maintenance undistributed general fund community projects fund - 007

account for the two thousand four--two thousand five state fiscal year. The non-federal share of adjustments for the period October first, two thousand six through December thirty-first, two thousand six shall be allocated by the director of the budget from an appropriation for the maintenance undistributed, general fund, community projects fund - 007-cc account for the two thousand five--two thousand six state fiscal year. The non-federal share of the additional adjustments for the period October first, two thousand six through December thirty-first, two thousand six shall, subject to the availability of funds, be allocated by the director of the budget from the medical assistance local assistance appropriation for the two thousand six--two thousand seven state fiscal year. The non-federal share of the adjustments for the period October first, two thousand seven through December thirty-first, two thousand seven shall be allocated by the director of the budget from an appropriation for the medical assistance program, general fund, local assistance account - 001 for the two thousand seven--two thousand eight state fiscal year. The non-federal share of the adjustments for the period October first, two thousand eight through December thirty-first, two thousand eight shall be allocated by the director of the budget from an appropriation for the medical assistance program, general fund, local assistance account - 001 for the two thousand eight--two thousand nine state fiscal year. The non-federal share of the adjustments for the period October first, two thousand nine through December thirty-first, two thousand nine shall be allocated by the director of the budget from an appropriation for the medical assistance program, general fund, local assistance account - 001 for the two thousand nine--two thousand ten state fiscal year.

(ii) Forty percent shall be allocated for equal distribution to such facilities, reduced by the amount, if any, that a distribution exceeds forty percent of a facility's uncompensated care need as defined in paragraph (b) of subdivision two of section two thousand eight hundred seven-p of the public health law. Any funds allocated but not distributed in accordance with this subparagraph shall be added to those amounts distributed in accordance with subparagraph (iii) of this paragraph.

(iii) Sixty percent, plus any funds allocated and not distributed in accordance with subparagraph (ii) of this paragraph, shall be allocated

for distribution to such facilities pursuant to the methodology described in paragraph (b) of subdivision two and subparagraph (i) of paragraph (b) of subdivision four of section two thousand eight hundred seven-p of the public health law, provided, however, that the amount paid pursuant to this allocation for each such facility shall equal the facility's proportional share of the total nominal payment amounts calculated under this section of all such facilities multiplied by the total funds allocated for such payments.

(iv) There shall be no local share in these payments.

(b) Notwithstanding the provisions of subdivision one of section three hundred sixty-eight-a of this title, there shall be paid to each social services district the full amount expended on behalf of the department of health for medical assistance furnished pursuant to the provisions of this section, after first deducting therefrom any federal funds properly received or to be received on account thereof.

3. (a) For periods prior to January first, two thousand eight, a covered provider described in subdivision one of this section shall be qualified to receive a supplemental payment only if its number of medicaid visits for patient care services in the base year described in subparagraph (ii) of paragraph (b) of this subdivision equals or exceeds twenty-five percent of its total number of visits for patient care services and its number of medicaid visits for patient care services for medicaid managed care enrollees equals or exceeds three percent of its total number of medicaid visits during the base year. For periods on and after January first, two thousand eight, a covered provider described in subdivision one of this section shall be qualified to receive a supplemental payment only if it has in place during such period an operational electronic health record system that meets such standards as may be established by the commissioner of health and its number of medicaid visits for patient care services in the base year described in subparagraph (ii) of paragraph (b) of this subdivision equals or exceeds twenty-five percent of its total number of visits for patient care services during the base year or its number of medicaid visits combined with its number of uninsured visits for patient care services in the base year described in subparagraph (ii) of paragraph (b) of this subdivision equals or exceeds thirty percent of its total number of

visits for patient care services during the base year.

(b) (i) For periods prior to January first, two thousand eight, each qualified provider described in paragraph (a) of this subdivision shall receive a supplemental payment equal to such provider's proportional share of the total funds allocated pursuant to this section, based upon the ratio of its visits from medical assistance recipients enrolled in managed care during the base year to the total number of visits to all such qualified providers by medical assistance recipients enrolled in managed care during the base year. For periods on and after January first, two thousand eight, each qualified provider described in paragraph (a) of this subdivision shall receive a supplemental payment equal to such provider's proportional share of the total funds allocated pursuant to this section, based upon the ratio of its visits from medical assistance recipients during the base year to the total number of visits from medical assistance recipients to all such qualified providers during the base year.

(ii) For periods prior to January first, two thousand eight, for purposes of the calculation described in this subdivision, the base year will be two thousand, and the commissioner of health shall utilize data as reported on the 2000 AHCF-1 cost report initially submitted by covered providers to the department of health on or about August seventeenth, two thousand one. For periods on and after January first, two thousand eight, for purposes of the calculation described in this subdivision, the base year will be two years prior to the grant year, and the commissioner of health shall utilize data as reported on AHCF-1 cost report submitted by covered providers to the department of health for such base year.

4. Payments made pursuant to this section shall constitute additional reimbursement to qualified providers and shall not be used to reduce levels of other funding provided to qualified providers by governmental agencies.

5. (a) The commissioner of health shall make medical assistance payments to qualified providers from funds made available pursuant to the provisions of this section contingent upon the receipt of all federal approvals necessary and subject to the availability of federal

financial participation under title XIX of the federal social security act for the transitional supplemental payments. In the event such federal approval is not received prior to March thirty-first, two thousand two, for adjustments for the period February first, two thousand two through March thirty-first, two thousand two and prior to October first, two thousand two for adjustments for the period October first, two thousand two through December thirty-first, two thousand two and prior to October first, two thousand three for adjustments for the period October first, two thousand three through December thirty-first, two thousand three, and prior to October first, two thousand five for adjustments for the period April first, two thousand five through June thirtieth, two thousand five, and prior to October first, two thousand six for adjustments for the period October first, two thousand six through December thirty-first, two thousand six, and prior to October first, two thousand seven for adjustments for the period October first, two thousand seven through December thirty-first, two thousand seven, and prior to October first, two thousand eight for adjustments for the period October first, two thousand eight through December thirty-first, two thousand eight, and prior to October first, two thousand nine for adjustments for the period October first, two thousand nine through December thirty-first, two thousand nine, the commissioner of health shall make medical assistance payments to qualified providers consisting of the state share amount available for purposes of this section and apportioned in accordance with subdivisions two and three of this section. In the event such federal approval is denied, such state share amount payments shall be deemed to be grants to such qualified providers and such qualified providers shall not be eligible to receive any other payments pursuant to this section.

(b) The commissioner of health shall take all steps necessary and shall use best efforts to secure federal financial participation under title XIX of the social security act, for the purposes of this section, including the prompt submission of appropriate amendments to the title XIX state plan.