



Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, M.D., M.P.H.
Acting Commissioner

MEGAN E. BALDWIN
Acting Executive Deputy Commissioner

February 1, 2023

Dear Administrator:

We are transmitting for your review the calculation of your hospital's **revised** inpatient psychiatric exempt rates for Medicaid Fee-for-Service (FFS), Medicaid Managed Care (MMC) and Workers Compensation/No-Fault (WCNF). For your records, the Department has posted revised psychiatric exempt rate sheets effective January 1, 2022 – March 31, 2022 (only 3 hospitals) and April 1, 2022 – December 31, 2022 (statewide) (Series #3024 for each). These rates have been promulgated in accordance with Article 2807-c of the Public Health Law. The MMC rates provided are informational only and were calculated based on the approved FFS rates.

These rates are based upon the same information and methodology as the inpatient rates previously approved for these effective periods, but take into consideration the following updates:

- Implementation of State Plan Amendment (SPA) 22-0005 which updated the criteria for hospitals to qualify for the 23.09% rural adjustment payment factor applied to the inpatient psychiatric per diem base rate (line 3 of the psychiatric exempt rate sheet). Three additional hospitals qualified for the rural adjustment factor as a result of this amendment, effective January 1, 2022 and forward.
- Implementation of SPA 22-0047 which increased the statewide psychiatric per diem base rate for hospitals from \$742.86 to \$950.43, effective April 1, 2022 and forward.

Please note that the aforementioned rate updates have also been included in the January 1, 2023 statewide inpatient rate package that will be submitted to the New York State Division of the Budget for approval.

Medicaid Fee-for-Service (FFS) Claims Reprocessing:

The revised psychiatric exempt rates became active within eMedNY on January 31, 2023 and retroactive claims reprocessing will automatically occur in cycle #2373.

Appeals:

All data associated with these rates was previously subjected to the appeal process. Therefore, only appeals related to this update or mathematical errors by the Department will be accepted for this rate period. Only appeals related to mathematical errors by the Department will be accepted for these rate periods.

Part 86-1.32 of the New York Codes, Rules and Regulations sets forth the rules governing appeals, which does not include issues regarding methodology. In filing an appeal, a facility must provide the following:

- A cover letter signed by the Operator or Chief Executive Officer of the hospital containing a summary of the item(s) of appeal.
- Supporting schedules or any other pertinent data is to be included with the facility's appeal letter.

All rate appeals and supporting documentation pertaining to items revised in this publication of inpatient rates for services for Title XIX (Medicaid) beneficiaries should be submitted to the Bureau of Hospital and Clinic Rate Setting and **must be received by this office no later than June 1, 2023.** Due to bureau staff working remotely, it is requested that providers submit a copy of their appeal request via email to HospFFSunit@health.ny.gov. Given that many hospital staff may also be working remotely, the Department is **not requiring that the original signed appeal request letter be physically mailed**. Providers can expect a written acknowledgement from the Department once the letter has been received and an appeal# has been established and assigned to a rate analyst.

Where possible, original appeal copies may be mailed to:

*Monique Grimm
Chief Health Care Fiscal Analyst
Bureau of Hospital and Clinic Rate Setting
One Commerce Plaza, Room 1432
99 Washington Ave
Albany, New York 12210*

Should you have any questions regarding the above information, please send an email to the hospital rate setting unit at HospFFSunit@health.ny.gov and either Tami Berdi or John Neuberger will respond to your inquiry.

Sincerely,

Monique Grimm
Chief Health Care Fiscal Analyst
Bureau of Hospital and Clinic Rate Setting