



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

June 14, 2019,

Dear Administrator:

We are retransmitting for your review the calculation of your hospital's **initial** inpatient acute, exempt hospital and exempt unit reimbursement rates for Medicaid Fee-for-Service (FFS) and Medicaid Managed Care (MMC), which are effective November 1, 2018. Please note that the investment associated with these rates does not affect the Workers' Compensation/No-Fault (WCNF) rates therefore, those rates will remain the same as the rates effective July 1, 2018. However, since the rate sheets initially posted for November 1, 2018 (Series 8292) did not include the latest approved Workers' Compensation/No-Fault acute rates, the necessary updates were made to the rate sheets that are currently posted (Series 9155). These rates have been promulgated in accordance with Public Health Law Section 2807-c and Section 2807-c(35)(c).

The November 1, 2018 Medicaid FFS rates have been approved by the New York State Division of the Budget (Budget) and have been transmitted to eMedNY for payment and retroactive claims processing in cycle #2183. For those hospitals eligible for lump sum payments, payment information will be forthcoming once available. Also, the MMC rates, which were initially posted on the Department of Health's (Department) website on December 24, 2018 and then temporarily retracted after the release of the State Fiscal Year (SFY) 2019-20 Executive Budget 30 Day Amendments, will be re-posted on the Department's website in the very near future.

As a reminder, these rates are based upon the same information and methodology as the acute rates effective July 1, 2018 and the exempt unit and exempt hospital rates effective April 1, 2018, but take into consideration the following update:

- **2% Across the Board Hospital Investment:** The SFY 2018-19 Enacted Budget established a Health Care Transformation Fund (State Finance Law – Article 6, Section 92-hh). A portion of these funds has been allocated to hospitals to provide a 2% investment on all operating components of the Medicaid inpatient rates. Please note, for those hospitals where the estimated annual Medicaid impact from the 2% operating investment is less than \$75,000, the operating components were not adjusted since lump sum payments will be made through Medicaid FFS. The lump sum payment for November 1, 2018 – December 31, 2018 is \$12,500 due to pro-ration for 2 months. The rate sheets have been adjusted to reflect those hospitals that are eligible for lump sum payments versus the 2% operating adjustments.

Appeals:

As noted in the December 21, 2018 administrator letter, appeals related to the 2% across the board investment would be accepted after the Medicaid FFS rates were approved by Budget. Any appeals previously submitted to the Department that are related to the July 1, 2018 rates will automatically be considered for these November 1, 2018 rates. Therefore, another appeal for the same issue is not required. Only appeals for mathematical errors associated with the 2% investment or lump sum payments should be submitted to the Department.

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. A cover letter, signed by the Operator or Chief Executive Officer of the hospital containing a summary of the item(s) of appeal.
- b. Supporting schedules or any other pertinent data is to be included with the facility's appeal letter.
- c. 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 Mental Hygiene Services, Hospital and Clinic Rate Setting and **must be received by this office no later than August 13, 2019.** Providers may also submit a copy of their appeal request via email to HospFFSunit@health.ny.gov. However, the **original signed appeal request letter must still be mailed** to the address below and received by our office no later than August 13, 2019 for the appeal to be considered.

*Ms. Janet Baggetta
Director
Bureau of Mental Hygiene Services, 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 Monique Grimm or Tami Berdi will respond to your inquiry.

Sincerely,

Janet Baggetta
Director
Bureau of Mental Hygiene Services, Hospital and Clinic Rate Setting