

**MEDICAID - TRADITIONAL AND MANAGED CARE
INLIER PAYMENT**

| Line | Calculation Elements | Traditional Medicaid Fee For Service | Medicaid Managed Care "Default Rates" (excludes GME) | Medicaid Managed Care "Contract Rates" (excludes GME) |
|--|--|---|--|--|
| <u>INLIER PAYMENT:</u> | | <i>Data Source and Formulas</i> | <i>Data Source and Formulas (Including PHL § 2807-c(33))</i> | <i>Data Source and Formulas (Excluding PHL § 2807-c(33))</i> |
| CALCULATION OF INLIER PAYMENT: | | | | |
| 1 | Discharge Case Payment Rate (Without IME for Medicaid Managed Care) | PUB_IP_MA_FFS_Acute_Rate Code 2946_Col 2 | PUB_IP_MA_HMO_Acute_Col 1 | PUB_IP_MA_HMO_Acute_Col 2 |
| 2. | Per Case Service Intensity Weight for DRG Classification | SIW APR-DRG Table (DOH*) | SIW APR-DRG Table (DOH*) | SIW APR-DRG Table (DOH*) |
| 3. | Case Mix Adjusted Discharge Payment | Line 1 x Line 2 | Line 1 x Line 2 | Line 1 x Line 2 |
| 4. | Direct Medical Education (DME) Add-On | PUB_IP_MA_FFS_Acute_Rate Code 2589_Col 7 | N/A | N/A |
| 5. | Capital per Discharge Rates (plus non-comparable add-ons where applicable) | PUB_IP_MA_FFS_Acute_Rate Code 2990_Col 8 | PUB_IP_MA_HMO_Acute_Col 9 (plus any applicable non-comparable add-ons from Cols 10 - 12) | PUB_IP_MA_HMO_Acute_Col 9 (plus any applicable non-comparable add-ons from Cols 10 - 12) |
| 6. | Inlier DRG Payment | Line 3 + Line 4 + Line 5 | Line 3 + Line 5 | Line 3 + Line 5 |
| <u>ALTERNATE LEVEL OF CARE (ALC) PAYMENT:</u> | | | | |
| 7. | CALCULATION OF ALC PAYMENT: | | | |
| (a) | Alternate Level of Care (ALC) Price Per Day | PUB_IP_MA_FFS_Acute_Rate Code 2950, 2951_Col 10 | PUB_IP_MA_HMO_Acute_Col 14 | PUB_IP_MA_HMO_Acute_Col 14 |
| (b) | Alternate Level of Care (ALC) Days | Medical Record | Medical Record | Medical Record |
| (c) | Total ALC Payment | Line 7a x Line 7b | Line 7a x Line 7b | Line 7a x Line 7b |
| <u>TOTAL PAYMENT AMOUNT:</u> | | | | |
| 8. | Total Inlier with ALC Payment at 100% | Line 6 + Line 7c | Line 6 + Line 7c | Line 6 + Line 7c |
| <u>MEDICAID SURCHARGE CALCULATION:</u> | | | | |
| A | Medicaid Surcharge (Indigent Care and Health Care Initiative Surcharge) | 4/1/09 Forward ==> 7.04% | 4/1/09 Forward ==> 7.04% | 4/1/09 Forward ==> 7.04% |
| B | Medicaid Surcharge Amount | Line 8 x Line A | Line 8 x Line A | Line 8 x Line A |
| C | Payment to Hospital if Provider Signed Authorization for Medicaid Direct Payment of Surcharge to the Pool Administrator. | Line 8 | Line 8 | Line 8 |
| D | Payment to Hospital if Provider Did Not Sign Authorization for Medicaid Direct Payments - Hospital Pays Surcharge to the Pool Administrator. | Line 8 + Line B | Line 8 + Line B | Line 8 + Line B |

* The SIW APR-DRG Table is available on the DOH public website at <http://www.nyhealth.gov/facilities/hospital/reimbursement/apr-drg/>

**MEDICAID - TRADITIONAL AND MANAGED CARE
TRANSFER PAYMENT**

| Total Transfer Payment cannot exceed the amount that would have been paid if the patient had been discharged (Inlier) | | | | |
|--|--|--|--|--|
| Line | Calculation Elements | Traditional Medicaid Fee For Service | Medicaid Managed Care "Default Rates" (excludes GME) | Medicaid Managed Care "Contract Rates" (excludes GME) |
| TRANSFER DATA: | | <i>Data Source and Formulas</i> | <i>Data Source and Formulas Including PHL § 2807-c(33)</i> | <i>Data Source and Formulas Excluding PHL § 2807-c(33)</i> |
| 1. | TRANSFER DAYS DETERMINATION: | | | |
| (a) | Total Number of Days in Stay (inc. ALC) | Medical Record | Medical Record | Medical Record |
| (b) | Alternate Level of Care (ALC) Days | Medical Record | Medical Record | Medical Record |
| (c) | Number of Days excluding ALC | Line 1a - 1b | Line 1a - 1b | Line 1a - 1b |
| 2. | Is this Case a Transfer? | Your Hospital Data | Your Hospital Data | Your Hospital Data |
| <i>Do not use this methodology for patients assigned to a DRG specifically designated as a DRG for transfer patient only [i.e., neonate transferred < 5 days (DRGs 580 & 581)].</i> | | | | |
| CALCULATION OF TRANSFER PAYMENT: | | | | |
| 3. | Discharge Case Payment Rate | PUB_IP_MA_FFS_Acute_Rate Code 2946 Col 2 | PUB_IP_MA_HMO_Acute_Col 1 | PUB_IP_MA_HMO_Acute_Col 2 |
| 4. | Per Case Service Intensity Weight for DRG Classification | SIW APR-DRG Table (DOH*) | SIW APR-DRG Table (DOH*) | SIW APR-DRG Table (DOH*) |
| 5. | Case Mix Adjusted Discharge Payment | Line 3 x Line 4 | Line 3 x Line 4 | Line 3 x Line 4 |
| 6. | Statewide Average Arithmetic Inlier LOS for DRG | SIW APR-DRG Table (DOH*) | SIW APR-DRG Table (DOH*) | SIW APR-DRG Table (DOH*) |
| 7. | Average Inlier Cost Per Day | Line 5 / Line 6 | Line 5 / Line 6 | Line 5 / Line 6 |
| 8. | TRANSFER ADJUSTMENT FACTOR: | | | |
| (a) | If Statewide Average Arithmetic Inlier LOS for the DRG = 1, then Transfer Adj. Factor is 100% <i>OR</i> | 100% | 100% | 100% |
| (b) | If Group Average Arithmetic Inlier LOS for the DRG > 1, then Transfer Adj. Factor is 120% | 120% | 120% | 120% |
| 9. | Transfer DRG Cost Per Day | Line 7 x Line 8a (or 8b) | Line 7 x Line 8a (or 8b) | Line 7 x Line 8a (or 8b) |
| 10. | Case Payment Capital per Diem | PUB_IP_MA_FFS_Acute_Rate Code 2991 Col 9 | PUB_IP_MA_HMO_Acute_Col 13 | PUB_IP_MA_HMO_Acute_Col 13 |
| 11. | Total Transfer Cost Per Diem | Line 9 + Line 10 | Line 9 + Line 10 | Line 9 + Line 10 |

**MEDICAID - TRADITIONAL AND MANAGED CARE
TRANSFER PAYMENT**

| Line | Calculation Elements | Traditional Medicaid Fee For Service | Medicaid Managed Care "Default Rates" (excludes GME) | Medicaid Managed Care "Contract Rates" (excludes GME) |
|---|--|--|--|---|
| TRANSFER PAYMENT: | | <i>Data Source and Formulas</i> | <i>Data Source and Formulas</i> | <i>Data Source and Formulas</i> |
| 12. | Transfer Payment Amount excluding DME | Line 11 x Line 1c | Line 11 x Line 1c | Line 11 x Line 1c |
| 13. | Direct Medical Education (DME) Add-On | PUB_IP_MA_FFS_Acute_Rate Code 2589_Col 7 | N/A | N/A |
| 14. | Transfer Payment Amount Before ALC | Line 12 + Line 13 | Line 12 | Line 12 |
| 15. | Discharge DRG Test: | | | |
| (a) | Inlier DRG Before ALC | Inlier Tab, Line 6 | Inlier Tab, Line 6 | Inlier Tab, Line 6 |
| 16. | Total Transfer Payment Before ALC | Lesser of Line 14 or Line 15a | Lesser of Line 14 or Line 15a | Lesser of Line 14 or Line 15a |
| 17. | Total ALC Payment | Inlier Tab, Line 7c | Inlier Tab, Line 7c | Inlier Tab, Line 7c |
| 18. | Total Transfer with ALC Payment at 100% | Line 16 + Line 17 | Line 16 + Line 17 | Line 16 + Line 17 |
| MEDICAID SURCHARGE CALCULATION: | | <i>Data Source and Formulas</i> | <i>Data Source and Formulas</i> | <i>Data Source and Formulas</i> |
| A | Medicaid Surcharge (Indigent Care and Health Care Initiative Surcharge) | 4/1/09 Forward ==> 7.04% | 4/1/09 Forward ==> 7.04% | 4/1/09 Forward ==> 7.04% |
| B | Medicaid Surcharge Amount | Line 18 x Line A | Line 18 x Line A | Line 18 x Line A |
| C | Payment to Hospital if Provider Signed Authorization for Medicaid Direct Payment of Surcharge to the Pool Administrator. | Line 18 | Line 18 | Line 18 |
| D | Payment to Hospital if Provider Did Not Sign Authorization for Medicaid Direct Payments - Hospital Pays Surcharge to Pool Administrator. | Line 18 + Line B | Line 18 + Line B | Line 18 + Line B |
| * The SIW APR-DRG Table is available on the DOH public website at http://www.nyhealth.gov/facilities/hospital/reimbursement/apr-drg/ | | | | |

**MEDICAID - TRADITIONAL AND MANAGED CARE
HIGH COST OUTLIER PAYMENT**

| HIGH COST OUTLIER PAYMENT IS IN ADDITION TO INLIER PAYMENT CALCULATED ON THE INLIER WORKSHEET TAB. | | | | |
|---|--|---|---|--|
| Line | Calculation Elements | Traditional Medicaid Fee For Service | Medicaid Managed Care "Default Rates" (excludes GME) <small>[See Stop Loss Insurance footnote]</small> | Medicaid Managed Care "Contract Rates" (excludes GME) <small>[See Stop Loss Insurance footnote]</small> |
| HIGH COST OUTLIER PAYMENT: | | <u>Data Source and Formulas</u> | <u>Data Source and Formulas</u> (Including PHL § 2807-c(33)) | <u>Data Source and Formulas</u> (Excluding PHL § 2807-c(33)) |
| 1. | Total Inpatient Gross Charges Per Patient UB-92, HCFA 1450 | Charge Master | Charge Master | Charge Master |
| 2. | Adjustment to Total Inpatient Gross Charges: | | | |
| | a. Telephone and Telegraph | Charge Master | Charge Master | Charge Master |
| | b. Television and Radio | Charge Master | Charge Master | Charge Master |
| | c. Private Room Differential | Charge Master | Charge Master | Charge Master |
| | d. Other Non-Covered | Charge Master | Charge Master | Charge Master |
| | e. Gross Charges for all ALC Days | Charge Master | Charge Master | Charge Master |
| | f. Total Adjustments | Sum of Lines 2a thru 2e | Sum of Lines 2a thru 2e | Sum of Lines 2a thru 2e |
| 3. | Net Inpatient Gross Charges | Line 1 - Line 2f | Line 1 - Line 2f | Line 1 - Line 2f |
| 4. | High Cost Charge Converter | PUB_IP_MA_FFS_Acute_Rate Code 2946_Col 5 | PUB_IP_MA_HMO_Acute_Col 6 | PUB_IP_MA_HMO_Acute_Col 6 |
| 5. | Net Inpatient Gross Charges Converted to Costs | Line 3 x Line 4 | Line 3 x Line 4 | Line 3 x Line 4 |
| 6. | <i>Threshold Calculation:</i> | | | |
| | a. APR-DRG Cost Outlier Threshold | Outlier Threshold Table (DOH*) | Outlier Threshold Table (DOH*) | Outlier Threshold Table (DOH*) |
| | b. Institution-Specific Adjustment Factor (ISAF/WEF) | PUB_IP_MA_FFS_Acute_Rate Code 2946_Col 4 | PUB_IP_MA_HMO_Acute_Col 5 | PUB_IP_MA_HMO_Acute_Col 5 |
| | c. Adjusted Cost Outlier Threshold | Line 6a x Line 6b | Line 6a x Line 6b | Line 6a x Line 6b |
| 7. | <i>High Cost Payment Test:</i> | | | |
| | a. Do costs exceed the threshold? | Is Line 5 > 6c? | Is Line 5 > 6c? | Is Line 5 > 6c? |
| | b. Does the case involve a Transfer? | Determination per Your Hospital Data | Determination per Your Hospital Data | Determination per Your Hospital Data |
| CONTINUE WITH CALCULATION IF LINE 7a= "Yes" AND THE CASE IS NOT A TRANSFER. | | | | |
| [High Cost Outlier does not apply to Transfer Cases (other than patients assigned to transfer DRGs) per 86-1.21.] | | | | |
| HIGH COST OUTLIER PAYMENT: | | <u>Data Source and Formulas</u> | <u>Data Source and Formulas</u> | <u>Data Source and Formulas</u> |
| 8. | High Cost Outlier Payment before Inlier and ALC (100% of costs above adjusted threshold) | Line 5 - Line 6c | Line 5 - Line 6c | Line 5 - Line 6c |
| 9. | Total Inlier with ALC Payment at 100% | Inlier Worksheet Tab, Line 8 | Inlier Worksheet Tab, Line 8 | Inlier Worksheet Tab, Line 8 |

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HIGH COST OUTLIER PAYMENT**

| Line | Calculation Elements | Traditional Medicaid Fee For Service | Medicaid Managed Care "Default Rates" (excludes GME) <small>[See Stop Loss Insurance footnote]</small> | Medicaid Managed Care "Contract Rates" (excludes GME) <small>[See Stop Loss Insurance footnote]</small> |
|---|--|---|---|--|
| 10. | Total Payment to Provider at 100% | Line 8 + Line 9 | Line 8 + Line 9 | Line 8 + Line 9 |
| MEDICAID SURCHARGE CALCULATION: | | <i>Data Source and Formulas</i> | <i>Data Source and Formulas</i> | <i>Data Source and Formulas</i> |
| A | Medicaid Surcharge (Indigent Care and Health Care Initiative Surcharge) | 4/1/09 Forward ==> 7.04% | 4/1/09 Forward ==> 7.04% | 4/1/09 Forward ==> 7.04% |
| B | Medicaid Surcharge Amount | Line 10 x Line A | Line 10 x Line A | Line 10 x Line A |
| C | Payment to Hospital if Provider Signed Authorization for Medicaid Direct Payment of Surcharge to the Pool Administrator. | Line 10 | Line 10 | Line 10 |
| D | Payment to Hospital if Provider Did Not Sign Authorization for Medicaid Direct Payments - Hospital Pays Surcharge to Pool Administrator. | Line 10 + Line B | Line 10 + Line B | Line 10 + Line B |
| <p>Note: Policy/interpretation of Section 3.11 of the Medicaid Managed Care model contract: Medicaid Managed Care columns should be used for calculating Stop Loss reimbursement to Managed Care Organizations for high cost outlier payments.</p> | | | | |
| <p>* The SIW APR-DRG Table is available on the DOH public website at http://www.nyhealth.gov/facilities/hospital/reimbursement/apr-drg/</p> | | | | |

**MEDICAID - TRADITIONAL AND MANAGED CARE
EXEMPT UNIT/HOSPITAL - PAYMENTS**

| Line | Calculation Elements | Traditional Medicaid Fee For Service | Medicaid Managed Care (excludes DME) |
|--|--|--|--|
| EXEMPT UNIT/HOSPITAL ACUTE CARE PAYMENT: | | <u>Data Source and Formulas</u> | <u>Data Source and Formulas</u> |
| 1. | Exempt Unit/Hospital Stay Days | | |
| | a. Total Number of Days in Stay (inc. ALC) | Medical Record | Medical Record |
| | b. Alternate Level of Care (ALC) Days | Medical Record | Medical Record |
| | c. Total Acute Care Days excluding ALC | Line 1a - Line 1b | Line 1a - Line 1b |
| 2. | Acute Per Diem Rate or Alternate Payment Per Diem (Medicaid Managed Care excluding GME) | PUB_IP_MA_FFS_EU_Applicable EU Rate Code (col 1 or 3 or 5 or 7 or 9). See below for applicable Rate Code key. | PUB_IP_MA_HMO_EU_Applicable EU Rate (col 1 or 4 or 7 or 10 or 12) |
| 3. | Total Exempt Unit/Hospital Acute Care Payment To Provider at 100% | Line 2 x Line 1c | Line 2 x Line 1c |
| ALTERNATE LEVEL OF CARE (ALC) PAYMENT: | | | |
| 4. | CALCULATION OF ALC PAYMENT: | | |
| | (a) Alternate Level of Care Billing Rate | PUB_IP_MA_FFS_EU_Applicable EU ALC Rate Code (col 2 or 4 or 6 or 8 or 10). See below for applicable Rate Code key) | PUB_IP_MA_HMO_EU_Applicable EU ALC Rate Code (col 3 or 6 or 9 or 11 or 14) |
| | (b) Number of ALC Days | Line 1b | Line 1b |
| | (c) Total ALC Payment | Line 4a x Line 4b | Line 4a x Line 4b |
| TOTAL PAYMENT AMOUNT: | | | |
| 5. | Total Exempt Unit/Hospital w/ALC Payment at 100% | Line 3 + Line 4c | Line 3 + Line 4c |
| MEDICAID SURCHARGE CALCULATION: | | <u>Data Source and Formulas</u> | <u>Data Source and Formulas</u> |
| A | Medicaid Surcharge (Indigent Care and Health Care Initiative Surcharge) | 4/1/09 Forward ==> 7.04% | 4/1/09 Forward ==> 7.04% |
| B | Medicaid Surcharge Amount | Line 5 x Line A | Line 5 x Line A |
| C | Payment to Hospital if Provider Signed Authorization for Medicaid Direct Payment of Surcharge to the Pool Administrator. | Line 5 | Line 5 |
| D | Payment to Hospital if Provider Did Not Sign Authorization for Medicaid Direct Payments - Hospital Pays Surcharge to Pool Administrator. | Line 5 + Line B | Line 5 + Line B |
| Rate Code Key: | | | |
| EU Rates: Specialty 201 (2947, 2948, 2949, 2959) ; Psychiatric (2852) ; Chemical Dep - Alcohol & Drug Rehab (2957, 2993) ; CAH (2999) ; Medical Rehab (2853, 2948). | | | |
| ALC Rates: Specialty 201 (2954, 2955) ; Psychiatric (2962, 2963) ; Chemical Dep - Alcohol & Drug Rehab (2966, 2967, 3118, 3119) ; CAH (2968, 2969) ; Medical Rehab (2970, 2971). | | | |

Pursuant to the authority vested in the Commissioner of Health by section 2807-c(35) of the Public Health Law, Subpart 86-1 of Title 10 of the Official Compilation of Codes, Rules and Regulations of the State of New York, is amended by adding a new section 86-1.21 effective December 1, 2009, to read as follows:

Section 86-1.21. Outlier and transfer cases rates of payment.

(a)(1) High cost outlier rates of payment shall be calculated by reducing total billed patient charges, as approved by IPRO, to cost, as determined based on the hospital's ratio of cost to charges. Such calculation shall use the most recent data available as subsequently updated to reflect the data from the year in which the discharge occurred, and shall equal 100 percent of the excess costs above the high cost outlier threshold. High cost outlier thresholds shall be developed for each individual DRG and adjusted by hospital-specific wage equalization factors (WEF) and increased by the Consumer Price Index from the base period used to determine the statewide base price and the rate period.

(2) A non-public, not-for-profit general hospital which has not established an ancillary and routine charges schedule shall be eligible to receive high-cost outlier payments equal to the average of high-cost outlier payments received by comparable hospitals, as determined using the following criteria:

- (i) downstate hospitals;
- (ii) hospitals with a case mix greater than 1.75;
- (iii) hospitals with Medicaid revenue greater than \$30 million of total revenue; and
- (iv) hospitals with a proportion of outlier to inlier cases greater than 3.0 percent.

(b) Rates of payment to non-exempt hospitals for inpatients who are transferred to another non-exempt hospital shall be calculated on the basis of a per diem rate for each day of the patient's stay in the transferring hospital, subject to the exceptions set forth in paragraphs (1), (2) and (3) of this subdivision. The total payment to the transferring facility shall not exceed the amount that would have been paid if the patient had been discharged. The per diem rate shall be determined by dividing the DRG case-based payment per discharge as defined in section 86-1.15(b) of this Subpart by the arithmetic inlier length of stay (LOS) for that DRG, as defined in section 86-1.15(o) of this Subpart, and multiplying by the transfer case's actual length of stay and by the transfer adjustment factor of 120 percent. In transfer cases where the arithmetic inlier LOS for the DRG is equal to one, the transfer adjustment factor shall not be applied.

(1) Transfers among more than two hospitals that are not part of a merged facility shall be reimbursed as follows:

- (i) the facility which discharges the patient shall receive the full DRG payment; and
- (ii) all other facilities in which the patient has received care shall receive a per diem rate unless the patient is in a transfer DRG.

(2) A transferring facility shall be paid the full DRG rate for those patients in DRGs specifically identified as transfer DRGs.

(3) Transfers among non-exempt hospitals or divisions that are part of a merged or consolidated facility shall be reimbursed as if the hospital that first admitted the patient had also discharged the patient.

(4) Services provided to neonates discharged from a hospital providing neonatal specialty services to a hospital reimbursed under the case payment system for purposes of weight gain shall be reimbursed and assigned to the applicable APR-DRG upon admission or readmission.

Office of Medicaid Management - Medicaid Model Contract Section 3.11
Inpatient Hospital Stop-Loss Insurance for Medicaid Managed Care (MMC) Enrollees

- a) The Contractor must obtain stop-loss coverage for inpatient hospital services for MMC Enrollees. A Contractor may elect to purchase stop-loss coverage from New York State. In such cases, the Capitation Rates paid to the Contractor shall be adjusted to reflect the cost of such stop-loss coverage. The cost of such coverage shall be determined by SDOH.
- b) Under NYS stop-loss coverage, if the hospital inpatient expenses incurred by the Contractor for an individual MMC Enrollee during any calendar year reaches \$50,000, the Contractor shall be compensated for eighty percent (80%) of the cost of hospital inpatient services in excess of this amount up to a maximum of \$250,000. Above that amount, the Contractor will be compensated for one hundred percent (100%) of cost. All compensation shall be based on the lower of the Contractor's negotiated hospital rate or Medicaid rates of payment.
(Note: "Medicaid rates of payment" interpreted to be the Managed Care rates (not FFS rates.)