



## Department of Health

**ANDREW M. CUOMO**  
Governor

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

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

April 8, 2019

Ms. Clarissa M. Rodriguez  
Chair  
New York State Workers' Compensation Board  
328 State Street, Suite 2  
Schenectady, New York 12305

Dear Ms. Rodriguez:

The Office of Health Insurance Programs has calculated rates of reimbursement for the period July 1, 2018 through December 31, 2018 for acute per case inpatient rates. These rates have been calculated for services rendered to patients covered under the Workers' Compensation Law, the Volunteer Firefighters' Benefit Law, the Volunteer Ambulance Workers' Benefit, and the Comprehensive Motor Vehicle Insurance Reparations Act.

Pursuant to section 2807(4) of the Public Health Law, I hereby certify to you that the rates appearing on the enclosed schedules have been developed in accordance with section 2807-c of the Public Health Law, as amended by the Health Care Reform Act, and Part 86-1 of the Title 10 (Health) of the Codes, Rules and Regulations of the State of New York.

Sincerely,

Donna Frescatore  
Medicaid Director  
Office of Health Insurance Programs

Enclosure(s)



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Ms. Clarissa M. Rodriguez  
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New York State Workers' Compensation Board  
328 State Street, Suite 2  
Schenectady, New York 12305

Dear Ms. Rodriguez:

Enclosed please find the certification letter and schedules of hospital reimbursement rates for services rendered to patients covered under the Workers' Compensation Benefit Law, the Volunteer Ambulance Workers' Benefit Law and the Comprehensive Motor Vehicle Reparation Act. These rates are for the period July 1, 2018 through December 31, 2018 for acute per case inpatient rates. Rates of payment for these services for these payers is to be based upon rates determined for state governmental agencies (Medicaid) in accordance with Article 2807-c (6-1) of the Public Health Law.

For discharges beginning on and after July 1, 2018, the APR-DRG Service Intensity Weights (SIWs), cost thresholds and average length of stay (ALOS) effective July 1, 2018 should be used for payment purposes, in conjunction with the APR-DRG 3M grouper version 34.

The rates on the attached schedules are based upon the same methodology used in the rates effective January 1, 2018 through June 30, 2018, but also take into consideration the following:

1. The service intensity weights (SIWs) were updated using 2012, 2013 & 2014 SPARCS data and 2013 ratio of cost to charges as reported in the hospital's audited 2013 Institutional Cost Report (ICR).
2. The rebased acute rates reflect an update from the audited 2010 Institutional Cost Report (ICR), which was utilized for the operating components of the acute rates effective for discharges on and after July 1, 2014, to the audited 2015 ICR for the operating components of the acute rates for discharges on and after July 1, 2018.
3. Total acute costs were used in the calculation of Direct Medical Education add-ons, as well as the non-comparable add-ons (School of Nursing, Ambulance and Teaching Election Amendment), divided by total acute discharges, as reported in the audited 2015 ICRs.
4. The indirect medical education (IME) percentages were based on the acute resident counts provided to the Department on Exhibit 3 of the audited 2015 ICRs.

5. The hospital specific wage equalization factor was calculated using a 3-year average (2012 through 2014) of hospital specific Medicare occupational-mix adjusted wages and hours in addition to the 2015 hospital audited ICR data to determine the labor share.
6. No changes were made to the capital component of the rates or the Alternate Level of Care (ALC) rates.

Should you have any questions or require further information, please contact Janet Baggetta at 518-486-7164 or via email at [HospFFSunit@health.ny.gov](mailto:HospFFSunit@health.ny.gov).

Sincerely,



Michael Ogborn  
Director, Medicaid Chief Financial Officer  
Division of Finance and Rate Setting  
Office of Health Insurance Programs