



STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower The Governor Nelson A. Rockefeller Empire State Plaza Albany, New York 12237

Richard F. Daines, M.D.
Commissioner

James W. Clyne, Jr.
Executive Deputy Commissioner

January 4, 2010

Mr. Robert E. Beloten
Chairman
New York State Worker's Compensation Board
20 Park Street
Albany, NY 12207

Dear Mr. Beloten:

The Office of Health Insurance Programs has calculated revised rates of reimbursement for the period December 1, 2009 through December 31, 2009 for hospital inpatient 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
Deputy Director
Office of Health Insurance Programs

Enclosure(s)



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Mr. Robert E. Beloten
Chairman
New York State Worker's Compensation Board
20 Park Street
Albany, NY 11207

Dear Mr. Beloten:

Enclosed please find the certification letter and schedules on initial 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 for the period December 1, 2009 through December 31, 2009. Rates of payment for inpatient services for these payors is to be based upon rates determined for state governmental agencies (Medicaid) in accordance with Article 2807-c(b-1) of the Public Health Law.

The formula on which these rates are based was promulgated in accordance with Article 28 of the Public Health Law as recently amended by Chapter 58 of the Laws of 2009 (Respective sections attached). With the enactment of these amendments the methodology and base year used to establish Medicaid rates has been changed significantly.

The schedules attached have been calculated in accordance with these provisions and the various schedules and components are described in detail below:

Schedule of Worker's Comp/No Fault Inpatient Case Payment Rates:

- **Column 1: Admission Case Payment Rate:** This column contains the admission rate that is based upon the statewide price (column 3) adjusted by the Institutional Specific Adjustment Factor (Column 4) and reflects the average case mix using the new All Patient Refined DRGs (APR DRG).
- **Column 2: Discharge Case Payment Rate:** This reflects the statewide base price (column 3) adjusted by Column 4.
- **Column 3: Statewide Base Price:** This is the new statewide base price.
- **Column 4: Institutional Specific Adjustment Factor (ISAF):** Hospital specific adjustment to reflect wage differences (Wage Equalization Factor).
- **Column 5: High Cost Charge Convertor:** Charge convertor to reduce hospital charges for cost outlier payments.
- **Column 6: Indirect Medical Education (IME)%:** This is the indirect medical education percentage.

- **Column 7: Direct Medical Education (DME) Add on:** This is the Direct Medical Education per discharge add on.
- **Column 8: Capital Per Discharge plus non-comparables:** This is the capital and non-comparable per discharge to be included after application of the Service Intensity Weights (SIW's).
- **Column 9: Capital Per Diem:** This is the capital per diem to be used when a transfer payment on a per diem is being made.
- **Column 10: ALC Per Diem:** This is the Alternate Level of Care per diem for those patients who no longer requires acute hospital care and are waiting placement or discharge.
- **Column 11: Public Goods Pool Surcharge:** This is the surcharge percentage obligation as authorized by Public Health Law Section 2807-j when payment is made directly to the pool.
- **Column 12: Additional Public Goods Pool Surcharge:** This is the additional surcharge applicable if Public Goods pool is paid to the hospital and payor is not an elected payor.

Schedule of Workers' Compensation/No Fault (WCNF) Inpatient Exempt Unit Rates:

These are the per diem rates that are applicable for exempt hospital and exempt units within a general hospital in accordance with Article 2807-c of the Public Health Law.

- **Column 1: Specialty Acute Hospital Billing Rate (with DME):** This per diem is for specialty long term acute hospitals, cancer hospitals, or Children's Hospitals.
- **Column 2: Specialty Acute ALC Per Diem:** Alternate Level of Care per diem for those patients who no longer require specialty acute services and are awaiting placement or discharge, in these types of hospitals.
- **Column 3 & Column 4: Psychiatric Per Diem:** Please note that new psychiatric exempt unit rates have not been finalized at this time, so plans should continue to use existing psychiatric per diems that were transmitted effective July 1, 2008. Further information to be provided in near future.
- **Column 5: Chemically Dependency Billing Rate:** Per diem for Alcohol or Drug Rehabilitation programs which have been combined into one service type.
- **Column 6: Chemically Dependency ALC Per Diem:** Alternate Level of Care per diem for those patients who no longer require acute services and are waiting placement or discharge.
- **Column 7: Critical Access Hospital Billing Rate:** Per Diem to be paid to those hospitals that are designated as critical access hospitals.
- **Column 8: Critical Access Hospital ALC Per Diem:** Alternative Level of Care per diem to be paid for patients who no longer require acute care and is waiting placement or discharge.
- **Column 9: Medical Rehabilitation Billing Rate:** Per diem for medical rehabilitation services.
- **Column 10: Medical Rehabilitation ALC Per Diem:** Alternative Level of Care per diem to be paid for patients who no longer require acute care and is waiting placement or discharge.

- **Column 11: Detox Medically Managed Billing Rate:** Per diem to be paid to hospitals for medically managed services with certified detox program by OASAS. (Updated rates to be provided in near future).
- **Column 12: Detox Medically Supervised Billing Rate:** Per diem to be paid to hospitals for medically supervised service with certified detox program by OASAS. (Updated rates to be provided in near future).
- **Column 13:** Same as Column 11 under Acute section
- **Column 14:** Same as Column 12

Sample Payment Calculation Worksheets – With the inception of Medicaid reform and updates as authorized in Chapter 58 of the Laws of 2009, these payment schedules have been updated to incorporate the various changes in payment methodologies for inlier, transfers, cost outliers, and exempt unit services.

APR-DRG's & Service Intensity Weights (SIW's): This schedule contains the new APR-DRG listing with each severity level and the service intensity weight applicable as well as the Statewide Average Length of Stay for each (ALOS).

Cost Outlier Thresholds: This schedule contains the specific cost threshold for each of the APR-DRG's and applies to any severity level within each of the APR-DRG's.

Should you have any questions or require further information please do not hesitate to contact Mr. John W. Gahan Jr., Director, Bureau of Primary and Acute Care Reimbursement at (518) 474-3267.

Sincerely,



John E. Ulberg, Jr.
Director
Division of Health Care Financing