

NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

July 8, 2011

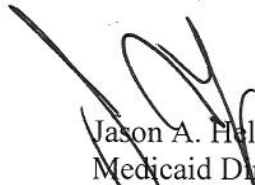
Mr. Robert E. Beloten
Chairman
New York State Worker's Compensation Board
20 Park Street
Albany, NY 12207

Dear Mr. Beloten:

The Office of Health Insurance Programs has calculated revised rates of reimbursement for the period January 1, 2011 through March 31, 2011 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,



Jason A. Helgeson
Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs

Enclosure(s)

NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

July 8, 2011

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

Dear Mr. Beloten:

Enclosed please find the schedules of hospital reimbursement rates for inpatient medically managed detoxification (MMD) and medically supervised inpatient withdrawal (MSIW) services rendered to patients covered under the Workers' Compensation Benefit Law, the Volunteer Firefighters' Benefit Law, the Volunteer Ambulance Workers' Benefit Law, and the Comprehensive Motor Vehicle Reparation Act for the rate period January 1, 2011 through March 31, 2011. 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 and reflect the detox rate reform provisions of Section 2807-c (4)(l) enacted under Chapter 58 of the Laws of 2008, and as subsequently revised under the Laws of 2009. The statute established a regional price based per diem rate methodology for chemical dependency detox services provided by general hospitals certified by the Office of Alcoholism and Substance Abuse Services (OASAS) effective December 1, 2008 forward, and included a 16-month phase-in to full regional pricing. Implementation of 100% regional price based rates became effective April 1, 2010.

The OASAS certified provider chemical dependency detox per diem rates for the period January 1, 2011 through March 31, 2011, as provided herein, have been revised taking into consideration the following:

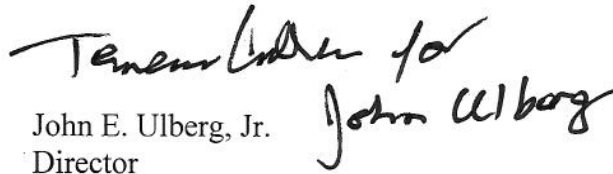
1. Incorporation of the initial 2011 trend factor of 1.0%.
2. The operating cost component of the MSIW rates is established at 75% of the operating cost component of the MMD rates, as required by Section 2807-c (4)(l)(iv)(C) effective January 1, 2010 forward.
3. Statute provides that reimbursement for patients placed in observation (OBS) beds be recognized for payment at the MMD rate for up to 2 days (48 hours) of care. Since the

operating cost component of the MSIW rate is reduced to 75% of the operating cost component of the MMD rate, revisions to the Medicaid Fee-For-Service rate code construct were implemented to effect accurate payment on MSIW claims when OBS days are included in the stay. The enclosed *Billing Instructions For Part 816 OASAS Certified Inpatient Detox Per Diem Rates* provides the rate code descriptions and the necessary details for accurately calculating payment for inpatient chemical dependency detoxification services provided at OASAS certified general hospitals.

4. Lengths of stay (LOS) reductions in payment apply to both the MMD and MSIW rates of payment as follows:
- Days 0 - 5 are to be reimbursed at 100% of the applicable rate,
 - Days 6 -10 are to be reimbursed at 50% of the applicable rate,
 - Days 11 and greater are not reimbursable (i.e. 0%).

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

Enclosure(s)

REGIONAL DETOX PER DIEM PRICES
Trended for 1/1/2011 - 3/31/2011 Rates

| | Medicaid (FFS, MC) | | WC/NF |
|------------------------|--------------------|--------------------|--------------------|
| | Base Year 2006 | Trended to 2011 | Trended to 2011 |
| LONG ISLAND REGION | \$676.65 | \$697.76 | \$709.60 |
| NEW YORK CITY REGION | \$854.26 | \$880.91 | \$895.86 |
| NO METROPOLITAN REGION | \$723.85 | \$746.43 | \$759.10 |
| NORTHEASTERN REGION | \$499.47 | \$515.05 | \$523.79 |
| UTICA REGION | \$788.49 | \$813.09 | \$826.89 |
| CENTRAL REGION | \$824.21 | \$849.93 | \$864.35 |
| ROCHESTER REGION | \$730.36 | \$753.15 | \$765.93 |
| WESTERN REGION | \$796.36 | \$821.21 | \$835.14 |
| STATEWIDE AVERAGE | <u>\$813.85</u> | <u>\$839.24</u> | <u>\$853.48</u> |