

NEW YORK
state department of
HEALTH

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

Sue Kelly
Executive Deputy Commissioner

July 8, 2011

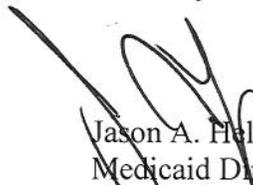
Mr. Robert E. Beloten
Chairman
New York State Worker's Compensation Board
20 Park Street
Albany, NY 12207

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)

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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:

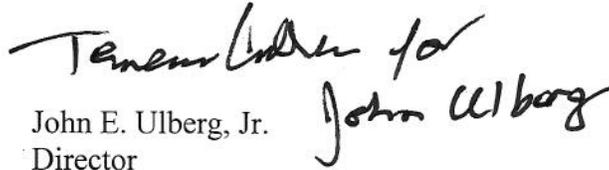
1. Incorporation of the initial 2011 trend factor of 1.0%.
2. The operating cost component of the MSIW rates is established at 75% of the operating cost component of the MMD rates, as required by Section 2807-c (4)(l)(iv)(C) effective January 1, 2010 forward.
3. Statute provides that reimbursement for 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)

Billing Instructions For Part 816 OASAS Certified Chemical Dependency Detox

Reimbursement for inpatient chemical dependency detox services provided by Office of Alcoholism and Substance Abuse Services (OASAS) certified general hospitals transitioned to a per diem rate methodology effective 12/1/2008. New billing rate codes were established to accurately calculate per diem payments for 2 clinically distinct levels of care: a higher intensity Medically Managed Detox (MMD) level of care, and a lower intensity Medically Supervised Inpatient Withdrawal (MSIW) level of care. The detox rate code payment logic includes recognition of observation days (OBS) to be paid at the higher MMD payment rate, and length of stay (LOS) reductions in payment for stays exceeding 5 days, applicable to both levels of care, as required by statute. Following are the billing instructions effective for services provided 1/1/2010 forward.

DETOX PER DIEM RATE CODE REVISIONS EFFECTIVE 1/1/2010:

Effective 1/1/2010, the operating cost component of the MSIW rate of payment was reduced to 75% of the prevailing operating cost component of the MMD rate of payment. However, capital costs in the MSIW rate continue to be included at 100% of the allowable detox capital cost per day. This MSIW operating cost specific reduction in payment, coupled with the requirement that OBS bed days (up to 48 hours) be reimbursed at the higher MMD payment rate, required changes to the initially established detox rate code construct to implement. To assure accurate payment for MSIW stays when OBS days are included in the stay, the following revised and expanded detox per diem rate codes, and related payment logic, became effective for claims with dates of admission 1/1/2010 forward:

1. **Rate Code 4800:** MMD (operating cost) with or without OBS Days
2. **Rate Code 4801:** MSIW (operating cost) without OBS Days
3. **Rate Code 4802:** MSIW (operating cost) with 1 OBS Day
4. **Rate Code 4803:** MSIW (operating cost) with 2 OBS Days
5. **Rate Code 4804:** Inpatient Detox Capital Cost Per Diem (*add-on rate code only*)

Claims are to be submitted on a per discharge basis using the rate code that corresponds to the level of care rendered to the patient on day 3 of the admitted stay, or the level of care determined on the day of admission if the LOS is less than 3 days. Though we recognize there may be instances where a patient transitions through multiple levels of care during a given stay, systems limitations do not allow for the development of more refined billing parameters to address such situations. Day 3 is the first day after the maximum allowable OBS period and is deemed to fairly represent the overall clinical status of the patient's stay for reimbursement purposes. LOS reductions based on the total number of days for the stay continue, with the detox service begin date typically determining the first day for the LOS calculations. If the patient was initially admitted to another unit in the hospital (e.g., Intensive Care Unit or Medical Surgical Unit) to address urgent medical care needs prior to being transferred to the Detox Unit for ongoing care, the admission date to the hospital is the begin date for determining the LOS reductions in payment for the detox unit stay. It is noted that, in such cases, a separate payment for the medical stay (DRG case payment rate) is permissible in addition to payment for the detox unit stay.

Appendix I provides a detailed presentation of the detox per diem billing rate codes and payment logic. ***Please note that rate code 4804 is not a billing rate code (i.e., will not be include on the claim form for submission)***, but is necessary from a systems standpoint to be retrieved and added to the calculation for the final payment to be inclusive of capital cost. The schematic presented in Appendix I assumes that the rates posted to the various rate codes are fixed amounts, when in fact they will change from time to time as rates are revised. The programming logic does indeed recognize that detox rate codes 4800-4804 can have different rate amounts that need to be selected and applied based on the dates of service included in the stay, and will select the applicable rate amount based on the service date.

OTHER DETOX REIMBURSEMENT RELATED ISSUES

Detox Unit Overflow:

Part 816 OASAS certification is specific to hospital site/address location and number of beds approved for the unit. On occasions where the OASAS certified detox unit is at full capacity and another patient in need of detoxification services must, consequently, be admitted to a medical surgical bed at the same location, the hospital is to bill for such “overflow” detox unit patients using the detox per diem rates. Presumably, such overflow admissions to a medical surgical bed will be short term until a bed in the detox unit becomes available. From a clinical perspective, such patients are detoxification unit patients and their treatment plan will follow Part 816 OASAS program regulations. Hence, the detox per diem rates, rather than the hospital’s DRG case payment rate, are the appropriate rates to use for determining reimbursement for the inpatient detox service provided such patients.

Detox Scatter Bed Reimbursement for Non-OASAS Certified Hospitals:

The detox per diem rate methodology applies only to general hospitals certified by OASAS to operate a Part 816 Detoxification Program. As this certification is specific to hospital site/address location, the detox per diem rates are loaded only to the locator code site that corresponds to the OASAS certified site. The per diem rates do not apply to inpatient detoxification services provided in general hospitals that do not have OASAS certification, or to non-certified hospital sites of OASAS certified general hospitals (e.g., hospital entities, such as mergers, that operate multiple acute care inpatient sites at different physical plant locations, not all of which have OASAS certified detox units). Such general medical “scatter bed” inpatient detox services continue to be reimbursed through the DRG rate methodology.

APPENDIX I

**Inpatient Chemical Dependency Detox Fee-For-Service Rate Codes
Effective for Admissions On and After 1/1/2010**

Rate Code Legend:

1. RC 4800 – MMD (operating cost) w/or w/o OBS Days
2. RC 4801 – MSIW (operating cost) w/o OBS Days
3. RC 4802 – MSIW (operating cost) w/1 OBS Day
4. RC 4803 – MSIW (operating cost) w/2 OBS Days
5. RC 4804 – Inpatient Detox Capital Cost Per Diem

<u>Service Description:</u>	<u>LOS (Days):</u>	<u>Payment Logic:</u>
MMD w/or w/o OBS Days	1 – 5	(RC 4800 amount + RC 4804 amount) * Number of Days
	6 – 10	(RC 4800 amount + RC 4804 amount) * 0.5 * Number of Days
	>10	\$0.00
MSIW w/o OBS Days	1 – 5	(RC 4801 amount + RC 4804 amount) * Number of Days
	6 – 10	(RC 4801 amount + RC 4804 amount) * 0.5 * Number of Days
	>10	\$0.00
MSIW w/1 OBS Day	1	((RC 4802 amount/0.75) + RC 4804 amount) * Number of Days
	2 – 5	(RC 4802 amount + RC 4804 amount) * Number of Days
	6 – 10	(RC 4802 amount + RC 4804 amount) * 0.5 * Number of Days
	>10	\$0.00
MSIW w/2 OBS Days	1 – 2	((RC 4803 amount/0.75) + RC 4804 amount) * Number of Days
	3 – 5	(RC 4803 amount + RC 4804 amount) * Number of Days
	6 – 10	(RC 4803 amount + RC 4804 amount) * 0.5 * Number of Days
	>10	\$0.00