



STATE OF NEW YORK DEPARTMENT OF HEALTH

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

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

February 28, 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 initial 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 Worker's Compensation Board
20 Park Street
Albany, NY 11207

Dear Mr. Beloten:

Enclosed please find the certification letter and schedules of 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 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 as recently amended. The rates for the period January 1, 2011 through March 31, 2011 are based on the same methodology and data as used in the rates for the period October 1, 2010 through December 31, 2010 but reflect an update to 2011 Budgeted Capital and incorporate a trend factor of 1% based upon the methodology as set forth in Article 2807-c(10).

Also, as with the rates effective October 1, 2010 through December 31, 2010, the January 1, 2011 through March 31, 2011 rates reflect a statewide base price calculated to incorporate all Medicaid based expenditures for hospitals statewide for fee-for-service and managed care to develop a blended rate. This statewide price however does not reflect the base reductions as set forth in paragraph 35 of 2807-c of the Public Health Law, as this adjustment does not apply. In addition, the Acute statewide price calculation has been updated to reflect the 2011 average APR-DRG casemix index (CMI) based on the Service Intensity Weights (SIW) in effect beginning January 1, 2011 whereas the October 1, 2010 through December 31, 2010 used the average APR-DRG CMI based on the SIWs in effect for the period beginning December 1, 2009. The SIW update is in accordance with Part 86-1.18 of the Commissioner of Health's Administrative Rules and Regulations.

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: Discharge Case Payment Rate:** This reflects the statewide base price (column 3) adjusted by Column 3.
- **Column 2: Statewide Base Price:** This is the new statewide base price.
- **Column 3: Institutional Specific Adjustment Factor (ISAF):** Hospital specific adjustment to reflect wage differences (Wage Equalization Factor).
- **Column 4: High Cost Charge Convertor:** Charge convertor to reduce hospital charges for cost outlier payments.
- **Column 5: Indirect Medical Education (IME)%:** This is the indirect medical education percentage.
- **Column 6: Direct Medical Education (DME) Add on:** This is the Direct Medical Education per discharge add on.
- **Column 7: 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 8: Capital Per Diem:** This is the capital per diem to be used when a transfer payment on a per diem is being made.
- **Column 9: 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 10: 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 11: 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 approved by the Centers for Medicare and Medicaid Services(CMS). Further information to be provided when available.
- **Column 5: Chemical Dependency Rehabilitation Billing Rate:** Per diem for Alcohol or Drug Rehabilitation programs which have been combined into one service type.

- **Column 6: Chemical Dependency Rehabilitation 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. These rates are currently published separately.
- **Column 12: Detox Medically Supervised Billing Rate:** Per diem to be paid to hospitals for medically supervised service with certified detox program by OASAS. These rates are currently published separately.
- **Column 13 & 14:** Same as Column 11 and 12, respectively, under the Acute section

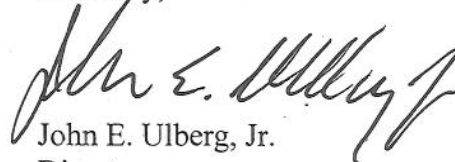
Sample Payment Calculation Worksheets – With the inception of Medicaid reform and updates as authorized in Chapter 58 of the Laws of 2009, these payment schedules have been updated to incorporate the various changes in payment methodologies for inlier, transfers, cost outliers, and exempt unit services. These schedules are unchanged from the October 1, 2010 through December 31, 2010 payment schedules.

APR-DRG's & Service Intensity Weights (SIW's): This schedule contains the new 2011 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 effective January 1, 2011.

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