

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

NEW YORK
state department of
HEALTH

Sue Kelly
Executive Deputy Commissioner

September 27, 2012

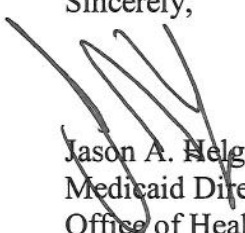
Mr. Robert E. Beloten
Chairman
New York State Worker's Compensation Board
20 Park Street
Albany, NY 12207

Dear Mr. Beloten:

The Office of Health Insurance Programs has calculated rates of reimbursement for the periods October 20, 2010 through December 31, 2012 for psychiatric reform rates, January 1, 2012 through December 31, 2012 for acute per case inpatient rates, exempt hospitals, exempt units and detoxification 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,



Jason A. Helgersen
Medicaid Director
Office of Health Insurance Programs

Enclosure(s)

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

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September 27, 2012

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

Dear Mr. Beloten:

Enclosed please find the certification letter and schedules of hospital reimbursement rates for services rendered to patients covered under the Worker's Compensation Benefit Law, the Volunteer Ambulance Workers' Benefit Law and the Comprehensive Motor Vehicle Reparation Act. These rates are for the periods October 20, 2010 through December 31, 2012 for psychiatric reform rates, January 1, 2012 through December 31, 2012 for acute per case inpatient rates, exempt hospitals, exempt units and detoxification 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.

The rates on the attached schedules are based upon those rates previously certified to you for the period October 1, 2011 through December 31, 2011 but also incorporate the following:

1. Inclusion of a 2012 trend factor in the amount of 1.5% based upon the initial CPI as published in the federal register and as required by Section 10 of Article 2807-c of the Public Health Law.
2. Change to the statewide price due to the updating of the Service Intensity Weights (SIW) for 2012 based upon more current utilization as required.
3. Inclusion of 2012 budgeted as submitted by hospitals in place of the 2011 budgeted capital in accordance with Section 8 of Article 2807-c of the Public Health Law.

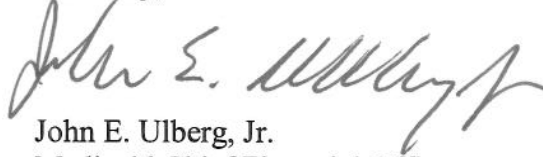
In addition to the above, The Centers for Medicare and Medicaid approved State Plan Amendment 10-03 established a new psychiatric inpatient reimbursement method effective October 20, 2010 for general hospitals and replaces a per diem payment method based on 1981 costs trended. This new method was established in order to pay more appropriately for inpatient psychiatric admissions and address length of stay variances. The formula on which these new psychiatric exempt unit rates are promulgated is in accordance with Article 28 of the Public Health Law set forth in Part 86-1.39 of the Commissioner of Health's Rules and Regulations.

The components of the new psychiatric methodology will include the use of psychiatric APR-DRGs, a statewide price (adjusted for wage differences), capital costs and direct medical education costs. The new methodology will also include payment factors based on rural hospital

status, patient age, presence of mental retardation, co-morbidities, length of stay and a separate payment for electroconvulsive (ECT) treatment. A claims payment worksheet has been included with the rates documents for the payment method.

Should you have any questions as require further information, please contact Mr. John W. Gahan, Jr., at 518-474-3267.

Sincerely,

A handwritten signature in dark ink, appearing to read "John E. Ulberg, Jr.", with a stylized flourish at the end.

John E. Ulberg, Jr.
Medicaid Chief Financial Officer
Division of Finance and Rate Setting
Office of Health Insurance Programs