



December 24, 2018

DAL 18-19 - Time Limited Waiver to Provide Detoxification Services in Excess of Bed/Patient Days Thresholds EXTENDED

Dear Chief Executive Officer:

On March 2, 2018 the New York State Department of Health (DOH) and Office of Alcoholism and Substance Abuse Services (OASAS) jointly issued a letter offering a time limited waiver to Public Health Law Article 28 licensed hospital from the “discrete unit” threshold referenced in Mental Hygiene Law which requires OASAS certification as a detox program. This waiver was scheduled to end on December 31, 2018. At this time, the DOH and the OASAS are pleased to announce that this program will be continued until December 31, 2019.

Since its implementation, expanded hospital-based detoxification services, in conjunction with use of certified peers and referral to an appropriate CASAC-certified treatment provider for comprehensive addiction treatment, has proven effective for rapidly and meaningfully engaging individuals in care.

This waiver is granted upon request to a specific hospital site. Once authorized, a hospital can provide detoxification services above the threshold of 5 beds or greater than 10% of overall patient days to individuals who meet level of care criteria for detoxification services as determined use the OASAS designated tool Level of Care for Alcohol and Drug Treatment Referral (LOCADTR). This waiver will permit the admission and treatment of appropriate patients above the regulatory limits for detoxification without the need for an OASAS operating certificate or compliance with OASAS regulatory requirements.

For waivers already issued pursuant to DAL 18-05, and for any waiver issued on or after the date of this letter, the authorization to provide detoxification services above the threshold will be valid until December 31, 2019, at which point OASAS and DOH will re-evaluate the need for continued waiver.

As previously noted, where a patient is admitted to a hospital for detox in a medical/surgical bed, and the hospital does not have a discrete unit for substance use disorder treatment, there is a payment mechanism for the hospital to receive reimbursement for these services. Hospitals are reimbursed using an acute payment methodology, APR-DRG. The Hospitals should use rate code 2946 for acute services and they will receive a per discharge reimbursement for detoxification services under the APR-DRGs 770 through 776.

This letter is not applicable to Critical Access Hospitals (CAH), which require a separate consultation with DOH and OASAS due to their unique operating requirements and reimbursement mechanisms. Any CAH seeking to provide detox services above the OASAS certification threshold should consult with DOH and OASAS on how to provide detox services without jeopardizing their status as a CAH. Initial inquiries can be directed to [ORH@health.ny.gov](mailto:ORH@health.ny.gov).

Hospitals interested in utilizing the waiver should send notice of their intent to exceed the threshold to OASAS at [Legal@oasas.ny.gov](mailto:Legal@oasas.ny.gov). These requests will be acknowledged within five business days of receipt.

Sincerely,

Robert A. Kent  
General Counsel  
Office of Alcoholism and  
Substance Abuse Services

Daniel B. Sheppard  
Deputy Commissioner  
Office of Primary Care and  
Health Systems Management