



Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, M.D., M.P.H.
Commissioner

JOHANNE E. MORNE, M.S.
Acting Executive Deputy Commissioner

August 30, 2023

Dear Administrator:

We are transmitting for your review the calculation of your hospital's initial inpatient acute, exempt hospital and exempt unit reimbursement rates for Medicaid Fee-for-Service (FFS), Medicaid Managed Care (MMC) and Workers' Compensation/No-Fault (WCNF) rates, which are effective April 1, 2023. These rates have been promulgated in accordance with Article 2807-c and, for the acute rates, Article 2807-c (35)(c). The MMC rates provided are informational only and were calculated based on the approved FFS rates.

The April 1, 2023 Medicaid FFS rates have been approved by the New York State Division of the Budget and were transmitted to eMedNY for payment and automatic retroactive claims processing in cycle #2402.

These rates are based upon the same information and methodology as the inpatient rates effective January 1, 2023, but take into consideration the following updates:

- 7.5% operating component rate increase in accordance with Part E of Chapter 57 of the Laws of 2023 of the State Fiscal Year 2023/2024 enacted Budget
- Financially Distressed/Safety Net Hospital rate add-ons (Medicaid Managed Care only): For April 1, 2023 – March 31, 2024 dates of service, the Centers for Medicare and Medicaid (CMS) approved rate add-ons to the Medicaid Managed Care rates of payment for hospitals that qualified as financially distressed/safety net. These add-ons are only applicable to the acute DRG and psychiatric exempt unit rates. The billing guidance (see Attachment) remains the same.
- NYC Upper Payment Limit (UPL) Conversion rate add-ons (Medicaid Managed Care only): For April 1, 2023 – March 31, 2024 dates of service, approval is pending from CMS for the rate add-ons to the Medicaid Managed Care rates of payment for NYC public hospitals that qualified. These add-ons are only applicable to the acute DRG and Specialty Hospital exempt unit rates.

Service Intensity Weights (SIWs)/Outlier Thresholds/3M Grouper:

The Department will continue to use the July 1, 2018 All Patient Refined Diagnosis Related Groups (APR-DRGs) SIWs, average lengths of stay (ALOS) and outlier thresholds for discharge dates on and after April 1, 2023. Claims with discharge dates on and after April 1, 2023 will also continue to be processed using version 34 of the 3M APR-DRG grouping software.

Electronic Access – Health Commerce System (HCS):

As previously notified, the Department utilizes the “**Healthcare Financial Data Gateway**” application within the HCS for inpatient rate publications. The “Publications” tab of that application can be used to access your facility’s rate sheets.

Please note that the HCS is designed as a secure network and only those HCS accounts with access to the Healthcare Financial Data Gateway will be able to download the rate sheets. The web address for the HCS is <https://commerce.health.state.ny.us/>. Please select the “Help” menu if you have difficulty viewing any of the files.

Appeals:

All data associated with these rates was previously subjected to the appeal process. Therefore, only appeals related to this update or mathematical errors by the Department will be accepted for this rate period. If an appeal has been submitted or you plan to submit an appeal for the January 1, 2023 rates before the deadline, it is not necessary to submit another appeal for the same issue for the April 1, 2023 rates.

Part 86-1.32 of the New York Codes, Rules and Regulations sets forth the rules governing appeals, which does not include issues regarding methodology. In filing an appeal, a facility must provide the following:

- 1) A cover letter signed by the Operator or Chief Executive Officer of the hospital containing a summary of the item(s) of appeal.
- 2) Supporting schedules or any other pertinent data is to be included with the facility's appeal letter.
- 3) All rate appeals and supporting documentation pertaining to items revised in this publication of inpatient rates for services for Title XIX (Medicaid) beneficiaries should be submitted to the Bureau of Hospital and Clinic Rate Setting and must be received by this office **no later than December 28, 2023**. Due to bureau staff working remotely, it is requested that providers submit a copy of their appeal request via email to HospFFSunit@health.ny.gov. Given that many hospital staff may also be working remotely, the Department **is not requiring that the original signed appeal request letter be physically mailed**. Providers can expect a written acknowledgement from the Department once the letter has been received and an appeal# has been established and assigned to a rate analyst.

Where possible, original appeal letters may be mailed to:

*Ms. Monique Grimm
Director
Bureau of Hospital and Clinic Rate Setting
One Commerce Plaza, Room 1430
99 Washington Ave
Albany, New York 12210*

Should you have any questions regarding the above information, please send an email to the hospital rate-setting unit at HospFFSunit@health.ny.gov and either Tami Berdi or John Neuberger will respond to your inquiry.

Sincerely,

Monique Grimm
Director
Bureau of Hospital and Clinic Rate Setting

Attachment

ATTACHMENT
(Billing Guidance for Financially Distressed/Safety Net Hospital Rate Add-ons)

A) Inpatient Acute Discharges: Acute inpatient discharges are defined as inpatient stays that in addition to medical/surgical stays, include areas such as maternity, newborn, and neonatal.

- Inpatient mental health and substance abuse, nursing facility and hospice services are not included

Claims Definition (Institutional Facility Claims only):

1) NEWBORN / NEWBORN (Low Birth Weight)

- APR-DRGs: 580, 581, 583, 588, 589, 591, 593, 602, 603, 607, 608, 609, 611, 612, 613, 614, 621, 622, 623, 625, 626, 630, 631, 633, 634, 636, 639, 640

2) MATERNITY

- APR-DRGs: 539, 540, 541, 542, 560

3) MEDICAL / SURGICAL

- Type of Bill: 11x, 12x, 41x **AND**
- Claim contains at least one of the following:
 - **Room and Board Revenue Codes:** 0024, 0100, 0101, 0110, 0111, 0112, 0113, 0117, 0118, 0119, 0120, 0121, 0122, 0123, 0127, 0128, 0129, 0130, 0131, 0132, 0133, 0137, 0138, 0139, 0140, 0141, 0142, 0143, 0147, 0148, 0149, 0150, 0151, 0152, 0153, 0157, 0158, 0159, 0160, 0164, 0170, 0171, 0172, 0173, 0174, 0179, 0200, 0201, 0202, 0203, 0206, 0207, 0208, 0209, 0210, 0211, 0212, 0213, 0214, 0219 **AND**
 - Claim does not contain the following (Mental Health/Substance Abuse Treatment) **:
 - **Rate Codes:** 1133-1146, 2852, 2957, 2858, 2993, 4001-4006, 4202-4204, 4210, 4213, 4220, 4608, 4800-4803
 - **APR DRGs:** 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 770, 772, 773, 774, 775, 776

Note: Exception applies for hospitals listed below due to absence of NYS Medicaid Psychiatric per diem rate

B) Inpatient Psychiatric Days: Inpatient psychiatric days are defined as inpatient days for those service areas incurred in providing daily bedside care to Psychiatric inpatients. This category does not include days associated with substance use disorder (SUD) discharges

Claims Definition (Institutional Facility Claims only):

1) PSYCHIATRIC

- Claim contains at least one of the following:
 - **Rate Codes:** 2858, 2852, 4001-4006, 4608 (Inpatient Mental Health**) **OR**
 - **APR-DRGs:** 740, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760 **OR**

****Note:** The following hospitals do not have a New York State Medicaid Fee-for-Service “per diem” psychiatric billing rate. Any claims within this category for these hospitals should be considered acute inpatient discharges. The acute inpatient discharge add-on would apply.

- Brooklyn Hospital Center
- Crouse Hospitals
- St. John’s Riverside Hospital
- Wyckoff Heights Medical Center