



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

LISA J. PINO, M.A., J.D.
Executive Deputy Commissioner

October 6, 2020

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) and Medicaid Managed Care (MMC), which are effective April 2, 2020. Please note that the inpatient rates for Workers' Compensation/No-Fault (WCNF) have **not** changed and remain the same as the rates effective January 1, 2020. These rates have been promulgated in accordance with Article 2807-c and, for the acute rates, Article 2807-c (35)(c).

The April 2, 2020 Medicaid FFS rates have been approved by the New York State Division of the Budget (Budget) and have been transmitted to eMedNY for payment and retroactive claims processing in cycle #2252.

These rates are based upon the same information and methodology as the acute, exempt hospital and exempt unit rates effective January 1, 2020, but take into consideration the following updates per the enacted State Fiscal Year (SFY) 2020-21 Budget:

Acute Rates:

- **Budgeted Capital (FFS and MMC only):** A reduction of 5% on all hospital inpatient budgeted capital rate add-ons.
- **Quality Pool Add-ons (MMC only):** Elimination of Quality Pool Add-ons.
- **Sole Community Pool Add-ons (MMC only):** Elimination of Sole Community Pool Add-ons.

Exempt Units/Exempt Hospital Rates:

- **Budgeted Capital (FFS and MMC only):** A reduction of 5% on all hospital inpatient budgeted capital rate add-ons.
- **Quality Pool Add-ons (MMC only):** Elimination of Quality Pool Add-ons. Only applies to Specialty Hospitals, Critical Access Hospitals and Medical Rehabilitation Hospitals.

Appeals:

With the exception of the 2020 budgeted capital and minimum wage updates, which remain unchanged from the January 1, 2020 rates, all data associated with these rates was previously subjected to the appeal process. Therefore, only appeals related to budgeted capital, minimum wage or mathematical errors by the Department will be accepted for this rate period. The capital reductions and elimination of quality and sole community pool add-ons are not subject to appeal since they were implemented in accordance with the enacted SFY 2020-21 Budget.

Given that these rates are being released at the same time as the January 1, 2020 rates, it is not necessary to submit a separate appeal for each rate period if the same issue is being appealed. Please submit only one appeal to the Department of Health that references both rate periods.

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:

- a. A cover letter signed by the Operator or Chief Executive Officer of the hospital containing a summary of the item(s) of appeal.
- b. Supporting schedules or any other pertinent data is to be included with the facility's appeal letter.
- c. 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 7, 2020.** 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 mailed.**

If possible, original appeal copies should be mailed to:

*Ms. Janet Baggetta
Director
Bureau of Hospital and Clinic Rate Setting
One Commerce Plaza, Room 1432
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 Monique Grimm or Tami Berdi will respond to your inquiry.

Sincerely,

Janet Baggetta
Director
Bureau of Hospital and Clinic Rate Setting