



Department of Health

KATHY HOCHUL
Governor

MARY T. BASSETT, M.D., M.P.H.
Commissioner

KRISTIN M. PROUD
Acting Executive Deputy Commissioner

November 3, 2022

(See revised Attachment)

Dear Administrator:

This notification only applies to hospitals that were recently approved for Financially Distressed Hospital rate add-ons.

We are transmitting for your review the calculation of your hospital's updated inpatient acute and psychiatric exempt unit reimbursement rates for **Medicaid Managed Care (MMC)**, which are effective December 1, 2021 – December 31, 2021 and January 1, 2022 – March 31, 2022. Please note that the inpatient rates for Medicaid Fee-for-Service (FFS) and Workers' Compensation/No-Fault (WCNF) have **not** changed and remain the same as the rates previously published for these effective periods. These rates have been promulgated in accordance with Article 2807-c and, for the acute rates, Article 2807-c (35)(c).

These rates are based upon the same information and methodology as the inpatient rates effective October 1, 2021 and January 1, 2022, but take into consideration the following update:

- For dates of service December 1, 2021 – March 31, 2022, the Centers for Medicare and Medicaid (CMS) recently approved rate add-ons to the Medicaid Managed Care rates of payment for hospitals that qualified as financially distressed. These add-ons are only applicable to the acute DRG and psychiatric exempt unit services, as outlined in the billing guidelines attachment to this letter. No other inpatient rates changed as a result of this update.

Managed Care premiums have been adjusted to reflect this payment update. These rates will be posted to the Department of Health's APR-DRG website for the health plans.

Appeals:

All data associated with these rates was previously subjected to the appeal process. The financially distressed hospital rate add-ons are not subject to appeal.

Please refer to the attached billing guidelines associated with the financially distressed hospital rate add-ons. Should you have any questions regarding your rate sheets, please send an email to the hospital rate-setting unit at HospFFSunit@health.ny.gov and either Tami Berdi or John Neuberger will respond. Questions regarding the add-ons, premiums or billing guidelines should be directed to the Bureau of Managed Care Reimbursement at bmcr@health.ny.gov.

Sincerely,

Monique Grimm
Chief Health Care Fiscal Analyst
Bureau of Hospital and Clinic Rate Setting

Attachment

ATTACHMENT
(Billing Guidance for Financially Distressed Hospital Rate Add-ons)
REVISED 12/20/2022

- 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, **2962-2963**, 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 also includes Comprehensive Psychiatric Emergency Program (CPEP) extended observation beds stays.** 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, **2962-2963**, 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