



## Department of Health

**ANDREW M. CUOMO**  
Governor

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

**SALLY DRESLIN, M.S., R.N.**  
Executive Deputy Commissioner

August 22, 2019,

Dear Administrator:

The purpose of this letter is to inform you that the Department of Health (Department) has received Division of the Budget approval for an increase to the age payment adjustment factor for inpatient psychiatric services provided to individuals **17 years of age and under**, effective July 1, 2018 and forward. This update only applies to Article 28 hospitals which have been approved by the New York State Office of Mental Health to provide inpatient psychiatric services and are receiving Medicaid reimbursement using the exempt psychiatric payment methodology.

The Centers for Medicare and Medicaid services (CMS) approved State Plan Amendment 18-0059 which increased the age payment adjustment factor from 1.0872 to 1.3597 for inpatient psychiatric services provided to individuals 17 years of age and under. The age adjustment factor for individuals 18 years of age and older will remain at 1.0000 (no adjustment).

For your records, the Department has posted psychiatric rate sheets effective July 1, 2018 and November 1, 2018 (Series #9227). Please note that there were no changes to the rate components that were already in effect during 2018 since this is only a change to one of the payment adjustment factors used in the payment calculation. However, please refer to the "Medicaid Managed Care Rates" section on page 2 of the rate sheet. A "Psychiatric Operating Rate" has been added that is adjusted by the age adjustment factor. As is customary, the rates on the rate sheets correspond to the rates being published on the Department's public website and the Managed Care (MC) rate publication schedule now includes an additional column to reflect the age adjustment factor. This information was added to the rate sheet to reflect the additional column on the MC rate publication schedule. The claims payment calculation files will also be updated to reflect the increased age payment adjustment factor.

### **Medicaid Fee-for-Service (FFS) Claims Reprocessing:**

The 1.3597 age payment adjustment factor became active within eMedNY on August 16, 2019 and will be applied to applicable psychiatric claims prospectively.

Since eMedNY does not have capability to automatically reprocess FFS claims as a result of the age payment adjustment factor increasing, it was necessary for CSRA to reprocess any previously paid claims for rate code 2852 (for patients 17 and under), with service dates retroactive to July 1, 2018, through a special input processing. The reprocessing of these claims occurred in cycle #2192 with a check date of August 26, 2019 and a check release date of September 11, 2019.

Should you have any questions regarding the above information, please send an email to the hospital rate setting unit at [HospFFSunit@health.ny.gov](mailto:HospFFSunit@health.ny.gov) and either Monique Grimm or Tami Berdi will respond to your inquiry.

Sincerely,

Janet Baggetta  
Director  
Bureau of Mental Hygiene Services, Hospital and Clinic Rate Setting