

October 9, 2003

Dear Payor:

Re: 2003 Annual Public Goods Pool Reporting Forms - Payors

IMPORTANT NOTE TO PAYORS!!!

This notice is being sent to you because your organization is a payor of health care services and has filed an election application to pay certain health care services surcharges directly to the HCRA Public Goods Pools. If you use a third party administrator (TPA) for claims processing, we suggest that you contact them directly concerning any questions you may have regarding this notice.

If you have had a status change and are no longer a payor of medical claims (i.e., no longer self-insured, closed, or merged) or have switched from/to utilizing a TPA, please complete either the enclosed Attachment #2.5 or Payor Merger Questionnaire. If you have switched TPAs, please complete the enclosed Attachment #2.6.

As a result of modifications to the New York Health Care Reform Act (HCRA) enacted by Chapter 62 of the Laws of 2003, the surcharges assessed on net patient service revenues of designated providers are changing for services performed on or after July 1, 2003. The regionally varying Professional Education Pool (PEP) surcharge applicable, in addition to the patient services surcharge, to inpatient hospital payments made by affected non-electing payors has also increased for dates of service July 1, 2003, through June 30, 2005. The law also continues to require the payment of regionally varying PEP covered lives assessments by affected electing third-party payors.

Enclosed please find reporting forms and instructions for annual filers to use when calculating and remitting payments to the Public Goods Pools for the January 1, 2003 through December 31, 2003, reporting period. The report and payment must be submitted (postmarked) by January 30, 2004. The reporting forms must be filed even if there is no activity to report. Since annual filers cannot determine their Public Goods Pool liability until sometime following the last day of the respective reporting year, all reports submitted prior to the end of the respective reporting year will be returned.

Note that the modified statutory provisions require that reports submitted on a monthly basis by electing payors and reports submitted on a monthly or annual basis by electing TPAs shall be submitted electronically for periods on and after July 1, 2004. Electing payors and TPAs are encouraged to submit reports electronically on a voluntary basis prior to July 1, 2004.

Before electronic filing can commence, the enclosed Attachment 2-W must be completed to obtain a secure user ID and password. Payors whose TPA will be filing electronically on their behalf do not need to complete an Attachment 2-W. If you have questions concerning electronic filing, please contact the electronic filing help desk at (315) 671-3800 or via e-mail at webpools@hcrapools.org.

If you are a payor represented by a TPA, be advised that we are forwarding all revised reporting forms and instructions, and all other correspondence relating to your Public Goods Pools payment and reporting obligations, to you as well as your TPA. The primary responsibility of insuring that the reporting forms are timely filed rests with the electing payor. If reports are not filed, or not timely filed, any penalties and interest would be imposed on the electing payor. If you have an agreement with a TPA whereby the TPA is preparing and/or submitting reporting forms on your behalf, it is your responsibility to insure that your TPA files all appropriate report forms in compliance with the instructions in this transmittal.

Section 2807-t(6) of the Public Health Law requires that prospective adjustments be made to Professional Education Pool (PEP) covered-lives assessments to reconcile PEP regional under/over funding for a prior period. The law specifies that such adjustments be made in "...the year next following the calculation of the reconciliation". Since funding of the 2001 PEP is now considered complete, the Department has finalized the level of under/over funding within each region and incorporated this amount in the calculation of the year 2003 regional covered lives assessments. Please note that these 2003 regional covered lives assessment amounts are reflected on the 2003 portion of the Report of Covered Lives Assessment.

Reports must be completed and submitted in accordance with the enclosed instructions. If, upon review, a report is deemed unacceptable, the report may be returned and a delinquency notice issued. Repeated late payments, failure to remit correct amounts, or to provide adequate certification of the accuracy of surcharge payments can result in the revocation of an electing payor's direct pay status potentially subjecting them to higher surcharges. Additionally, untimely filing of reports and payments can result in the imposition of interest and penalties determined in accordance with the provisions of Section 2807-j(8) of the Public Health Law (PHL). Furthermore, PHL Section 2807-j(7) (c) authorizes the Commissioner to assess civil penalties for certain reporting delinquencies.

If you use a TPA, we suggest that you contact them directly concerning any questions you may have regarding this notice. Others having questions regarding the foregoing, or the enclosed forms, should contact a HCRA representative at (518) 474-1673.

Sincerely,

Mark H. Van Guysling
Assistant Director
Division of Health Care Financing

Enclosures