

NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

April 22, 2013

Subject: April 1, 2013 Nursing Home Rates
Revised Bed Hold Per Diem

Dear Administrator:

The purpose of this Dear Administrator Letter (DAL) is to formally advise you that new Medicaid rates for your residential health care facility have been promulgated and are now available on the Health Commerce System (HCS). The rates described herein are effective April 1, 2013 and are all-inclusive rates for health care services provided at your facility.

Per Diem Reduction Related to Bed Hold Statute

The formula on which these rates are based was promulgated in accordance with Article 28 of the PHL and Part 86-2 of the Commissioner of Health's Administrative Rules and Regulations. The revised per diem adjustments in the rates enclosed herein were calculated based on the reduction related to bed hold statute, effective for rate periods beginning on April 1, 2013. Section 2808(25)(c)(iv)(i) of the PHL requires the Commissioner to modify the bed hold payment methodology and implement a per diem adjustment such that the combined impact of these two actions results in savings of \$40 million in 2012-13 and annually thereafter. To achieve the required savings, the rates provided herein include a revised per diem adjustment for all nursing homes (other than nursing homes which provide services primarily to children under the age of twenty-one), to generate savings of \$18.8 million over a full annual period. The per diem adjustment for each nursing home is calculated by multiplying \$18.8 million in savings by each nursing homes share of total Medicaid revenues, divided by total Medicaid days.

Information Regarding the Submission of Appeals

Operating Rate Appeals: Facilities have 30 days from the date of this letter, or until May 22, 2013 to submit appeals to the rates provided herein. Facilities are reminded that effective April 1, 2009, statute provides the Department will only review operating rate appeals for the correction of computational errors or omissions of data by the Department in determining the operating rate based upon information submitted to the Department prior to the computation of the rate. This applies to all administrative operating appeals submitted to the Department on or after April 1, 2009, regardless of the period they pertain to. Thus, all operating appeals submitted under the timeframes provided in this DAL must be in accordance with these provisions. Operating rate appeals submitted that are not in accordance with these provisions are invalid.

Facilities are also reminded that effective April 1, 2009 the Department will not consider any revisions made to a facility's annual cost report (regardless of the year the cost report applies to) for operating adjustment purposes later than the due date established by the Commissioner.

APPEAL SUBMISSIONS FOR RHCF-4 FILERS

(Freestanding facilities and Hospital-Based facilities filing the RHCF-4 cost report)

As indicated in the Department's March 3, 2009 DAL (available on the HCS), appeals submitted on or after April 15, 2009 by mediums other than the new **Electronic Appeals Submission (EAS) System** will not be accepted. The EAS is accessed through the HCS. Detailed instructions regarding initial access through the HCS were provided in the email transmitting the above noted March 3, 2009 DAL.

The EAS System contains features to provide users with assistance, including links to frequently asked questions (FAQs), a User Guide (Help), and access to regulations related to Medicaid reimbursement for nursing homes (i.e., Title 10 of the New York Code of Rules and Regulations (10 NYCRR)). Most screens provide a small tool bar for the user, allowing creation of a new appeal or quick access to the "appeal search" mechanism.

Questions or issues regarding using the new EAS that cannot be resolved by the FAQs or Help links should be submitted via email to the DOH's Bureau of Long Term Care Reimbursement at: nfrates@health.state.ny.us.

The new EAS System accessed through the HCS is available only for Freestanding facilities and Hospital-Based facilities filing the RHCF-4 cost report.

APPEAL SUBMISSIONS FOR RHCF-2 FILERS

(Hospital-Based facilities filing the RHCF-2 Cost Report)

Hospital-Based facilities filing on the RHCF-2 cost report MUST continue to submit appeal requests in hardcopy mailing to the Department. The appeal submission for RHCF-2 filers and any related information associated with the appeal **MUST** be forwarded to the following address:

Mr. John Gahan
Director
Bureau of Primary and Acute Care Reimbursement
One Commerce Plaza, Room 1430
99 Washington Avenue
Albany, New York 12210-2808

RHCF-2 filers that file an appeal with the Bureau of Primary and Acute Care Reimbursement must provide the following information:

- A cover letter, signed by the Operator or Chief Executive Officer, containing a summary of the items of appeal.
- Supporting schedules or any other pertinent data must be included with the facility's appeal letter.

EMAIL ADDRESS

To provide you assistance in understanding the methodology used to calculate rates provided herein, and effectively manage and be responsive to the volume of inquiries the Department has established the following email address: **nfrates@health.state.ny.us**. All email correspondence **should include the facility name in the subject line**, along with the operating certificate number, the sender's phone number, and question(s) in the body of the email.

Sincerely,



Robert J. Loftus
Director
Bureau of Long Term Care Reimbursement
Division of Finance and Rate Setting
Office of Health Insurance Programs