



Department of Health

ANDREW M. CUOMO
Governor

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

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

JUN 09 2015

Re: CHHA Episodic Payment – Interim
Rebasing Adjustment

Dear Administrator:

This is to inform you of revised episodic payment system (EPS) rates effective April 1, 2015 that are now available on the Health Commerce System (HCS) website.

These rates are calculated in accordance with Article 3614.13 of the Public Health Law and Part 86-1.44 of the Commissioner's Administrative Rules and Regulations. These attached rates reflect an interim percentage adjustment of -12% to the current 2009 base year episodic payment rates, as the initial step for implementation of final rebasing of the Episodic Payment System in accordance with Section 3614.13(b) of the Public Health Law.

In accordance with Section 3614.13(b), "Subsequent base year episodic payments may be based on Medicaid paid claims for services provided by all certified home health agencies in a base year subsequent to two thousand nine, as determined by the commissioner, provided, however, that such base year adjustment shall be made not less frequently than every three years". Based on this statutory requirement, the CHHA episodic payment rates are to be rebased effective no later than April 1, 2015. The Department has determined that the latest complete base year data available for rebasing is calendar year 2013 and has begun to finalize implementation of the required rebasing to the 2013 claims data and corresponding 2013 OASIS assessment data. The rebasing will require adjustments to both provider grouper and billing software and also changes to the eMedNY payment system which cannot be retroactively applied. It is anticipated that the final 2013 rebasing will be implemented on October 1, 2015.

In an effort to comply with the statutory requirement for a rebasing effective no later than April 1, 2015, and to preserve the \$30 million annual financial plan savings estimated for the rebasing in the 2015/2016 adopted Budget, the Department is applying the enclosed statewide interim rebasing reduction adjustment to the rates effective April 1, 2015. Based on the latest available statewide CHHA episodic utilization, the enclosed statewide interim reduction adjustment of -12% to your current 2009 base rates achieves this estimated annual statewide savings of approximately \$30 million.

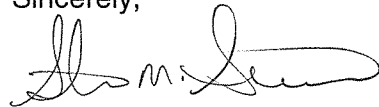
The attached schedule of rates effective April 1, 2015 reflects the -12% reduction to the 109 case mix adjusted payment rates for your agency for providing services to patients 18 years of age and older under the episodic payment system. The rate revisions noted herein have been forwarded to the Office of Health Insurance Programs eMedNY system for payment and will be applied retroactively to claims with episode start dates of April 1, 2015 and subsequent.

It is important to note that these rate revisions do not include any adjustment to the rates for pediatric patients, who continue to be reimbursed on a historical fee-for-service per unit basis, in accordance with Part 86-1.13.

The Department will continue to work on finalizing the implementation of the required final revisions of the episodic payment rates to be based on the 2013 claims data and corresponding 2013 OASIS assessment data, with a target date of full implementation by October 1, 2015. We will be communicating final information to agencies as quickly as possible in an effort to provide sufficient time for agencies and vendors to make appropriate adjustments to grouper and billing software.

If you have any questions or require additional information please contact Tim Casey or Charles Tobey at 518-473-4421.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven M. Simmons", with a stylized, flowing script.

Steven M. Simmons
Director
Bureau of Managed Long Term Care/FFS
Office of Health Insurance Programs

Attachment