

NEW YORK
state department of

HEALTH

DEC 01 2013

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

Sue Kelly
Executive Deputy Commissioner

Re: LTHHCP - 2014 Initial Rates

Dear Administrator:

A copy of your initial 2014 Medicaid rate computation sheet for the period beginning January 1, 2014 is now available on the HCS website.

These initial rates are all-inclusive and are based on the lower of 2012 allowable costs, or regional ceilings, projected to the 2014 rate period as reported in your 2012 cost report. Any appeal to revise your agency's current rates due to a change in charges must be stated in writing on Form DOH-2466 and documented by a copy of the requisite approvals indicating effective dates.

For those agencies who failed to electronically file through the HCS website, either the 2012 cost report or the corresponding operator and certified public accountant certifications, the Department was unable to determine an initial 2014 rate. For those agencies who failed to submit a proper certification, the Department will not issue a final 2014 rate until the certification(s) are electronically submitted. Failure to comply with the reporting requirements of Title 10, Parts 86-5.2 and 5.5 may result in the implementation of penalties pursuant to Part 86-5.2(d) and Section 12-d of the Public Health Law. Failure to correct the submission during the rate "Hotline" period noted below will result in the Department's determination that the program will not receive reimbursement rates for 2014.

Trend Factor

The rates effective January 1, 2014 reflect the application of a 0% roll factor adjustment. The 2013 and 2014 trend factor components have been reduced to 0% in accordance with the New York State budget adopted for fiscal year 2013-14.

Regional Ceilings and Administrative & General Cap

These rates reflect the 2014 peer group regional ceilings based on 2012 costs for each of the service rates, in accordance with Part 86-5.12(a). The statewide average cap on administrative and general costs of 22.66% is based on 2012 costs and applied to the 2014 rate pursuant to Section 3614 of the Public Health Law. Both the regional ceilings and statewide A&G calculation will be finalized based on the latest available 2012 cost report data after the rate Hotline process is completed.

Worker Recruitment and Retention Adjustment

Chapter 82 of the Laws of 2002 added subdivision 8 to Section 3614 of the Public Health Law to provide payment to LTHHCP's for purposes of improving recruitment and retention of non-supervisory home care services workers or any worker with direct patient care responsibility. These rates include an adjustment for worker recruitment and retention. Each LTHHCP was required to submit to the Department of Health a signed certification statement attesting that the funds received will be utilized solely for the purpose of recruiting and retaining non-supervisory home care service workers or any worker with direct patient care responsibility. For those agencies that returned the signed attestation, their initial 2014 rates are increased by three percent (3%) for each service.

Recruitment, Training and Retention Adjustment

In accordance with PHL Section 3614.9, the Department is authorized to adjust Medicaid rates of payment for certified home health agencies, long term home health care programs, AIDS home care programs, hospice programs, and approved managed long term care operating demonstrations to provide funding for purposes of improving recruitment, training and retention (RT&R) of home health aides or other personnel with direct patient care responsibility.

In accordance with PHL Section 3614.10, the rate adjustments are allocated proportionally based on each certified home health agency, long term home health care program, AIDS home care and hospice program's home health aide or other direct care services total annual hours of service provided to Medicaid patients. In accordance with this statutory authority, your 2014 LTHHCP Medicaid rates have been determined to reimburse the appropriate agency-specific allocation of the total RT&R, based on the LTHHCP proportion of services to the total proportion of services for all of the eligible home care provider programs, as determined from Medicaid service utilization. The adjustments are based on a uniform allocation percentage addition of 4.70% for the period of January 1, 2014 through December 31, 2014.

In accordance with PHL Section 3614.10 (b), programs which have their rates adjusted pursuant to this subdivision shall use such funds solely for the purposes of recruitment, training and retention of non-supervisory home care services workers or other personnel with direct patient care responsibility. Such purposes shall include the recruitment, training and retention of non-supervisory home care services workers or any worker with direct patient care responsibility employed in licensed home care services agencies under contract with such agencies.

Agencies are prohibited from using such funds for any other purpose. In accordance with this section, each agency must complete and submit a written certification attesting that such funds will be used solely for the purpose of recruitment, training and retention of non-supervisory home health aides or any personnel with direct patient care responsibility. Only those agencies which properly submitted this attestation received RT&R funding. The statute further authorizes the Commissioner to audit each agency or program to ensure compliance with the written certification and recoup any funds determined to have been used for purposes other than recruitment and retention of non-supervisory home health aides or other personnel with direct patient care responsibility. Such recoupment shall be in addition to any other penalties provided by law.

PHL Section 3614.10(c) states that in the case of services provided by agencies or programs through contracts with licensed home care services agencies, rate increases received by such agencies or programs pursuant to this subdivision shall be reflected, consistent with the purposes of this subdivision, in either the fees paid or benefits or other supports, including training, provided to non-supervisory home health aides or any other personnel with direct patient care responsibility of such contracted licensed home care services agencies, and such fees, benefits or other supports shall be proportionate to the contracted volume of services attributable to each contracted agency. Such agencies or programs shall submit, to providers with which they contract, written certifications attesting that such funds will be used solely for the purposes of recruitment, training and retention of non-supervisory home health aides or other personnel with direct patient care responsibility and shall maintain in their files expenditure plans specifying how such funds are used. The Commissioner is authorized to audit such agencies or programs to ensure compliance with such certifications and expenditure plans and shall recoup any funds determined to have been used for purposes other than those set forth in this subdivision.

Notice Rate Adjustments

These initial 2014 rates are notice rates only, as required by PHL Section 3614.4, and they will not be transmitted to the Office of Health Insurance Programs - eMedNY payment system at this time.

Rate Hotline

The Office of Health Insurance Programs has made every attempt to insure that your rate calculation is complete and accurate. However, mistakes do occur and the Bureau of Long Term Care Reimbursement has instituted an accelerated administrative process to correct any errors. This process, the "Rate Hotline," will be continued this year and will be in effect until February 15, 2014.

Providers may phone the Bureau of Long Term Care Reimbursement with inquiries as to the accuracy of the rates; however, no rate change will be made unless the Bureau has received such inquiry, in writing, properly documented in accordance with Part 86-1. Any and all inquiries relating to the accuracy of your rate must be submitted in writing, and be POSTMARKED no later than February 15, 2014 to effect a change in your rate through this accelerated administrative process.

Revisions to the 2012 Annual Cost Report

Any Hotline appeal item that alters the 2012 cost data requires the 2012 annual report to be filed electronically through the Health Commerce System (HCS) by February 15, 2014. The revised reports must have a new Declaration Control Number (DCN) and must be electronically certified by both the operator and the independent accountant. The electronic certification must be submitted no later than February 15, 2014. Revised cost reports will not be used for Hotline appeal adjustments unless an acceptable appeal is filed in accordance with the above underlined instructions.

Appeals

An appeal to the initial 2014 rate computation must be filed with this office and postmarked no later than April 15, 2014. All appeals should be on forms supplied by this office (copy attached).

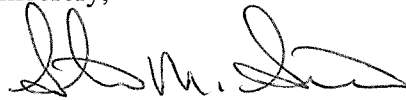
In order to file an appeal with this office, the following information should be provided:

1. A cover letter, signed by the Operator or Chief Executive Officer, containing a summary of the items of appeal. Appeals will not be accepted from consultants or accountants.
2. The appeal packet, form DOH-2466 (copy attached) must be completed. The agency should complete items 1-6 on page 1. Page 2 should be duplicated as many times as necessary so that only one item of appeal appears on each page at Section 10. If more space is needed, summarize the item of appeal on page 2 and attach any further detail on your own schedules. Make sure the agency name appears on each page 2. All information on the form should be typed.
3. Supporting schedules or any other pertinent data NOT related to the annual cost report may be attached.
4. Any item of appeal that alters the cost data for the 2012 annual cost report requires that the revised report be filed electronically. The revised report must have a new Declaration Control Number and must be recertified by both the operator and the independent accountant, if applicable.

To be considered timely filed, the above-mentioned requirements must be met and the appeal packet postmarked no later than April 15, 2014.

If you have any questions related to the methodology utilized in the calculation of your 2014 Medicaid rates or the accuracy of your rate, please contact Gary Crucetti at (518) 473-4421.

Sincerely,

A handwritten signature in black ink, appearing to read "S.M. Simmons". The signature is fluid and cursive, with the first and last names being more prominent than the middle initial.

Steven M. Simmons
Director
Bureau of Long Term Care Reimbursement
Office of Health Insurance Programs

Enclosures