

DEC 01 2013

Re: Certified Home Health Agencies -
2014 Initial Rates for Pediatric Patients

Dear Administrator:

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

These initial rates are all-inclusive and are based on the lower of 2012 allowable costs (held to regional ceilings) projected to the 2014 rate period or your established public charges as reported in your 2012 cost report. These rates will be used to reimburse claims for patients under 18 years of age, and for patients served by a pilot program which provides services to a special needs population of medically complex and fragile children, adolescents and young disabled adults. All other CHHA services are reimbursed on the basis of 60-day episodes of care beginning May 1, 2012.

Any appeal to revise your agency's 2014 rates due to a change in public 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 86-1.2, 1.3, 1.6 and 1.7 may result in the implementation of penalties pursuant to Part 86-1.2(c) 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 0.0% roll factor adjustment. The 2013 and 2014 trend factor components have been reduced to 0% in accordance with the adopted New York State budgets.

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 86-1.13(a). The statewide average cap on administrative and general costs of 22.68% 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 CHHAs 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 CHHA 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. The adjustments are based on an aggregate amount of up to \$100,000,000 for the period of April 1, 2013 through March 31, 2014.

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 CHHA Medicaid rates have been determined to reimburse the appropriate agency-specific allocation of the total RT&R, based on the CHHA 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 add-on of 4.70% for the 2014 rate.

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 Rates

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 January 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 January 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 that the 2012 annual report be refiled electronically through the Health Commerce System by January 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 January 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.

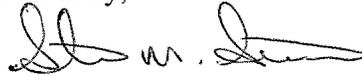
To be considered timely filed, the above-mentioned requirements must be met and the appeal packet postmarked no later than April 15, 2014.

The submission of an appeal and any related information associated with the appeal must be sent to:

Mr. Steven M. Simmons, Director
Bureau of Long Term Care Reimbursement
One Commerce Plaza - Room 1430
99 Washington Avenue
Albany, NY 12210-2808

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 Tim Casey or Charles Tobey at (518) 473-4421.

Sincerely,

A handwritten signature in black ink, appearing to read "S. M. Simmons". The signature is fluid and cursive, with a large initial "S" and a long horizontal stroke at the end.

Steven M. Simmons

Director

Bureau of Long Term Care Reimbursement
Office of Health Insurance Programs

Enclosures

1. NAME OF FACILITY:
2. ADDRESS OF FACILITY:
3. TYPE:
4. SPONSOR:
5. COUNTY:
6. OPCERT:

7. APPEAL NO.

DATE RECEIVED

ACKNOWLEDGED

8. SCHEDULE OF RATE REVISIONS DUE TO THIS APPEAL:

SERVICE	FROM	TO	EFFECTIVE PERIOD
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NAME OF FACILITY:

APPEAL NO.

*Item of appeal must be fully stated below and all required documentation must be attached. Failure to do so may result in a denial of this item of appeal.

*Separate page required for each item of appeal.

10. STATEMENT OF ISSUE:

**NEW YORK STATE DEPARTMENT OF HEALTH
BUREAU OF LONG TERM CARE REIMBURSEMENT**

**CERTIFIED HOME HEALTH AGENCY
REPORT OF SERVICES AND CHARGES**

INSTRUCTIONS - Please return completed form to: New York State Department of Health, Bureau of Long Term Care Reimbursement, Attention: Home Care Unit, One Commerce Plaza, Room 1430, 99 Washington Ave., Albany, New York 12210-2808.

Please Note: If you have already filed your annual cost report electronically via the Health Commerce System (HCS) and wish to report only a change in your public charges, you do not need to amend your electronic cost report. You only need to file this form with the Department.

NAME OF AGENCY: _____

LICENSE NUMBER (Operating Certificate): _____

MMIS ID #: _____

Part 1 - General Information Public Fee Schedule		Established Charge to the General Public (Please circle Yes or No)		Charge to the General Public * (State the dollar amount for each service level)	Effective Date (State the date on which the charge for each service level became effective)
		00001	00002		
Nursing - General	0010	YES	NO	\$	
Physical Therapy	0020	YES	NO	\$	
Speech Pathology	0030	YES	NO	\$	
Occupational Therapy	0040	YES	NO	\$	
Home Health Aide Visits	0050	YES	NO	\$	
Home Health Aide Hours	0060	YES	NO	\$	

* Charges must be those which have been approved by the agency's governing authority.

REMARKS:

Signature of Agency Operator (Proprietary Agency)
or Chief Administrative Officer

Date

Title

Revised 11/2013