14 NYCRR Part 578

Express Terms

1. Paragraph (4) of subdivision (a) of Section 578.8 of Title 14 NYCRR is amended to read as follows:

   (4) The allowable costs, as set forth in paragraph (1) of this subdivision, that meet the requirements stated in paragraphs (2) and (3) of this subdivision, shall be trended by the applicable Medicare inflation factor for hospitals and units excluded from the prospective payment system except for the rate periods effective July 1, 1996 through June 30, 1997, and July 1, 2009 through June 30, 2010, where the inflation factor used to trend costs will be limited to the inflation factor for the first year of the two-year period. No trend shall be applied to allowable costs for the rate period effective July 1, 2013 through June 30, 2014.

2. Subdivision (d) of Section 578.9 of Title 14 NYCRR is amended to read as follows:

(d) For a currently certified residential treatment facility decreasing certified bed capacity by 20 percent or more, the rate of payment may be computed using the facility's existing reimbursement adjusted by the budgeted variable costs associated with the decrease in certified capacity. Rate(s) of payment may be calculated to reflect a phase down period, and a budget based period thereafter. Each period may not exceed 12 months.

   (1) Rates of payment calculated for the phase down period shall be developed from the residential treatment facility's existing reimbursement, adjusted by any variable cost decreases or extraordinary cost increases, and adjusted by the phase down utilization.

More than one rate of payment may be calculated to coincide with the facility's phase down period, which shall be determined at the commissioner's discretion.

(i) The existing rate of payment is multiplied by the patient days used in the calculation of that rate of payment, resulting in a dollar amount of reimbursement.

(ii) The amount of reimbursement is adjusted by the applicable amount of variable cost decrease and the amount of any extraordinary cost associated with the phase down.

(iii) The total reimbursement is then divided by the product of the targeted certified capacity for the applicable period of the phase down, multiplied by the number of days in the period and by a minimum utilization of [97] 96 percent.

(2) The rate of payment for the subsequent budget based period shall be developed from the residential treatment facility's existing reimbursement, adjusted by any variable cost decreases or extraordinary cost increases, adjusted for inflation as appropriate, and adjusted to the staffing standards for medical/clinical and nursing categories, as approved by the commissioner.

(i) The existing rate of payment is multiplied by the patient days used in the calculation of that rate of payment, resulting in a dollar amount of reimbursement. The reimbursement is then increased by an appropriate inflation factor, as determined by the commissioner.

(ii) The amount of reimbursement is adjusted by the applicable amount of variable cost decrease and the amount of any extraordinary cost associated with the phase down.

(iii) Costs for the medical/clinical and nursing categories are deleted, and are substituted as follows. Medical/clinical and nursing costs are computed using the full time equivalent staffing standards, as approved by the commissioner, multiplied by the facility's salary and fringe benefit cost experience. The resulting combined amount is subject to the average salary and fringe benefit screens, as specified in section 578.8(a)(2)(ii) and (iii) of this Part, multiplied by the approved staffing standards. The cost data is made comparable by applying the appropriate trend factors as determined by the commissioner.

(iv) Capital costs shall be updated in accordance with the approved costs as specified in section [578.8(a)(6)] 578.8(a)(5) of this Part.

(v) The total reimbursement (the sum of immediately preceding subparagraphs (i) through (iv) of this paragraph) is then divided by the product of the certified capacity for the phased down budget based period, multiplied by the number of days in the period and by a minimum utilization of [97] 96 percent.

3. Subdivision (a) of Section 578.13 of Title 14 NYCRR is amended to read as follows:

(a) For purposes of determining a rate of payment, allowable patient days shall be computed using the higher of allowable days pursuant to section 578.4(b) of this Part or a minimum utilization of [95] 93 percent of certified bed capacity, provided that the number of

allowable days shall not exceed a maximum utilization of [98] 96 percent of certified bed capacity.

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