

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

|                        |                       |
|------------------------|-----------------------|
| TO<br><i>Singleton</i> | DATE<br><i>9-8-11</i> |
|------------------------|-----------------------|

| DIRECTOR'S USE ONLY  | ACTION REQUESTED   |
|--|--|
| 1. LOG NUMBER<br><i>100113</i>   | <input type="checkbox"/> Prepare reply for the Director's signature<br>DATE DUE _____  |
| 2. DATE SIGNED BY DIRECTOR<br><i>Cleaved 10/5/11, letter attached.</i> | <input checked="" type="checkbox"/> Prepare reply for appropriate signature<br>DATE DUE <i>9-16-11</i><br><input type="checkbox"/> FOIA<br>DATE DUE _____<br><input type="checkbox"/> Necessary Action |

| APPROVALS<br>(Only when prepared for director's signature) | APPROVE | * DISAPPROVE<br>(Note reason for disapproval and return to preparer.) | COMMENT |
|--|---------|---|---------|
| 1.   |         |   |         |
| 2.   |         |   |         |
| 3.   |         |   |         |
| 4.   |         |   |         |



**RECEIVED**

August 26, 2011

SEP 08 2011

SOUTH CAROLINA PARTNERS F  
PO BOX 8206  
COLUMBIA , SC 29202

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear Sir or Madam,

You are receiving this letter because you had paid claims with Rochester General Health System between 2004 and 2011. We are in the process of reviewing our procedures in regards to the NYS HCRA surcharge.

As you may know, **HCRA** is a major component of New York State's Health Care financing laws which governs hospital reimbursement methodologies and targets funding for a multitude of health care initiatives. The law also requires that certain third-party payors and providers of health care services participate in the funding of these initiatives through the submission of authorized surcharges and assessments.

As a third-party payor you are subject to this surcharge. If you choose to remit the surcharge directly to the Office of Pool Administration you pay 9.63%. If you choose to remit the surcharge to the provider, who is then responsible for passing along the surcharge to the Office of Pool Administration, you pay 9.63% plus a penalty of 28.27%, plus a graduate medical education surcharge of 18.62% totaling 56.27%. As you can see there is a significant monetary advantage in electing to pay the surcharge directly to the state. I have included a link for more information on changing your election status with NYS.

<http://www.nyhealth.gov/nysdoh/hcra/forms.htm>

We would like to confirm with you your elected process for the HCRA surcharge. Please address the following items in your response by mail or email to Sheryl Valente as indicated below:

1. Are you currently an electing payor making payments directly into the NYS HCRA Pool for claims paid to RGH?
2. Please specify your state ID for each product line.

Note that we will begin directly billing the NYS surcharge in addition to the penalty and GME surcharge to all payors not electing. If you do not respond to this letter within 30 days of the date, we will retroactively bill you for prior claims paid that did not include the surcharge and notify the NYS Office of Pool Administration. If you have any questions please direct them to Sheryl Valente, Manager, Patient Financial Services, 585-922-1811 or email: [Sheryl.valente@rochestergeneral.org](mailto:Sheryl.valente@rochestergeneral.org).

Sincerely,

John Midolo  
Vice President, Patient Financial Services  
Rochester General Health System

Log # 000113

October 5, 2011

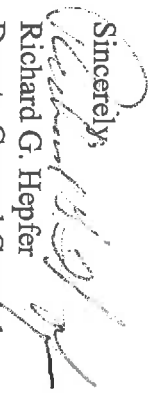
Mr. John Midolo  
Vice President, Patient Financial Services  
Rochester General Health System  
100 Kings Highway South  
Rochester, NY 14617

Re: Your Enclosed Letter

Dear Mr. Midolo:

I represent the South Carolina Medicaid Program, to which the letter was directed. We understand that your advisors are trying to determine if the New York Health Care Recovery Act was intended to apply to out-of-state Medicaid Programs, and that my agency should take no action at this time. In their deliberations, we hope they will consider that all State Medicaid Programs are required to limit providers to those who accept Medicaid payment as payment in full. 42 CFR §447.15. On the other hand, all state Medicaid Programs are required to provide payments to some extent for services furnished out of the home state. 42 CFR §431.52.

If possible, please let us know the outcome of the interpretation of the NY HCRA. My direct is (803) 898-2791.

Sincerely,  
  
Richard G. Hepfer  
Deputy General Counsel

Enclosure

cc: Jeff Saxon, Reimbursement  
Val Williams, Physician Svcs.  
Zenovia Vaughn, Hospital Svcs.

log # 113

October 5, 2011


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Rochester General Health System  
100 Kings Highway South  
Rochester, NY 14617

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OCT 07 2011

SCDHHS BUREAU OF REIM.  
METHODOLOGY & POLICY



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