



STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower The Governor Nelson A. Rockefeller Empire State Plaza

Albany, New York 12237

February 16, 2007
DPACS: 07-04

To All Article 28 General Hospitals

Dear CEO:

As previously communicated, Chapter 57 of the Laws of 2006 has added a new Subdivision 9-a to Section 2807-k of the NYS Public Health Law requiring all general hospitals to implement patient financial aid policies and procedures that are in conformance with the provisions of this law. Such policies and procedures were required to be in place by January 1, 2007, and are a condition for receipt of Hospital Indigent Care and High Need funding for awards applicable to periods on and after January 1, 2009.

Under the provisions of this law, the Department of Health was directed to complete three tasks to assist hospitals in fully implementing its statutory requirements. Below is a description of these tasks and actions required by hospitals to address related issues.

Designation of Primary Service Areas

Paragraph (f) of this new Subdivision, requires each general hospital to provide prescribed financial aid to all qualifying patients who are New York State residents in need of emergency services. For all other medically necessary hospital services, medical care and prescribed financial aid must be provided to qualifying patients who reside in each hospital's primary service area as determined according to criteria established by the Department and may be provided to other patients.

In developing such criteria, the Department was required to consult with representatives of the hospital industry, health care consumer advocates, and local public health officials. On December 6, 2006, proposed criteria were issued for such review and comment. Based upon receipt of these comments, these proposed criteria have been substantially modified to respond to a number of concerns raised to the Department as part of this process.

Enclosed with this letter are two attachments: 1) Hospital Financial Assistance Policies and Procedures – Primary Service Area Criteria and; 2) Hospital Primary Service Areas by Counties of Location. Specifically, the Primary Service Area criteria outline the policies and procedures which must be followed by hospitals in implementing their assigned Primary Service Area designations. The list of Hospital Primary Service Areas by County of Location identifies the areas that must be covered by a hospital's financial aid policies and procedures.

To fully implement such criteria, each hospital must submit a letter to the Department describing any residency requirements it will use to extend discounted financial aid to patients deemed eligible pursuant to the hospital's conforming financial aid policies and procedures. **Please be aware, that discounts prescribed by law must be available to all patients residing in your assigned Primary Service Area for those receiving medically necessary treatment.**

This letter is due to the Department on March 2, 2007 and should be sent to:

Martin Conroy
Director, Division of Primary and Acute Care Services
Hedley Building
6th Floor, 433 River Street
Troy, New York 12180-2299

Nominal Payment Guidelines

Paragraph (b)(i) of this new Subdivision, prohibits hospitals from collecting any amount in excess of a nominal payment amount for eligible patients at or below 100% of the Federal Poverty Level as established pursuant to guidelines issued by the Department. Hospitals are free to charge less.

Based upon a review of the maximum amounts charged to patients in this income category by our largest public provider of uninsured services, the Department has concluded that all other hospitals throughout the State should charge no amount in excess of such levels. Consequently, the guidelines below represent the **maximum total amount** which can be charged by the hospital, to eligible patients at or below 100% of the Federal Poverty Level by major service category:

Nominal Payment Guidelines:

Inpatient Services - \$150/Discharge
Ambulatory Surgery - \$150/Procedure
MRI Testing - \$150/Procedure
Adult ER/Clinic Services - \$15/Visit
Prenatal and Pediatric ER/Clinic Services – No Charge

Asset Considerations

Paragraph (b)(vi) of this new Subdivision, permits a hospital to consider, on a case by case basis, the existence of significant assets owned by a patient, and/or legally responsible individual, when determining the mandated level of discounts to be applied to patients at or below 150% of the Federal Poverty Level.

A December 5, 2006, letter was issued to all hospitals by the Department requiring the completion of an enclosed survey asking if such asset consideration was to be incorporated in your established policies and procedures and, if so, requiring the submission of a certification

agreeing to compliance with conditions specified in this enclosed survey. The letter directed that a response be due to the Department by December 29, 2006.

To date, ninety-seven hospitals responded that such asset considerations would not be incorporated in their financial aid policies and procedures. Fifty-six hospitals responded they would, and submitted the prerequisite signed certification. Responses for sixty-one hospitals remain outstanding.

As stated in the December 5, 2006 correspondence, failure to properly submit this survey/certification prohibits your hospital from considering assets in determining the level of discounts applicable to eligible patients at or below 150% of the Federal Poverty Level. If such consideration is to be made, your hospital must submit this prerequisite survey to:

Mr. Richard Pellegrini
Director
Bureau of Financial Management and Information Support
New York State Department of Health
Room 984, Corning Tower Building
Empire State Plaza
Albany, New York 12237

Through implementation of the above referenced requirements, hospitals should now be able to effectuate financial aid policies and procedures which are in full compliance with the provisions of this new mandate. Should you have any questions on the Primary Service Area requirements and related reporting procedures, please contact Martin Conroy at (518) 402-1004. Any questions regarding the nominal payment guidelines or asset considerations should be directed to Mr. Rick Pellegrini at (518) 474-1673.

Sincerely,

A handwritten signature in black ink that reads "David Wallin". The signature is written in a cursive, flowing style.

Director
Office of Health Systems Management

Hospital Financial Assistance Policies and Procedures
Primary Service Area Criteria

Criteria for the establishment of Primary Service Areas:

- (1) Pursuant to Public Health Law (PHL) § 2807-k(9-a)(f), a primary service area (PSA) must be established for each inpatient facility possessing a separate Permanent Facility Identifier (PFI) number under its Article 28 General Hospital certificate. The Department is required to establish criteria for determining such primary services areas.

- (2) As determined by the Department, the legally mandated minimum PSA for each facility shall be as follows:
 - (a) For each hospital located in any of the five counties that make up New York City, such hospital's PSA shall consist of all such five counties, plus any such other counties within the State which are contiguous with the county in which such hospital is located.
 - (b) For all hospitals located in counties other than the five counties that make up New York City, the PSA for each such hospital shall consist of the county in which each such hospital is located, plus all contiguous counties. In addition, hospitals in certain counties have been assigned PSAs which include non-contiguous counties in order to achieve sufficient legally mandated coverage for every geographic area of the State.
 - (c) Attached is a chart which lists each county in the State and the PSA assigned to all hospitals in each such county.

(d) Hospitals may, at their discretion, extend the application of their financial aid policies and procedures to persons residing outside their PSAs and are encouraged to do so. In particular, hospitals which provide specialized medical services and procedures which are not readily available in other facilities are strongly encouraged by the Department to extend the application of their financial aid policies and procedures to persons residing outside their PSAs with regard to such specialized services and procedures, whether self-referred or referred by another provider or institution.

(e) Hospitals which are willing to extend the application of their financial aid policies and procedures to all eligible persons residing within the State, or which are willing to extend such policies to areas of the State outside their PSAs, are asked to so advise the Department regarding the extent of such additional coverage.

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(3) Hospitals are required to make medically necessary medical care and financial aid available to all patients who reside in their PSAs and who otherwise meet the eligibility criteria set forth in PHL § 2807-k(9-a).

Process for Publicizing Each Hospital's Primary Service Area:

- (1) The Department will post a description of each distinct facility's primary service area on each hospital's profile published on the New York State Hospital Profile available on the Department's website and shall also post information regarding those hospitals which have advised the Department of their willingness to extend the application of their financial aid policies and procedures to areas outside their PSAs.

- (2) Any proposed change to a hospital's designated PSA must be reviewed and approved by the Department prior to its implementation.

Hospital Primary Service Areas by County of Location

Hospital County	Contiguous Counties in PSA	Additional Counties in PSA
Albany	Albany Columbia Greene Rensselaer Saratoga Schenectady Schoharie	Warren Washington
Allegany	Allegany Cattaraugus Livingston Steuben Wyoming	
Bronx	Bronx New York Queens Westchester	Kings Richmond
Broome	Broome Cortland Chenango Delaware Tioga	Chemung
Cattaraugus	Allegany Cattaraugus Chautauqua Erie Wyoming	
Cayuga	Cayuga Cortland Onondaga Oswego Seneca Tompkins Wayne	
Chautauqua	Cattaraugus Chautauqua Erie	
Chemung	Chemung Schuyler Steuben Tioga Tompkins	
Chenango	Broome Chenango Cortland Delaware Madison Otsego	
Clinton	Clinton Essex Franklin	
Columbia	Albany Columbia Dutchess Greene Rensselaer Ulster	

Hospital Primary Service Areas by County of Location

Hospital County	Contiguous Counties in PSA	Additional Counties in PSA
Cortland	Broome Cayuga Chenango Cortland Madison Onondaga Tioga Tompkins	
Delaware	Broome Chenango Delaware Greene Otsego Schoharie Sullivan Ulster	
Dutchess	Columbia Dutchess Orange Putnam Ulster	
Erie	Cattaraugus Chautauqua Erie Genesee Niagara Wyoming	Allegany
Essex	Clinton Essex Franklin Hamilton Warren Washington	
Franklin	Clinton Essex Franklin Hamilton St. Lawrence	
Fulton	Fulton Hamilton Herkimer Montgomery Saratoga Schenectady	
Genesee	Erie Genesee Livingston Monroe Niagara Orleans Wyoming	
Greene	No Hospitals	
Hamilton	No Hospitals	

Hospital Primary Service Areas by County of Location

Hospital County	Contiguous Counties in PSA	Additional Counties in PSA
Herkimer	Fulton Hamilton Herkimer Lewis Montgomery Oneida Otsego St. Lawrence	
Jefferson	Jefferson Lewis Oswego St. Lawrence	
Kings	Kings New York Queens Richmond	Bronx
Lewis	Herkimer Jefferson Lewis Oneida Oswego St. Lawrence	
Livingston	Allegany Genesee Livingston Monroe Ontario Steuben Wyoming	
Madison	Chenango Cortland Madison Oneida Onondaga Oswego Otsego	
Monroe	Genesee Livingston Monroe Ontario Orleans Wayne	Schuyler Seneca Yates
Montgomery	Fulton Herkimer Montgomery Otsego Saratoga Schenectady Schoharie	
Nassau	Queens Suffolk	
New York	Bronx Kings New York Queens Richmond	
Niagara	Erie Genesee Niagara Orleans	

Hospital Primary Service Areas by County of Location

Hospital County	Contiguous Counties in PSA	Additional Counties in PSA
Oneida	Herkimer Lewis Madison Oneida Oswego Otsego	Hamilton
Onondaga	Cayuga Cortland Madison Onondaga Oswego	Jefferson Lewis St. Lawrence
Ontario	Livingston Monroe Ontario Seneca Steuben Wayne Yates	
Orange	Dutchess Orange Putnam Rockland Sullivan Ulster Westchester	
Orleans	Genesee Monroe Niagara Orleans	
Oswego	Cayuga Jefferson Lewis Madison Oneida Onondaga Oswego	
Otsego	Chenango Delaware Herkimer Madison Montgomery Oneida Otsego Schoharie	
Putnam	Dutchess Orange Putnam Rockland Westchester	
Queens	Bronx Kings Nassau New York Queens	Richmond

Hospital Primary Service Areas by County of Location

Hospital County	Contiguous Counties in PSA	Additional Counties in PSA
Rensselaer	Albany Columbia Greene Rensselaer Saratoga Washington	
Richmond	Kings New York Richmond	Bronx Queens
Rockland	Orange Putnam Rockland Westchester	
Saratoga	Albany Fulton Hamilton Montgomery Rensselaer Saratoga Schenectady Warren Washington	
Schenectady	Albany Montgomery Saratoga Schenectady Schoharie	
Schoharie	Albany Delaware Greene Montgomery Otsego Schenectady Schoharie	
Schuyler	Chemung Schuyler Seneca Steuben Tompkins Yates	
Seneca	No Hospitals	
St. Lawrence	Franklin Hamilton Herkimer Jefferson Lewis St. Lawrence	
Steuben	Allegany Chemung Livingston Ontario Schuyler Steuben Yates	

Hospital Primary Service Areas by County of Location

Hospital County	Contiguous Counties in PSA	Additional Counties in PSA
Suffolk	Nassau	
Sullivan	Delaware Orange Sullivan Ulster	
Tioga	No Hospitals	
Tompkins	Broome Cayuga Chemung Cortland Schuyler Seneca Tioga Tompkins	
Ulster	Columbia Delaware Dutchess Greene Orange Sullivan Ulster	
Warren	Essex Hamilton Saratoga Warren Washington	
Washington	No Hospitals	
Wayne	Cayuga Monroe Ontario Seneca Wayne	
Westchester	Bronx Orange Putnam Rockland	
Wyoming	Allegany Cattaugus Erie Genesee Livingston Wyoming	
Yates	Ontario Schuyler Seneca Steuben Yates	