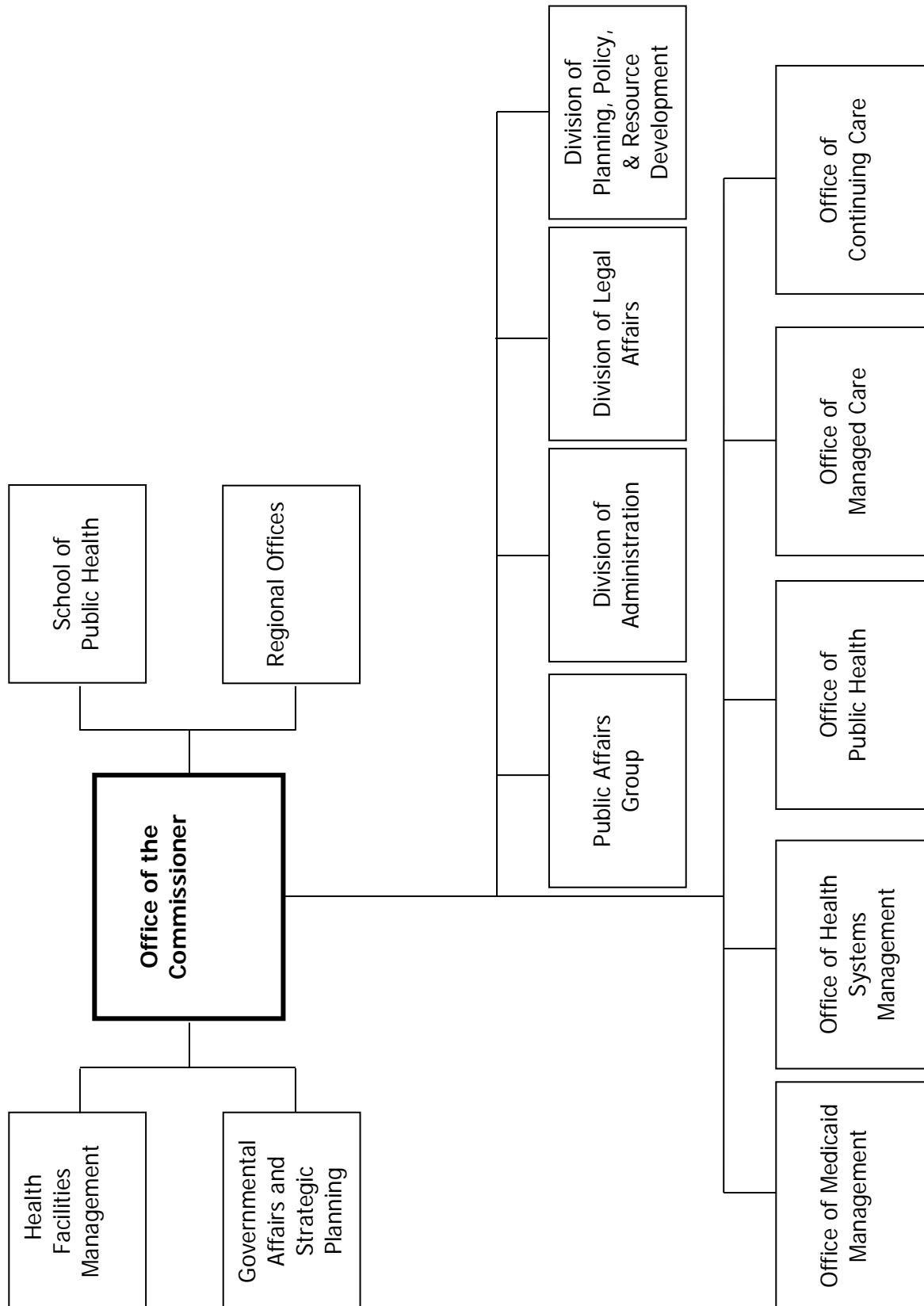


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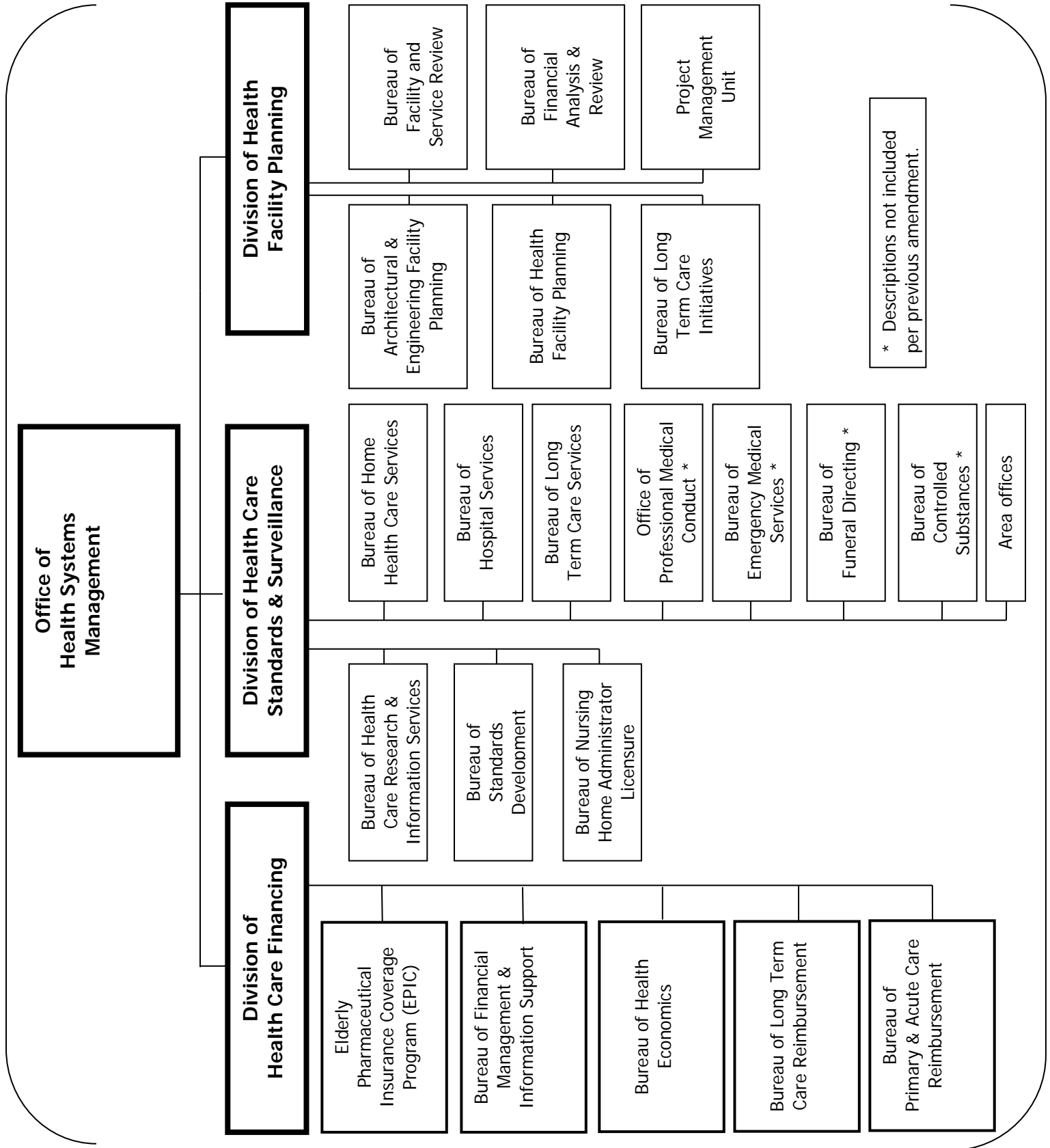
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[Organizational Unit: Division of Health Care Standards and Surveillance

The responsibilities discharged through the Division of Health Care Standards and Surveillance support the Department's mandated purposes of protecting, promoting and preserving the health of the residents of New York State. The Division's activities, include setting the minimum inspection of facilities needed to monitor and enforce those standards to safeguard the health of the State's entire population, regardless of geographic location or ability to pay. From the newborns in hospitals to the elderly in the nursing homes, the constant surveillance of the full spectrum of medical services provided to the State's varied population groups serves to reduce morbidity and mortality by enduring that those services meet Federal and State requirements. This surveillance process includes not only the routine inspection of providers, but also the investigation of all complaints received. Whether they are the frail elderly of the State's population, or the developmentally disabled children, the surveillance of health care providers helps to ensure that the quality of their lives reaches optimal levels.

The Division discharges its responsibilities through two groups, the Health Care Standards and Analysis Group and the Health Care Surveillance Group.

The Health Care Standards and Analysis Group is comprised of the following bureaus:

1. Bureau of Standards Development
2. Bureau of Health Care Research and Information Services
3. Bureau of Nursing Home Administrator Licensure

The Health Care Surveillance Group is comprised of the following three bureaus:

1. Bureau of Hospital Services
2. Bureau of Long Term Care Services]

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[3. Bureau of Home Health Care Services

The Group's surveillance function is discharged through area offices located in Albany, Buffalo, Rochester, Syracuse, New York City and New Rochelle. In addition, the New Rochelle area office operates a sub-office on Long Island.

Staff resources are directed toward meeting objectives which will ensure the provision of accessible, efficient, effective and high quality health care services.]

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[Organizational Unit: Bureau of Standards Development

The Bureau develops health care standards necessary to implement Federal and State legislation applicable to all types of health care providers and services. These standards include facility or agency operating standards and standards governing the quality and availability of services provided under the Medical Assistance Program (Medicaid). In addition to the revision and modification of standards related to established forms of health care services, the Bureau is responsible for the formulation of standards dealing with new and innovative program areas. The Bureau also staffs the Code Committee of the State Hospital Review and Planning Council.

The Bureau, through its Pharmacy Unit, maintains the list of drugs eligible for reimbursement under the NYS Medicaid program, and the list of drugs eligible to be substituted for brand name prescription drugs under the NYS Generic Drug Substitution Program. Pharmaceutical provider plans, to ensure compliance with the Drug Imprinting and Labeling Law, are monitored by the Pharmacy Unit. In addition, support is provided to the EPIC (Elderly Pharmaceutical Insurance Coverage) program to determine the appropriateness of drugs covered under that program.

The Bureau has responsibility for the administration of Medical Assistance Program training funds and assists in the development of specific training initiatives.

The Bureau serves as the primary resource to the OHSM on the qualifications and scope of practice of particular professions. The staff includes administrative as well as professional personnel in various clinical care disciplines including dentistry, medicine, nursing, occupational therapy, pharmacy, and social work.]

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[Organizational Unit: Bureau of Health Care Research and Information Services

The Bureau of Health Care Research and Information Services (BHCR/IS) staff generate and maintain data registries in support of the Division's standard setting and surveillance activities and coordinate health care research and analysis activities throughout the Division.

These services, provided through the use of quantitative analysis, management science and electronic data processing, enhance the Division's ability to meet its objective of assuring that the State's health system provides high quality care, thus reducing morbidity and mortality.

The Bureau has four organizational units:

- **Systems Development:** This unit is responsible for the planning and implementation of mainframe user systems and user portions of production systems that support the regulatory missions of the Division.
- **Policy Analysis:** This unit is responsible for providing quantitative policy analysis and program evaluation services to the regulatory bureaus within the Division and to OHSM executive staff.
- **Personal Computer/Data Communications Support and Application Programming:** This unit is responsible for the completion of all special purpose computer programming tasks requested by executive of program staff, and for the installation and support of PC equipment, terminals and printers throughout the Division.
- **Information Systems and Health Statistics Group (ISHS) Liaison:** An individual has been designated for lead responsibility in coordinating day-to-day contacts between Division staff and ISHS. In addition to facilitating Divisional access to ISHS services, this arrangement provides a quasi-management link to the production programmers assigned to the Division.]

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[Organizational Unit: Bureau of Nursing Home Administrator Licensure

The activities of the Bureau of Nursing Home Administrator Licensure help to ensure the provision of appropriate and necessary health care services to the chronically ill and frail elderly population residing in nursing homes in New York State.

The Bureau of Nursing Home Administrator Licensure (BNHAL) services as staff to the New York State Board of Examiners of Nursing Home Administrators. The Board is responsible for establishing standards of education, training, and experience and providing for the examination, licensure, and registration of nursing home administrators in New York State. Currently, there are 3,650 individuals licensed as nursing home administrators in New York State.

The Board is also responsible for initiating disciplinary action against administrators who violate provisions of Article 28-D of the Public Health Law, which defines the practice of nursing home administration. The Board may suspend, revoke, annul or censure the license or registration of an administrator for violations of the Public Health law. In addition, the Board may assess civil penalties against administrators when it deems appropriate.]

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[Organizational Unit: Bureau of Home Health Services (HHS)

The Bureau of Home Health Services has six primary areas of program responsibility: 1) regulation and certification of Certified Home Health Agencies (CHHA), 2) licensure and regulation of home care service agencies, 3) development and implementation of the Long Term Home Health Care Program (LTHHCP), 4) certification and regulation of the Hospice program, 5) development, implementation and evaluation of the Chapter 831 Home Health Care Grant program and Home Health Grant Training program, and 6) provision of staff support to the State Council on Health Care Services. The Bureau is responsible for coordinating the activities of program staff in these areas through the six OHSM area offices.

The development of cost effective and high quality noninstitutional alternatives is the common thread which unifies the Bureau's major responsibilities. Each major program area is developmental in nature when compared to the more traditional forms of health delivery. A major focus of Bureau activity is the creation and implementation of innovative surveillance protocols for assuring quality in the care delivered by such programs. The facilitation and revision of legislation, regulations, and policies to create the proper environment for the development and competitive existence of home based programs is also a major component of such ongoing activities.]

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[Organizational Unit: Bureau of Hospital Services

The primary goal of the Bureau of Hospital Services is to promote and assure the quality of inpatient, outpatient and emergency room care provided in the 268 hospitals established under Article 28 of the Public Health Law..

In the assurance of regulatory compliance, the Bureau's programs include a comprehensive Article 28 survey program, targeted Article 28 surveys, complaint investigation surveys, the incident reporting program, character and competence reviews as part of the certificate of need process, and Title XVIII surveys. In addition, the Bureau initiates enforcement actions against facilities to ensure regulatory compliance.

During the 1988-89 fiscal year, the Department consolidated its Utilization Review (UR) program, and as a result, the Department now has one Medicaid UR agent for upstate New York (Network Design Group) and one for the New York City and Long Island region (Island Peer Review Organization). The actual review activity is being conducted through contractual arrangements with these two medical review groups.

Comprehensive Article 28 Survey Program

The comprehensive Article 28 survey program is designed to focus on patient outcomes through the assessment of quality of patient care and the effectiveness of internal hospital quality assurance systems.]

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[Organizational Unit: BUREAU OF LONG TERM CARE SERVICES

The Bureau of Long Term Care Services is the central program office responsible for the Office of Health Systems Management's long term care regulatory activities. The Bureau is responsible for directing the area office surveillance program as specified by the Health Care Financing Administration under the 1864 Agreement designating the Department of Health as the state surveillance agent for nursing homes. The program is required to enforce facility operating standards and monitor the quality of care delivered to approximately 103, 714 patients/residents residing in 628 long term care facilities as specified in Titles XVIII/XIX of the Federal Social Security Act and Article 28 of the Public Health Law.

As the central, coordinative point for the survey process, the Bureau must assure that long term care standards are enforced effectively and uniformly throughout the State. The Bureau's activities are directed at ensuring that the State's skilled nursing facilities are providing all services and care necessary to enable each resident to achieve his or her highest practicable level of physical, mental and psychosocial well-being as required by federal regulation.

The activities of the Bureau of Long Term Care Services are carried out by three separate units within the Bureau: (1) Quality Assurance, Complaint Investigation, and Enforcement; (2) Surveillance Program Operations and Development; and (3) Facility Operations and Control.]

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[Organizational Unit: Division of Health Facility Planning]

The Division of Health Facility Planning, funded within the Health Care Standards and Surveillance program is responsible for the administration of the State's Certificate of Need (CON) activities. The State mandated CON program provides a planning mechanism to ensure that health care resources are developed and made available to the public in a comprehensive, coordinated manner which is responsive to the public's health care needs. Each proposal is evaluated based on community need for beds and services, financial feasibility and cost efficiency of the project, and the competence and character of the sponsors. The review of CON applications and determination of need provide a vital step in achieving the Department's goal of quality care for all that is affordable and accessible.

In addition to its responsibility for administering the State's CON program, the Division is involved in activities designed to improve the efficiency of the existing health care network.

Through examination of specific facilities and services, the Division makes recommendations regarding the merger or consolidation of facilities and changes in services to more appropriately reflect factors such as utilization and facility financial status.

The Division is composed of two groups: The Health Facility Planning Group and the Certificate of Need Review Group.

The Health Facility Planning Group is composed of two groups: The Health Facility Planning Group and the Certificate of Need Review Group.

The Health Facility Planning Group is composed of two bureaus:

1. Bureau of Health Facility Planning
2. Bureau of Architectural and Engineering Facility Planning

The Certificate of Need Review Group is composed of two bureaus and one unit:

1. Bureau of Facility and Service Review
2. Bureau of Financial Analysis and Review
3. Project Management Unit]

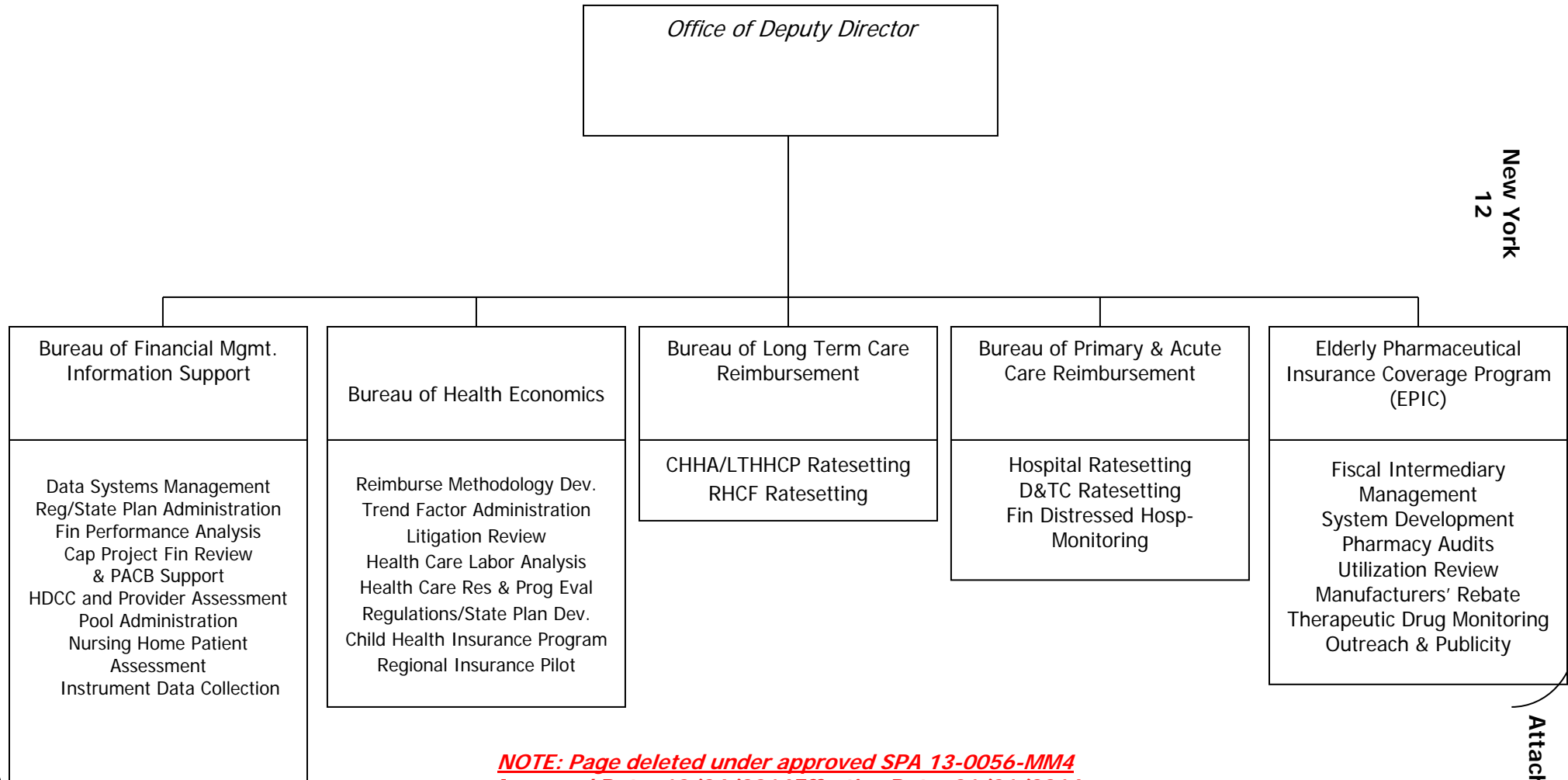
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Division of Health Care Financing



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[DIVISION OF HEALTH CARE FINANCING

The Division of Health Care Financing is organizationally responsible for ensuring that health care resources are most appropriately allocated. Financial management of New York State's health care system is accomplished through a variety of activities. They include developing reimbursement methodologies, setting third party reimbursement rates, administering State revenue collection programs generated through various assessments charged to health care providers, and reviewing the financing mechanisms of proposed health facility construction and expansion projects. Alternative health care financing mechanisms that offer potential cost control incentives and savings are also examined, tested and evaluated.

The following units are responsible for carrying out the duties of the Division:

1. Bureau of Health Economics
2. Bureau of Primary and Acute Care Reimbursement
3. Bureau of Financial Management and Information Support
4. Bureau of Long Term Care Reimbursement

THE MAJOR RESPONSIBILITIES OF THE DIVISION INCLUDE:

- Calculating and/or promulgating and approving rates of payment for hospitals, residential health care facilities, diagnostic and treatment centers, home health agencies, and other Article 28, 36, 40, 43, and 44 certified facilities.
- Adjudicating appeals to rates of payment consistent with regulations and statute.
- Developing and evaluating new and alternative financing methods for health care providers and insurers. These financing methods include improving methods of pricing health care services, refining patient provider encounters, and examining capital financing methods and utilizing insurance vehicles for providing health care services for the uninsured and underinsured.
- Administering several grant programs for global budgeting, health networks and health care demonstrations.
- Developing and implementing sponsored health care financing research activities.]

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 • Establishing and administering the financing reforms detailed in the Health Care Reform Act of 1996. Developing policies, procedures and protocols that will for the first time, allow New York to move to negotiated rates for hospital care and will continue support of public policy priorities including uncompensated care, graduate medical education and numerous health care initiatives.
- Administering approximately \$2.0 billion in pooled funds financed through health care provider and insurer assessments and surcharges for medically indigent subsidies, various health care project initiatives, graduate medical education and physician excess malpractice coverage.
- Administering collection of statutory assessments on health care providers pertaining to the Health Facility Cash Receipts Assessment Program, and the HMO Differential.
- Maintaining the Patient Review Instrument (PRI) processing system, including collection of data via electronic mail, correction of data, auditing of data, assignment of Resource Utilization Group (RUG), and updating of Residential Health Care Facility (RHCF) rates to reflect changes in case mix index (CMI).
- Collecting cost report data via electronic mail for five provider groups; hospitals, RHCs, Diagnostic & Treatment Centers (D&TCs), Certified Home Health Agencies (CHHAs), and Long Term Home Health Care Programs (LTHHCPs).
- Providing financial analysis services to State mortgage loan programs which provide construction financing to non-profit nursing homes and hospitals.
- Designing and evaluating payment methodologies for hospitals, nursing homes and ambulatory care programs which includes conducting research studies to support Departmental policy recommendations concerning payment for and delivery of health care services; preparing Title XIX (Medicaid) State Plans for health care services which are submitted to the federal government to procure Medicaid federal financial participation; drafting regulations to implement reimbursement methodologies; preparing responses to litigation brought against the Department by providers pertaining to reimbursement methodologies; responding to inquiries from industry, other State agencies, legislative staff and the general public regarding the Medicaid financing systems; and, developing grant applications to procure outside funding for research on financing issues and economic analyses of health care systems.]

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- [• Coordinating the development of all new Medicaid Program finance regulations and providing administrative services to the State Hospital Review and Planning Council, Fiscal Policy Committee and Medical Advisory Committee.
- Ensuring compliance with Federal statutory requirements relating to the State's provider tax programs . This includes preparation of any necessary waiver applications, and corresponding statistical testing and analysis, pursuant to Federal Law.
- Ensuring compliance with Federal Disproportionate Share payment limitations. This includes projecting hospital distributions, Medicaid and uninsured net revenue/losses and implementing such limits into the pool distribution process.
- Monitoring the Receivership Program and its related Receivership Fund, calculating capital costs, monitoring the Article 28-A Mortgage Program and controlling its related Operating Escrow Account activities.
- Monitoring and evaluating the uniform physician billing form and electronic claims submission legislative requirements, including coordination of the activities of the Physician Claim Task Force.]

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[Organizational Unit: Elderly Pharmaceutical Insurance Coverage Program (EPIC)]

The Elderly Pharmaceutical Insurance Coverage (EPIC) program provides assistance to low and moderate income elderly through subsidizing the costs of their prescription medications. As of March 1990, over 76,000 seniors were enrolled in EPIC. Since the program began in October 1987, EPIC has saved these older New Yorkers over \$52 million on the costs of their medications.

The program performs outreach and promotion to inform seniors about the program, enrolls eligible persons, supervises a large contractual operation which processes payments to pharmacies and participants, and performs audits of both the contractor and the providers to assure the fiscal integrity of program operations. In addition, a utilization review function assists in the detection of potential fraud or abuse, research is completed on various aspects of program participation and utilization, and a process for reconsideration and fair hearing is maintained to address participant and provider disputes.]

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