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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 91 LCM-98

Date: May 28, 1991

Division: Medical Assistance

TO: Local District Commissioners

SUBJECT: Notice of Proposed Changes in Reimbursement for
Physicians who treat persons with HIV disease under the HIV
Enhanced Fees for Physicians Program (HIV-EFP).

ATTACHMENTS: Attachment I - Public Notice
(Available on-line)

Attachment II - Reimbursement Methodology for PAC
(Available on-line)

I am pleased to inform you that the Department of Social Services and the New York State Department of Health AIDS Institute are preparing to implement a new program: the HIV Enhanced Fees for Physicians Program (HIV-EFP). This program which includes a fee enhancement will be implemented by the Department effective July 1, 1991.

As you are aware, the nature of the AIDS epidemic is changing: many persons diagnosed as HIV positive are either asymptomatic or in the early stages of the disease. Office-based primary care is important for this population to delay the need for institutional care. The Medicaid HIV-EFP initiative has been designed to improve access to quality primary care provided by private office-based physicians for patients with HIV disease. The enhanced Medicaid visit fees to be paid to participating physicians use an improved reimbursement methodology based on the patient's principal diagnosis. The reimbursement methodology is similar to that used for the Preferred Physicians and Children Program. Physicians who wish to enroll in the HIV-EFP must meet special criteria established by this Department with the cooperation of the AIDS Institute.

Federal regulations (42 CFR 447.205) require us to provide public notice of any significant proposed changes in the methods and standards for setting payment rates for services provided under the Medicaid Program. Pursuant to these regulations, a notice will be published in the official State publication, the New York State Register, which indicates the Products of Ambulatory Care (PACs) reimbursement methodology for physicians enrolled in the HIV-EFP.

The Federal regulations indicate that copies of the proposed changes and the method of reimbursement must be available in every county for public review. A copy of the notice as it will appear in the State Register is enclosed for your information. As you will note, the State Register notice indicates that such copies will be available in the local (county) social services districts. The Federal regulations only require that we make them available for public review and do not require this Department or you to distribute them to the public.

Should the public wish to comment on these proposed changes, early comment is encouraged. Written comments concerning this initiative should be directed to:

Michael J. McNaughton, Director
Local District Policy Communications
New York State Department
of Social Services
40 North Pearl Street
Albany, New York 12243

If you are in need of further copies of the proposed changes or wish further information on the HIV-EFP, please contact Ms. Joyce Usher Division of Medical Assistance at 1-800-342-3715, extension 3-5840.

I appreciate your cooperation in meeting the requirements of the Federal regulations.

Jo-Ann A. Costantino
Deputy Commissioner
Division of Medical Assistance

PUBLIC NOTICE

DEPARTMENT OF SOCIAL SERVICES

Pursuant to 42 CFR 447.205, the Department of Social Services hereby gives notice of the following:

The Department of Social Services proposes a new methodology for Title XIX (Medicaid) reimbursement of physicians enrolled in the HIV Enhanced Fees for Physicians Program (HIV-EFP). The Commissioner of the Department of Social Services will enter into provider agreements with certain physicians who meet the requirements of the AIDS Institute and the Department of Social Services for the treatment of HIV-infected persons and will reimburse such physicians at an enhanced fee for the provision of primary and related specialty care services to these HIV-infected persons who are eligible for Medical Assistance (MA).

Access to primary care, especially office-based care, for HIV-infected persons continues to be a problem for those eligible for MA in New York State. Enhanced fees under the new reimbursement methodology will encourage the enrollment of qualified physicians in the MA program resulting in improved access to quality care for HIV-infected persons eligible for MA.

The proposed reimbursement methodology, which has been established by the Commissioner of the Department of Health, provides for payments under a variation on the Products of Ambulatory Care (PAC) classification system developed especially for physicians. The PAC classification system consists of groups of ambulatory care visits that require a similar amount of a physician's time to care for the patient.

These groups have been defined based upon the patient's principal diagnosis and represent the range of primary care and specialty physician services that an HIV-infected person may require.

A fee will be established for each of the PAC groups. Actual reimbursement to physicians will be dependent upon the distribution of their cases across the PAC groups and their geographic location. The PAC fee structure will incorporate a regional adjustment for downstate providers and upstate providers, with the downstate area defined as the greater New York City Metropolitan area.

The Department estimates that the gross annual fiscal impact of the HIV-EFP will be \$7,097,843. Of this amount, \$1,774,461 represents the State share. The overall cost of the program, however, is expected to be offset by savings in the in-patient, out-patient and clinic expenses of the MA program which will result from early intervention and treatment of HIV-infected persons.

Copies of the proposed reimbursement methodology are on file in each social services district and are available for public review.

In New York City, copies are available at the following locations:

New York County:	250 Church Street New York, New York 10013
Queens County:	Queens Center 3220 Northern Boulevard Long Island City, New York 11101

Kings County: Fulton Center
 114 Willoughby Street
 Brooklyn, New York 11201

Bronx County: Tremont Center
 1916 Monterey Avenue
 Bronx, New York 10457

Richmond County: Richmond Center
 95 Central Avenue
 St. George
 Staten Island, New York
 10301

If you have written comments, please send them to:

Michael J. McNaughton, Director
Local District Policy Communications
New York State Department
of Social Services
40 North Pearl Street
Albany, New York 12243