



## Department of Health

ANDREW M. CUOMO  
Governor

HOWARD A. ZUCKER, M.D., J.D.  
Commissioner

SALLY DRESLIN, M.S., R.N.  
Executive Deputy Commissioner

November 1, 2018

Dear Administrator:

This letter provides you with information about your draft preliminary residential health care facility (RHCF) and medical adult day health care (ADHC) Medicaid reimbursement rates for the period commencing January 1, 2019.

The notice rates are provided on the new Health Commerce System (HCS) application (**Healthcare Financial Data Gateway**). The all-inclusive rates provided on the Gateway include the following operating and capital and non-capital components:

- **Operating Component:** These rates reflect the pricing methodology and as prescribed by Title 10, Part 86-2.40 of the Commissioner's Administrative Rules and Regulations, found at the following link <https://regs.health.ny.gov/content/section-86-240-statewide-prices-non-capital-reimbursement>. Please note the preliminary rates include the 2019 minimum wage adjustment. This component also includes Health Care Transformation Fund as Enacted in the 2018/19 State budget. Part of this Health Care Transformation Fund has been allocated to provide an Across the Board Investment of an 1.5% increase on the operating component for all New York State nursing homes. Detail of the adjustments included in the miscellaneous adjustment line are posted on the Gateway along with the facility's rate sheets.
- **Case Mix:** These rates include a case mix adjustment for the January 2018 collection, and may contain an adjustment to limit the impact for any facility that reported a case mix change of greater than plus or minus five percent from the July 2017 case mix. Please note the preliminary rates do not include the July 2018 case mix collection adjustments, these adjustments will be reflected in the final published January 1, 2019 rates.
- **Capital Component:** Reflects 2019 capital reimbursement rate that is based upon your facility's 2017 certified cost report and reflects appropriate attestations received during the preview period. It should be noted that several attestations are still under review with the Department and are not reflected in these rates. These pending attestations will, if appropriate, be included in the final initial rates when they are released.

The operating and capital rates are considered draft and the Department may make changes based upon review of additional information. These rates are posted on the Gateway directly under the posting of this DAL under Facility Reports. The preliminary calculations are not subject to appeal at this time. Appeal submissions will be accepted following the final published January 1, 2019 rates.

If you have questions regarding the rates please send an email with "2019 NF Rate Inquiry" in the subject line to [nfrates@health.ny.gov](mailto:nfrates@health.ny.gov) and Jada Eberle or Cindy Treis will respond to your inquiry.

Sincerely,

Laura Rosenthal  
Director  
Bureau of Residential Health Care Reimbursement  
Division of Finance and Rate Setting  
Office of Health Insurance Program