



September 23, 2016

Jason Helgeson
 State Medicaid Director and Deputy Commissioner
 Office of Health Insurance Programs
 Corning Tower
 Empire State Plaza
 Albany, NY 12237

Dear Mr. Helgeson:

On behalf of the collective memberships of the Continuing Care Leadership Coalition (CCLC), Greater New York Health Care Facilities Association (GNYHCFA), Healthcare Association of New York State (HANY), LeadingAge New York (LeadingAge NY), New York State Health Facilities Association (NYSHFA) and Southern New York Association (SNYA), we write to respectfully urge the Department of Health to take all steps necessary to effectuate the promised one percent add-on to nursing home Medicaid rates with an effective funding date of April 1, 2014. The protracted delays in making the associated payment adjustments have added to facilities' cash flow difficulties and to the administrative burden that nursing home providers and managed care plans will face in implementing these adjustments.

Pursuant to Chapter 60 of the laws of 2014, the two percent across-the-board Medicaid reduction authorized by Chapter 59 of the Laws of 2011 was repealed. As you are aware, nursing home services have been subject to an alternative method of cost containment in lieu of the two percent cut – specifically a 0.8 percent assessment on all cash receipts from patient care services and other operating revenues, with the exception of Medicare revenues.

In connection with the Universal Settlement of Nursing Home Litigation and Appeals, an agreement was reached to utilize fifty percent of the funding generated by the 0.8 percent assessment as an ongoing funding source for Universal Settlement payments. As you are aware, the first two installment payments have been made.

The Department had previously assured us and our members that it would pursue its Medicaid State Plan Amendment (SPA 15-0056), which proposed a one percent add-on to nursing home Medicaid rates with an effective date of July 1, 2015 (and sufficient funding to effectively confer the add-on as of April 1, 2014). The State's SPA submission was characterized as "...being submitted based on enacted legislation" and included a copy of the notice contained in the April 16, 2015 *State Register* which stated the following:

“ATB 1% Give Back

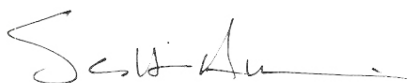
- Clarifies, while alternative methods of cost containment continue, as partial restoration of the two per cent annual uniform reduction of Medicaid payments which was noticed on March 26, 2014, across the board rate increases of one half the value of monies collected under such cost containment measures will be made.”

Importantly, neither the SPA submission nor the wording of the *State Register* notice sought to place any conditions on conferring this add-on to nursing home Medicaid rates.

The prolonged delays are very troubling. The six signatories to this letter, representing nearly all of the nursing homes in New York State, hereby respectfully urge the Department to act upon the Legislature's intent to restore the impact of the two percent cut by conferring the State share of the one percent add-on in nursing home rates immediately and unconditionally, and ensuring that the remaining Federal share is secured and conferred in the most expedient manner possible, and also without condition.

Thank you for your attention to this matter. We look forward to your timely response.

Sincerely,



Scott Amrhein
President
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Daniel J. Heim
Executive Vice President
LeadingAge NY



Michael Balboni
Executive Director
GNYHCFA



Stephen Hanse
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Robin B. Frank
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cc: John Ulberg
Steve Simmons