



150 State Street, Suite 301 Albany, New York 12207-1698 Telephone (518) 449-2707 Fax (518) 455-8908 Web [www.nyahsa.org](http://www.nyahsa.org)

## MEMORANDUM

**TO:** RHCF Members

**FROM:** Darius Kirstein, Senior Policy Analyst

**DATE:** March 22, 2010

**SUBJECT:** **Rebased Medicaid Rates**

**ROUTE TO:** Administrator, CFO

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ABSTRACT: Nursing home Medicaid rate update

In a meeting late last week, Department of Health (DOH) staff briefed NYAHS on their efforts to make corrections and provide data on the rebased rates for 2009 and 2010. NYAHS and other members of the Joint Association Task Force had raised issues with the calculations. DOH is hoping to finalize the corrected rate calculations in the next several days.

DOH went over corrections that have been made to the rates and shared some sample rate sheets with us. The most major corrections are on the wage equalization factor (WEF) and inclusion of 2002 recruitment and retention funding in the cost base. While the exact impact of these corrections is not easy to isolate, the WEF fix will tend to affect homes with direct costs below base or above ceiling. At our request, DOH also reviewed the process they used to exclude “outlier” facilities when calculating the new WEFs and direct/indirect prices. Using data DOH has shared, we are testing whether the exclusions skew any of the mean prices.

DOH has also corrected many of the facility-specific errors that would significantly impact a home’s rate. Although DOH may not be able to get to all issues, any major 2009/10 rate issue that members have not yet raised should be brought to their DOH rate setter’s attention immediately. A complete list of systemic corrections being made is identified in [NYAHS Doc ID#n00004337](#).

While not part of the DOH discussion, NYAHS continues to work legislatively and otherwise on addressing the problem of large losses a number of homes are facing due to budget cuts being implemented along with rebasing (i.e., the negative impact of shifting to a Medicaid-only CMI and the imposition of the “scale-back” adjustment).

We will keep you updated on our efforts and ask that members continue to let us know of concerns or any new errors you may find in your rates. Please contact Darius Kirstein at [dkirstein@nyahsa.org](mailto:dkirstein@nyahsa.org) or 518-449-2707, ext. 104; Patrick Cucinelli at [pcucinelli@nyahsa.org](mailto:pcucinelli@nyahsa.org) or ext. 145; or Dan Heim at [dheim@nyahsa.org](mailto:dheim@nyahsa.org) or ext. 128.