



Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, M.D., M.P.H.
Acting Commissioner

MEGAN E. BALDWIN
Acting Executive Deputy Commissioner

March 8, 2023

Dear Administrator:

This letter provides you with information regarding your Residential Health Care Facility (RHCF) Medicaid reimbursement rates effective January 1, 2023. These rates have been promulgated in accordance with Article §2808 2-c of the Public Health Law. The initial rates are provided on the Health Commerce System (HCS) application (**Healthcare Financial Data Gateway**) labeled “**2023 Initial NH Rates**” and include the following components:

- **Operating and Case Mix Components:** The January 2023 rates have been updated to include a case mix adjustment which was calculated using all assessment data submitted to Centers for Medicare and Medicaid Services for the time period of April 1, 2022 through September 30, 2022. The 1.5% Across the Board Investment, originally implemented with the November 2018 rates, has also been recalculated and updated based on the January 2023 operating rate.
- **Minimum Wage:** Has been updated to include the 2023 Minimum Wage.
- **Capital Component:** The 2023 capital reimbursement rate (based on your facility’s 2021 certified cost report) reflects approved attestations received during the preview period.
 - The capital component is reduced by an overall five-percent cut in accordance with §2808-(2-b)(a)(iv) of the Public Health Law. This five-percent cut is reflected on the bottom of the Capital Rate Sheet, just below the Total line and is labeled “Total (95%)”. It is no longer included in the Miscellaneous Per Diem.
 - The 2023 ADHC rates (the 2021 capital component, based on the 2019 certified cost reports) reflect approved attestations received during the preview period. The March 17, 2020 suspension of ADHC services, due to the COVID-19 pandemic, resulted in incomplete data for 2020 cost reports, so 2019 submissions were used.

https://coronavirus.health.ny.gov/system/files/documents/2020/03/adhc_temporary_suspension.pdf

The payment for the January 1, 2023 rates will be made in cycle 2377, with a check release date of 3/29/2023. If you have questions regarding the rates, please send an email to nfrates@health.ny.gov and someone will respond to your inquiry.

Sincerely,

Laura Rosenthal, Director
Bureau of Nursing Home and Long-Term Care
Reimbursement
Division of Finance and Rate Setting
Office of Health Insurance Program