

THIS INFORMATION WAS SENT BY DOH ON 11/1/2016
AS THE BODY OF AN E-MAIL MESSAGE

From: doh.sm.BLTcr.NF.RATES
[mailto:nfrates@health.ny.gov]
Sent: Tuesday, November 1, 2016 1:31 PM
Subject: 2017 Initial Rates

November 2, 2016

Subject: Draft Preliminary 2017 RHCF and ADHC Rates

Dear Administrator:

This letter is to provide you 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, 2017.

The all-inclusive rates provided on Health Commerce System (HCS) include the following capital and non-capital (i.e., the sum of the operating component of the rate including other per diem adjustments) components:

- Capital Component: Reflects a 2017 capital rate that is based upon your facility's 2015 certified cost report, and does not reflect attestations received during the preview period
- Operating Component: Reflects the non-capital portion of your facility's notice January 1, 2017 rate (see Attachment 2 under Operating Component of the Rate for more information).

The 2017 capital rates and the non-capital component of the rate are posted on HCS directly under the posting of this DAL under Facility Reports.

All questions regarding this process or general capital questions should be addressed through an email to NFRATES@health.ny.gov, this will allow for the most efficient processing of facility requests.

Sincerely,

Steven M. Simmons
Director
Bureau of Residential Health Care Reimbursement
Division of Finance and Rate Setting
Office of Health Insurance Programs

**ATTACHMENT 1
2017 NURSING HOME PRICES**

Direct Component of the Price Medicare Ineligible Price, Medicare Part D Eligible Price (HBF +300 Bed Peer Group)					
Effective Date of Prices	Direct Price	50% of Direct Price	Direct HBF +300 Bed	50% of Direct HBF +300 Bed Price	Total Direct Component of Price for HBF +300 Bed Peer Group
1/1/2017	\$119.02	\$59.51	\$132.17	\$66.09	\$125.59
Direct Component of the Price Medicare Part B Eligible Price, Medicare Part B and Part D Eligible Price (HBF +300 Bed Peer Group)					
Effective Date of Prices	Direct Price	50% of Direct Price	Direct HBF +300 Bed Price	50% of Direct HBF +300 Bed Price	Total Direct Component of Price for HBF +300 Bed Peer Group
1/1/2017	\$117.36	\$58.70	\$130.43	\$65.22	\$123.91
Direct Component of the Price Medicare Ineligible Price, Medicare Part D Eligible Price (-300 Bed Peer Group)					
Effective Date of Prices	Direct Price	50% of Direct Price	Direct -300 Bed Price	50% of Direct -300 Bed Price	Total Direct Component of Price for -300 Bed Peer Group
1/1/2017	\$119.02	\$59.21	\$111.71	\$55.86	\$115.37
Direct Component of the Price Medicare Part B Eligible Price, Medicare Part B and Part D Eligible Price (-300 Bed Peer Group)					
Effective Date of Prices	Direct Price	50% of Direct Price	-300 Bed Price	50% of Direct -300 Bed Price	Total Direct Component of Price for -300 Bed Peer Group
1/1/2017	\$117.39	\$58.70	\$110.14	\$55.07	\$113.76
Indirect Component of the Price (HBF +300 Bed Peer Group)					
Effective Date of Prices	Indirect Price	50% of Indirect Price	Indirect HBF +300 Bed Price	50% of Indirect HBF +300 Bed Price	Total Indirect Component of Price for HBF +300 Bed Peer Group
1/1/2017	\$59.80	\$29.90	\$69.23	\$34.62	\$64.52
Indirect Component of the Price (-300 Bed Peer Group)					
Effective Date of Prices	Indirect Price	50% of Indirect Price	Indirect -300 Bed Price	50% of Indirect -300 Bed Price	Total Indirect Component of Price for -300 Bed Peer Group
1/1/2017	\$59.80	\$29.90	\$54.55	\$27.28	\$57.18

ATTACHMENT 2 COMPONENTS OF THE PRICING RATE

Operating Component of the Rate

The rates effective January 1, 2017 reflect the pricing methodology and as prescribed by regulation (Part 86-2.40). The direct and indirect component of the rates effective January 1, 2017 will reflect the prices found in attachment 1. Please note the prices do not reflect facility specific case mix adjustments, wage equalization factor (WEF) adjustments, and quality adjustments.

Capital Component of the Rate

The Department of Health (the Department) has posted the draft 2017 capital component rate sheets for each RHCF-4 and RHCF-2 filer on the Health Commerce System (HCS). The capital component of the rate will be zero for facilities which have not properly submitted and certified their 2015 cost report or filed all of the required related company financial statements.

Capital Streamlining

In an effort to enhance the accuracy and timeliness of the capital component of the nursing home Medicaid rate and to reduce the number of rate appeals, the Department has initiated a streamlined method regarding the calculation of the allowable capital component. The “Hotline” process formerly utilized, has been eliminated and replaced by an “Attestation” process. This administrative process change allows for the facilities to review and adjust the capital component before the rates are promulgated.

Facilities can accept the capital component that the Department has provided on the HCS or, can attest to a capital component that is revised and properly submitted with supporting documentation for any appropriate changes. The attestation form that is attached to this letter, provides the Department with the assurance that the capital component is accurate and complies with the Department’s statutes, regulations and policies regarding capital reimbursement.

This attestation provides assurance to the Department that the capital schedule attested to is true and complete. Any attestations received from facilities that appeal capital items within the normal 121 day period, will be deemed null and void, whereby, the capital component of the rate will revert to the original schedule provided by the Department.

Please note that the 2017 preliminary calculations do not reflect any attestations received during the preview period. The final capital rates will be included in the final published January 1, 2017 initial rates.

The preliminary calculations provided, herein, are not subject to appeal at this time. Any changes to the Department’s initial capital calculations, as posted on the HCS, that the facility wishes to make are to be sufficiently explained in a narrative. A narrative and accompanying capital

schedule, along with a signed copy of the attached attestation are to be sent via email to the Department at **NFRATES@health.state.ny.us**. The Department reserves the right not to accept an attestation of an unreasonable or inaccurate adjusted capital schedule. In the subject line of the email please type “2017 Attestation of Capital Rate”.

All email attestations for capital changes must be received by the Department by December 2, 2016. No attestations will be accepted after this date. Please note that failure to submit an Attestation about a possible error in the preliminary 2017 rate sheet or any action the Department takes in response to those possible errors will not preclude submission of a formal administrative capital rate appeal when such rate is published.

ATTACHMENT 3 INFORMATION REGARDING RATE APPEALS

Information Regarding the Submission of Appeals

As a result of questions raised in connection with ongoing litigation, the Department's Division of Finance and Rate Setting, in conjunction with the Department's Division of Legal Affairs, has undertaken a review of the existing practice of allowing facilities to file administrative rate appeals with regard to rates which have not been approved by DOB and CMS and published as final rates in accordance with the provisions of Public Health Law §2807. As a result of that review, it has been determined that such administrative rate appeals may be accepted only with regard to published rates. **Thus, the draft preliminary 2017 rates provided herein are not subject to appeal.**

If you believe your preliminary **2017 Operating Rate Sheet** contains a significant error, please transmit information about the nature of the error by submitting an e-mail to NFRATES@health.ny.gov.

- In the subject line of the email please type **“2017 Preliminary Operating Rate”** and **your facility's name**.
- All email requests for Operating and Capital must be received by the Department by **December 2, 2016**. No requests will be accepted after this date.
- The Department will make every effort to review and address significant errors prior to the publication of the 2017 rates.

Such submissions that effect only the ADHC rate such as arms-length rental of offsite day care property and errors in reported Schedule 18 information (such as visits) should also be submitted for processing to NFRATES@health.ny.gov, with the subject line starting with **“ADHC - 2017 Preliminary Capital Rate”** and **your facility's name**. All such requests for offsite daycare rental reimbursement must be supported by accurately completed information in the cost report Schedule 18, particularly line 064, to attest that the rental agreement is an arms-length transaction in which the lessor is not a related organization as defined in Part 86-2.26. In addition, the submission must include a letter signed by the administrator confirming that no historical cost information is available for the leased off-site location.