



## Department of Health

ANDREW M. CUOMO  
Governor

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

LISA J. PINO, M.A., J.D.  
Executive Deputy Commissioner

August 19, 2021

Dear Administrator:

This letter provides you with information regarding your Residential Health Care Facility (RHCF) and Adult Day Health Care (ADHC) Medicaid reimbursement rates effective January 1, 2021. These rates have been promulgated in accordance with Article §2808 2-c of the Public Health Law.

The initial rates are provided on the new Health Commerce System (HCS) application (**Healthcare Financial Data Gateway/2021 Initial Rates**) and include the following operating, capital, and non-capital components:

- **Operating and Case Mix Components:** The January rates have been updated to reflect the July 2020 MDS collection, and 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 January 2020 case mix. These rates have also been updated to reflect the 2021 Minimum wage. The operating rate changes will be reflected in cycle 2296 with a check release date of September 8, 2021.
- **Capital Component:** Based on a June 1, 2021 court decision, the capital rates reflect the elimination of residual equity reimbursement for nursing homes involved in this litigation. This reduction in capital rates will be reflected in cycle 2296 with a check release date of September 8, 2021. However, based on subsequent court actions, the Department will be restoring the elimination of residual equity reimbursement for these nursing homes. This restoration in capital rates will be reflected in cycle 2297 with a check release date of September 15, 2021.

If you have questions regarding the rates please send an email with “2021 NF Rate Inquiry” in the subject line to [nfrates@health.ny.gov](mailto:nfrates@health.ny.gov) and Conor Petter 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 Programs