



Department of Health

ANDREW M. CUOMO
Governor

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

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

September 28, 2018

Dear Administrator:

This letter provides information regarding the removal of Medical Transportation from your Residential Health Care Facility (RHCF) Nursing Home Rate. The formula on which these rates have been promulgated is in accordance with Section 10 of the Public Health Law (PHL), Section 86-2.40 in Title 10 (Health) of the Official Compilation of Codes, Rules and Regulations of the State of New York.

Transportation costs are being removed from the direct component of fee-for-service nursing home rates effective July 1, 2018 (See Attachment A) and thereafter. Transportation is now managed through the State's transportation managers - Medical Answering Services and LogistiCare Solutions. The Medicaid program is paying for transportation through direct billings for these services, therefore the expense should be removed from the nursing home rates to eliminate duplicate payments. Statewide direct prices have been adjusted to remove the 2007 base year medical transportation costs (Attachment B).

The reduction in July 1, 2018 rates will be processed in cycle 2145, check release date October 17, 2018. If you have any questions regarding these payments please email NFRATES@health.ny.gov and Jada Eberle 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

Attachments

**ATTACHMENT A
Transportation Reduction
2007 Base Year Costs**

<i>Eliminate Transportation (Base Year 2007)</i>		<i>(2018 and Forward)</i>
HB 300+ Peer Group		
	Patient Days	13,843,911
	Transportation Cost from Survey	2,730,894
	Ceiling Reduction	(259,033)
	Adjusted Costs	2,471,861
	Transportation Per Diem Reduction	- 0.18
All Other Peer Group		
	Patient Days	24,915,472
	Transportation Cost from Survey	2,228,178
	Ceiling Reduction	(211,349)
	Adjusted Costs	2,016,829
	Transportation Per Diem Reduction	- 0.08
	Ceiling %	-9.485290%

**ATTACHMENT B
Revised Direct Prices**

Effective Date of 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 (a)	50% of Direct Price (b)	Direct HBF +300 Bed Price	50% of Direct HBF +300 Bed Price (d)	Total Direct Component of Price for HBF +300 Bed Peer Group
7/1/2018	\$118.84	\$59.42	\$131.99	\$66.00	\$125.42
Effective Date of Prices	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 (a)	50% of Direct Price (b)	Direct +300 Bed	50% of Direct +300 Bed Price (d)	Total Direct Component of Price for +300 Bed Peer Group (b)+(d)
7/1/2018	\$117.21	\$58.61	\$130.25	\$65.13	\$123.73
Effective Date of Prices	Direct Component of the Price				
	Medicare Ineligible Price, Medicare Part D Eligible Price				
	(-300 Bed Peer Group)				
Effective Date of Prices	Direct Price (a)	50% of Direct Price (b)	Direct -300 Bed	50% of Direct -300 Bed Price (d)	Total Direct Component of Price for -300 Bed Peer Group (b)+(d)
7/1/2018	\$118.94	\$59.47	\$111.63	\$55.82	\$115.29
Effective Date of Prices	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 (a)	50% of Direct Price (b)	Direct -300 Bed Price (c)	50% of Direct -300 Bed Price (d)	Total Direct Component of Price for -300 Bed Peer Group (b)+(d)
7/1/2018	\$117.31	\$58.66	\$110.06	\$55.03	\$113.68