

November 1, 2017

Subject: Draft Preliminary 2018 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, 2018.

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:

- **Operating Component:** These rates reflect the pricing methodology and as prescribed by regulation (Part 86-2.40) found at the following link <https://regs.health.ny.gov/content/section-86-240-statewide-prices-non-capital-reimbursement>.
- **Case Mix:** These rates include a case mix adjustment for the July 2017 collection, and may 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 2017 case mix.
- **Capital Component:** Reflects 2018 capital reimbursement rate that is based upon your facility's 2016 certified cost report and reflects appropriate attestations received during the preview period. It should be noted that several attestations are still under review with the Department and are not reflected in these rates. These pending attestations will, if appropriately, be included in the final initial rates when they are released.

Please note the preliminary rates do not include 2018 minimum wage adjustments. These adjustments will be reflected in the final published January 1, 2018 rates.

The operating and capital rates are considered draft and the Department may make changes based upon review of additional information. These rates are posted on HCS directly under the posting of this DAL under Facility Reports. The preliminary calculations are not subject to appeal at this time. Appeal submissions will be accepted following the final published January 1, 2018 rates.

Please email the Department at [NFRATES@health.ny.gov](mailto:NFRATES@health.ny.gov) if you believe there is an error or if you have any questions regarding the rate. Please include "2018 NF Rate Inquiry" in the subject line.

Sincerely,

A handwritten signature in cursive script that reads "Ann Foster".

Ann Foster  
Deputy Director  
Division of Finance and Rate Setting  
Office of Health Insurance Programs