
From: Smith, Marla (OCFS) <marla.smith@ocfs.ny.gov> **On Behalf Of** Geohagen-Pratt, Gail (OCFS)

Sent: Friday, March 13, 2026 1:45 PM

Subject: One-Time Lump Sum Payment

Dear Providers,

This communication informs providers of a one-time lump sum payment to Article 29-I foster care agencies for the period July 1, 2025, to June 30, 2026, to support the cost of providing Core and Other Limited Health Related Services to Medicaid-enrolled children and adolescents.

Per the FY 2026 Enacted Budget, an investment of \$17 million was established in the Office of Children & Family Services (OCFS) to support program enhancements. Ten million dollars (\$10M) of that funding provides a one-time lump sum payment to address identified financial needs to recruit, train, or retain staff, or support other costs associated with the delivery of Article 29-I health related services to Medicaid enrollees. Providers can expect to receive this funding in cycle 2533 with a payment release date of March 25, 2026.

Methodology

The funding allocated to each Article 29-I provider is proportionate to total Medicaid claims paid, including Medicaid Data Warehouse fee-for-service and managed care encounter expenditure data for the period of July 1, 2024, through June 30, 2025. A provider-specific percentage of total expenditures for Article 29-I health-related services was then determined based on the available data. These percentages were then applied to the \$10 million available to calculate each provider's proportional share.

Funding Uses

The funding can be utilized to support direct costs as pertains to:

- Recruitment, retention and training of staff providing Article 29-I Health Related Services
- Medication Management
- Nursing Services
- Skill Building Services
- Therapy Services

Funding can be utilized to support Indirect costs as pertains to the direct staff costs identified above.

As a requirement of approval by DOB, providers will need to provide documentation of how this additional funding was utilized. The attached attestation form will need to be completed by each provider and submitted on or before September 30, 2026, in order to attest that the funds were used for the identified allowable purposes.

There is recognition that investments are needed to support the quality of treatment in these programs that serve youth with the highest acuity of needs. This is an interim step while we work towards a more long-term solution.

Questions on this matter can be directed to Gail Geohagen-Pratt Gail.Geohagen-Pratt@ocfs.ny.gov and Kim Perry Kim.Perry@ocfs.ny.gov for the Office of Children and Family Services (OCFS) and April Hamilton April.Hamilton@health.ny.gov and Laura Rosenthal/the Foster Care rate setting group at fostercare@health.ny.gov for the Department of Health (DOH).

Sincerely,



Gail Geohagen-Pratt (*she, her, hers*)

Deputy Commissioner
Child Welfare and Community Services

Office of Children and Family Services

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