



Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

June 27, 2025

Dear Administrator:

This letter provides information regarding your Residential Health Care Facility (RHCF) Medicaid reimbursement rates effective January 1, 2023; April 1, 2023; July 1, 2023; January 1, 2024; and April 1, 2024.

In accordance with §2808(2-c)(g), these rates have been revised to reflect the updated 2% penalty on poor performing nursing homes with data from the two most recent Nursing Home Quality Initiative (NHQI) scores (Please see table below for the timing of rates and inputs). If a nursing home was ranked in the lowest two quintiles for the two most recent years of NHQI data, and the lowest quintile for the most recent year of NHQI data, then the nursing home is subject to the 2% penalty. If a nursing home was previously subject to the 2% penalty but improved their NHQI score to move out of the lowest quintile, then that penalty has been removed.

Table with 4 columns: NHQI Penalty Year, NHQI Scores Used, Cost Report Used, Rates that Receive the Penalty. Rows show data for 2023 and 2024.

The processing of the updated 2% penalties will take place in cycle 2498 with a check release date of 07/23/2025. If you have any questions, please send an email to NFRATES@health.ny.gov and someone will respond to your inquiry.

Sincerely,

Laura Rosenthal, Director
Bureau of Nursing Home and Long-Term Care Rate Setting
Division of Finance and Rate Setting
Office of Health Insurance Programs