



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 about your free-standing and hospital-based nursing facilities Medicaid fee for service rates for the period commencing January 1, 2025. These rates have been promulgated in accordance with sections 2807 and 2808 of the Public Health Law and Part 86-2 of the Commissioner of Health's Administrative Rules and Regulations. The initial rates are provided on the Health Commerce System (HCS) application (Healthcare Financial Data Gateway) labeled "2025 Initial NH Rates" and include the following components:

- **Operating Component:** The nursing home rates reflect the pricing methodology as prescribed by regulation (Part 86-2.40).
- **Minimum Wage Adjustment:** This year's adjustment accounts for increases to \$16.50 per hour in New York City, Nassau, Suffolk & Westchester regions and \$15.50 per hour for the remainder of the state.
- **Capital Component:** The 2025 capital reimbursement rate is based on each facility's 2023 certified cost report and reflects accepted attestations received during the preview period. The capital component is reduced by 5% and an additional 10%, in accordance with §2808-(2-b)(a)(iv) of the Public Health law. The reductions are included on the capital rate sheet and are labeled "Total 95%" and "Total (Additional 10% reduction)". Pediatric facilities are exempt from the additional 10% capital reduction.
- **Pediatric Trend:** These rates reflect the required trend factor increases for Pediatric nursing homes.

The Department's regulations allow rate appeals to be filed within **120 days** from the date of this letter. The deadline to file appeals pertaining to the January 1, 2025 rates is midnight, October 24, 2025. Facilities should use publication date 6/27/2025 to file an appeal for the 2025 initial rates.

The processing of the 2025 Initial Rates will take effect in cycle #2499 with a check release date of 7/30/2025. Should you have any questions, please email NFRATES@health.ny.gov and someone will respond to your inquiry.

Sincerely,

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