NEW YORK STATE | Department of Health

KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

October 21, 2026

Dear Administrator:

This letter informs you of the funds being disbursed with respect to a lump sum increase in residential health care facility funding.

The SFY 27 Enacted Budget included a $480 million gross increase to Nursing Homes (NH), Adult Day Health Centers (ADHC), AIDS Adult Day Health Centers (AADHC), and Hospice programs. Facility lump sum payments were calculated by allocating $236.6 million of the total $480 million equitably based on utilization across all Medicaid service days for these providers, resulting in a NH lump sum payment equivalent to a $9.07 per diem increase. The additional $238.4 million was allocated proportionally based on each provider's Medicaid revenue, in accordance with the enacted statutory language. The two calculations were then added together to arrive at a single payment for each provider. This payment represents the State share.

Payments were calculated as follows:

- Each nursing home and specialty unit receives $9.07 dollars per day multiplied by their 2024 Cost Report days.
- The Medicaid revenue for each facility was calculated by multiplying each facility's Medicaid rate as of January 1, 2026 by Medicaid patient days, as reported in the 2024 cost report.

If a provider has multiple service units operating under the same MMIS ID, the payment values were combined into a single payment for each MMIS ID. The processing of this payment will take effect in cycle 2566 with a check release date of 11/11/2026.

Please note that any existing balance due to the Department will be recouped from this payment and applied to the balance. You will only receive payment for the amount that exceeds the liability balance.

Should you have any questions regarding these payments and liabilities, please email bimamail@health.ny.gov. For questions regarding the one-time payment please email NFRates@health.ny.gov.

Sincerely,

Laura Rosenthal, Director
Bureau of Nursing Home and LTC Rate Setting
Division of Finance and Rate Setting
Office of Health Insurance Programs