



**Department
of Health**

Medicaid

Children's Waiver Home and Community Based Services (HCBS) and Children and Family Treatment and Support Services (CFTSS) Targeted Inflationary Increase Approval

To: Children's Waiver Home and Community Based Service (HCBS) Providers, Children and Family Treatment and Support Service (CFTSS) Providers, and Medicaid Managed Care Plans (MMCPs) including Mainstream Managed Care and HIV Special Needs Plans (HIV-SNPs)

Date: August 19, 2026

This notice is to inform Children's Waiver HCBS providers and MMCPs that the New York State Department of Health (NYSDOH) has received approval from the Centers for Medicare and Medicaid Services (CMS) and NYS Department of Budget to implement a 2.7% Targeted Inflationary Increase (TII) for Children's HCBS rates and Children and Family Treatment and Support Service rates retroactive to April 1, 2026.

Children's HCBS and CFTSS providers will automatically receive retroactive adjustments on Fee-for Service (FFS) Medicaid claims already submitted/paid with dates of service on or after April 1, 2026. Children's HCBS and CFTSS retro-payments will be included in providers' cycle 2557 payments, which are scheduled to be issued on September 9, 2026.

Information on this planned rate increase was previously announced on [June 25, 2026](#) and [July 30, 2026](#). MMCPs who have not already configured their systems for these updated rates and issued retroactive payment adjustments to providers for Children's HCBS and CFTSS claims for dates of service on or after April 1, 2026, must do so within 90 days of this notice.

Adjusted Children's Waiver and CFTSS rate schedules can be found at the following links:

- [HCBS Rate Summary \(PDF\)](#)
- [FPSS, YPS, CPST, PSR, CI Rate Summary](#)
- [OLP Rates](#)

Any questions related to this notification can be sent to 1915CR@health.ny.gov.