



**Department
of Health**

KATHY HOCHUL
Governor

JAMES V. McDONALD, MD, MPH
Commissioner

JOHANNE E. MORNE, MS
Executive Deputy Commissioner

June 30, 2026

Todd McMillion
Director
Department of Health and Human Services
Centers for Medicare and Medicaid Services
233 North Michigan Ave, Suite 600
Chicago, IL 60601

RE: SPA #26-0039
Long Term Care Facility Services

Dear Director McMillion:

The State requests approval of the enclosed amendment #26-0039 to the Title XIX (Medicaid) State Plan for long term care facility services to be effective April 1, 2026 (Appendix I). This amendment is being submitted based on enacted legislation. A summary of the proposed amendment is provided in Appendix II.

This amendment is submitted pursuant to §1902(a) of the Social Security Act (42 USC 1396a(a)) and Title 42 of the Code of Federal Regulations, Part 447, Subpart C.

A copy of the pertinent section of enacted legislation is enclosed for your information (Appendix III). Copies of the public notices of this proposed amendment, which were given in the *New York State Register* on March 25, 2026, and subsequently clarified on July 15, 2026, are also enclosed for your information (Appendix IV). In addition, responses to the five standard funding questions are also enclosed (Appendix V).

If you have any questions regarding this State Plan Amendment submission, please do not hesitate to contact Regina Deyette, Medicaid State Plan Coordinator, Division of Finance and Rate Setting, Office of Health Insurance Programs at (518) 473-3658.

Sincerely,



Amir Bassiri
Medicaid Director
Office of Health Insurance Programs

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 6 — 0 0 3 9

2. STATE

N Y

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT ☒ XIX ☐ XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION

§ 1905(a)(4)(A) Nursing Facility Services

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 04/01/26-09/30/26 \$ 118,750,000

b. FFY 10/01/26-09/30/27 \$ 237,500,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D Part I Page: A(a.2)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Attachment 4.19-D Part I Page: A(a.2)

9. SUBJECT OF AMENDMENT

Nursing Home Investment

10. GOVERNOR'S REVIEW (Check One)

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Amir Bassiri

13. TITLE

Medicaid Director

14. DATE SUBMITTED

June 30, 2026

15. RETURN TO

New York State Department of Health
Division of Finance and Rate Setting
99 Washington Ave – One Commerce Plaza
Suite 1432
Albany, NY 12210

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Appendix I
2026 Title XIX State Plan
Second Quarter Amendment
Amended SPA Pages

New York
A(a.2)

1905(a)(4)(A) Nursing Facility Services

For the period beginning July 1, 2024, and ending March 31, 2025, a one-time across-the-board (ATB) increase will be provided to Article 28 nursing homes, increasing overall Medicaid reimbursement by up to \$280.5 million. For the period beginning April 1, 2025 and ending March 31, 2026, an across-the-board (ATB) increase will be provided to Article 28 nursing homes, increasing overall Medicaid reimbursement by up to \$438.3 million and for the period beginning April 1, 2026 and each year thereafter, an annual across-the-board (ATB) increase will be provided to Article 28 nursing homes increasing overall Medicaid reimbursement by up to \$379.1 million per year. In addition, for the period beginning April 1, 2026 and continuing each year thereafter, an annual across-the-board (ATB) increase will be provided to Article 28 nursing homes increasing overall Medicaid reimbursement by up to \$475 million per year, for a total recurring annual increase of up to \$854.1 million.

- a. Programs to receive funding as a part of this increase include:
 - i. Nursing Homes
 - ii. Specialty care facilities
- b. In order to fully distribute the available funding, one-time lump sum payments will be made to each facility. The lump sum payment per facility will be calculated as follows:
 - i. Divide the available amount of the ATB increase by the total of all facility Medicaid patient days for the most recent reported calendar year. This will result in an ATB increase per Medicaid patient day.
 - ii. Then, take the ATB increase per patient day and multiply it by each facility's Medicaid patient days.
- c. The payments will be made as soon as possible upon approval from CMS and the NYS Division of the Budget.
- d. For the period beginning April 1, 2025 and ending March 31, 2026, \$378.3 million will be distributed according to the above method. The remaining \$60 million will be distributed as follows described below. For the period beginning April 1, 2026 and for each year thereafter, up to \$615.7 million will be distributed according to the above method and up to \$238.4 million will be distributed as described below:
 - i. Divide the available amount of the ATB increase by the total of all facility Medicaid revenue for the most recent reported calendar year. This will result in a percentage based ATB increase.
 - ii. Then, take the ATB increase percentage and multiply it by each facility's Medicaid revenue to arrive at a lump sum payment amount per facility.

TN #26-0039

Approval Date _____

Supersedes TN #25-0035

Effective Date April 1, 2026

Appendix II
2026 Title XIX State Plan
Second Quarter Amendment
Summary

SUMMARY
SPA #26-0039

This State Plan Amendment proposes to provide an across the board funding increase of up to \$475 million to nursing homes for the period beginning April 1, 2026 and each year thereafter.

Appendix III
2026 Title XIX State Plan
Second Quarter Amendment
Authorizing Provisions

1 PART O

2 Section 1. Section 1-c of part I of chapter 57 of the laws of 2022
3 providing a one percent across the board payment increase to all quali-
4 fying fee-for-service Medicaid rates, as added by section 5 of part F of
5 chapter 57 of the laws of 2025, is amended to read as follows:

6 § 1-c. ~~[Notwithstanding any provision of law to the contrary, for the~~
7 ~~period April 1, 2025 through March 31, 2026 Medicaid payments made for~~
8 ~~clinic service provided by federally qualified health centers and diag-~~
9 ~~nostic and treatment centers licensed pursuant to article 28 of the~~
10 ~~public health law shall be increased by an aggregate amount of up to~~
11 ~~\$40,000,000 in addition to any applicable increase contained in section~~
12 ~~one of this act subject to the approval of the commissioner of health~~
13 ~~and the director of the budget.]~~ Notwithstanding any provision of law to
14 the contrary, for the [period] state fiscal years beginning April 1,
15 2026, and thereafter, Medicaid payments made for clinic service provided
16 by federally qualified health centers ~~[and diagnostic and treatment~~
17 ~~centers licensed pursuant to article twenty eight of the public health~~
18 ~~law]~~ shall be increased by an aggregate amount of up to ~~[\$20,000,000]~~
19 \$80,000,000 in addition to any applicable increase contained in section
20 one of this act subject to the approval of the commissioner of health
21 and the director of the budget. Such rate increases shall be subject to
22 federal financial participation and the provisions established under
23 section one-f of this act.

24 § 2. Section 1-e of part I of chapter 57 of the laws of 2022 providing
25 a one percent across the board payment increase to all qualifying fee-
26 for-service Medicaid rates, as amended by section 7 of part F of chapter
27 57 of the laws of 2025, is amended to read as follows:

28 § 1-e. Such increases as added by ~~[the]~~ part NN of chapter 57 of the
29 laws of 2024 ~~[that added this section]~~, part F of chapter 57 of the laws
30 of 2025, or the chapter of the laws of 2026 that added section one-g to
31 this act may take the form of increased rates of payment in Medicaid
32 fee-for-service and/or Medicaid managed care, lump sum payments, or
33 state directed payments under 42 CFR 438.6(c). Such rate increases shall
34 be subject to federal financial participation and the provisions estab-
35 lished under section one-f of this act.

36 § 3. Section 1-f of part I of chapter 57 of the laws of 2022 providing
37 a one percent across the board payment increase to all qualifying fee-
38 for-service Medicaid rates, as added by section 7 of part F of chapter
39 57 of the laws of 2025, is amended and a new section 1-g is added to
40 read as follows:

41 § 1-f. Such increases as added by ~~[the]~~ part F of chapter 57 of the
42 laws of 2025 ~~[that added this section]~~ and the chapter of the laws of
43 2026 that added section one-g to this act shall be contingent upon the
44 availability of funds within the healthcare stability fund established
45 by section 99-ss of the state finance law, as added by section 2 of part
46 II of chapter 57 of the laws of 2024 and later renumbered and amended by
47 section 2 of part F of chapter 57 of the laws of 2025. Upon a determi-
48 nation by the director of the budget that the balance of such fund is
49 projected to be insufficient to support the continuation of such
50 increases, the commissioner of health, subject to the approval of the
51 director of the budget, shall take steps necessary to suspend or termi-
52 nate such increases, until a determination is made that there are suffi-
53 cient balances to support these increases.

54 § 1-g. Notwithstanding any provision of law to the contrary, for state
55 fiscal years beginning April 1, 2026 and thereafter, Medicaid payments

1 made for hospital services shall be increased by an aggregate amount of
2 up to \$706,000,000, nursing home services shall be increased by an
3 aggregate amount of up to \$480,000,000, and assisted living program
4 services shall be increased by an aggregate amount of up to \$20,000,000
5 in addition to the increase contained in section one, one-a, one-b and
6 one-c of this act, subject to the approval of the commissioner of health
7 and the director of the budget. Such rate increases shall be subject to
8 federal financial participation and the provisions established under
9 section one-f of this act.

10 § 4. Paragraph (c) of subdivision 8 of section 2807-c of the public
11 health law, as amended by section 1 of part D of chapter 57 of the laws
12 of 2024, is amended to read as follows:

13 (c) (i) In order to reconcile capital related inpatient expenses
14 included in rates of payment based on a budget to actual expenses and
15 statistics for the rate period for a general hospital, rates of payment
16 for a general hospital shall be adjusted to reflect the dollar value of
17 the difference between capital related inpatient expenses included in
18 the computation of rates of payment for a prior rate period based on a
19 budget and actual capital related inpatient expenses for such prior rate
20 period, each as determined in accordance with paragraph (a) of this
21 subdivision, adjusted to reflect increases or decreases in volume of
22 service in such prior rate period compared to statistics applied in
23 determining the capital related inpatient expenses component of rates of
24 payment based on a budget for such prior rate period.

25 (ii) For rates effective April first, two thousand twenty through
26 March thirty-first, two thousand twenty-one, the budgeted capital-relat-
27 ed expenses add-on as described in paragraph (a) of this subdivision,
28 based on a budget submitted in accordance to paragraph (a) of this
29 subdivision, shall be reduced by five percent relative to the rate in
30 effect on such date; and the actual capital expenses add-on as described
31 in paragraph (a) of this subdivision, based on actual expenses and
32 statistics through appropriate audit procedures in accordance with para-
33 graph (a) of this subdivision shall be reduced by five percent relative
34 to the rate in effect on such date.

35 (iii) For rates effective April first, two thousand twenty-one through
36 September thirtieth, two thousand twenty-four, the budgeted capital-re-
37 lated expenses add-on as described in paragraph (a) of this subdivision,
38 based on a budget submitted in accordance to paragraph (a) of this
39 subdivision, shall be reduced by ten percent relative to the rate in
40 effect on such date; and the actual capital expenses add-on as described
41 in paragraph (a) of this subdivision, based on actual expenses and
42 statistics through appropriate audit procedures in accordance with para-
43 graph (a) of this subdivision shall be reduced by ten percent relative
44 to the rate in effect on such date.

45 (iv) For rates effective ~~[on and after]~~ October first, two thousand
46 twenty-four through March thirty-first, two thousand twenty-six, the
47 budgeted capital-related expenses add-on as described in paragraph (a)
48 of this subdivision, based on a budget submitted in accordance with
49 paragraph (a) of this subdivision, shall be reduced by twenty percent
50 relative to the rate in effect on such date; and the actual capital
51 expenses add-on as described in paragraph (a) of this subdivision shall
52 be reduced by twenty percent relative to the rate in effect on such
53 date.

54 (v) For rates effective on and after April first, two thousand twen-
55 ty-six, the budgeted capital-related expenses add-on as described in
56 paragraph (a) of this subdivision, based on a budget submitted in

1 accordance with paragraph (a) of this subdivision, shall be reduced by
2 ten percent relative to the rate in effect on such date; and the actual
3 capital expenses add-on as described in paragraph (a) of this subdivi-
4 sion shall be reduced by ten percent relative to the rate in effect on
5 such date. Such rate adjustments shall be subject to federal financial
6 participation.

7 (vi) For any rate year, all reconciliation add-on amounts calculated
8 for the period of April first, two thousand twenty through September
9 thirtieth, two thousand twenty-four shall be reduced by ten percent, and
10 all reconciliation recoupment amounts calculated for the period of April
11 first, two thousand twenty through September thirtieth, two thousand
12 twenty-four shall increase by ten percent.

13 (vii) For any rate year, all reconciliation add-on amounts calculated
14 ~~[on and after]~~ for the period October first, two thousand twenty-four
15 through March thirty-first, two thousand twenty-six shall be reduced by
16 twenty percent, and all reconciliation recoupment amounts calculated ~~[on~~
17 ~~or after]~~ for the period October first, two thousand twenty-four through
18 March thirty-first, two thousand twenty-six, shall increase by twenty
19 percent. Such rate adjustments shall be subject to federal financial
20 participation.

21 (viii) For any rate year, all reconciliation add-on amounts calculated
22 on and after April first, two thousand twenty-six shall be reduced by
23 ten percent, and all reconciliation recoupment amounts calculated on or
24 after April first, two thousand twenty-six shall increase by ten
25 percent. Such rate adjustments shall be subject to federal financial
26 participation.

27 (ix) Notwithstanding any inconsistent provision of subparagraph (i) of
28 paragraph (e) of subdivision nine of this section, capital related inpa-
29 tient expenses of a general hospital included in the computation of
30 rates of payment based on a budget shall not be included in the computa-
31 tion of a volume adjustment made in accordance with such subparagraph.
32 Adjustments to rates of payment for a general hospital made pursuant to
33 this paragraph shall be made in accordance with paragraph (c) of subdivi-
34 vision eleven of this section. Such adjustments shall not be carried
35 forward except for such volume adjustment as may be authorized in
36 accordance with subparagraph (i) of paragraph (e) of subdivision nine of
37 this section for such general hospital.

38 § 5. This act shall take effect immediately.

Appendix IV
2026 Title XIX State Plan
Second Quarter Amendment
Public Notice

MISCELLANEOUS NOTICES/HEARINGS

Notice of Abandoned Property Received by the State Comptroller

Pursuant to provisions of the Abandoned Property Law and related laws, the Office of the State Comptroller receives unclaimed monies and other property deemed abandoned. A list of the names and last known addresses of the entitled owners of this abandoned property is maintained by the office in accordance with Section 1401 of the Abandoned Property Law. Interested parties may inquire if they appear on the Abandoned Property Listing by contacting the Office of Unclaimed Funds, Monday through Friday from 8:00 a.m. to 4:30 p.m., at:

1-800-221-9311
or visit our web site at:
www.osc.state.ny.us

Claims for abandoned property must be filed with the New York State Comptroller's Office of Unclaimed Funds as provided in Section 1406 of the Abandoned Property Law. For further information contact: Office of the State Comptroller, Office of Unclaimed Funds, 110 State St., Albany, NY 12236.

PUBLIC NOTICE Department of Health

Pursuant to 42 CFR Section 447.205, the Department of Health hereby gives public notice of the following:

The Department of Health proposes to amend the Title XIX (Medicaid) State Plan for all services to comply with the 2026-2027 proposed executive budget. The following changes are proposed:

All Services

Effective on or after April 1, 2026, the Department of Health will adjust Medicaid rates statewide to reflect a 1.7% percent Targeted Inflationary Increase for the following Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), and Office for People With Developmental Disabilities (OPWDD) State Plan Services: OMH Outpatient Services, OMH Clinic Services, OMH Rehabilitative Services, Comprehensive Psychiatric Emergency Program, including Extended Observation Beds, Children and Family Treatment and Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Part 822 Outpatient Addiction Services, OASAS Part 818 Substance Use Disorder Residential Rehabilitation Services (freestanding), OASAS Part 816 Residential Medically Supervised Withdrawal and Stabilization Services (freestanding), OASAS Part 820 Residential Services, OASAS Part 817 Substance Use Disorder Residential Rehabilitation Services for Youth, Intermediate Care Facility (ICF/IDD), Day Treatment, Article 16 Clinic Services, Specialty Hospital, Independent Practitioner Services for Individual with Developmental Disabilities (IPSIDD), and OPWDD Crisis Services.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is \$24.9 million.

Non-Institutional Services

Effective on or after April 1, 2026, the Department of Health will adjust Medicaid rates statewide to account for increased labor costs resulting from statutorily required increases in New York State minimum wage for the following Office of Mental Health (OMH) State

Plan Services: OMH Outpatient Services, OMH Clinic Services, and OMH Rehabilitative Services.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is \$85,000.

Effective on or after April 1, 2026, the State will invest up to \$60 million in diagnostic and treatment centers, including Federally Qualified Health Centers and Rural Health Clinics, licensed under Article 28 of the Public Health Law, by an aggregate amount up to \$60 million per year.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to \$60 million.

Effective on April 1, 2026, for the 2026 rate year and thereafter, the reimbursement methodology for personal care services will be revised. Personal care direct services rates will be based on reported allowable costs not to exceed, or fall below, one standard deviation of the mean for the applicable geographic group. The administrative portion of the rate will not exceed 15 percent of the total rate. Providers' payments for nursing services will be a fee.

The estimated annual net aggregate decrease in gross Medicaid expenditures attributable to this initiative is (\$15 million).

Effective on or after April 1, 2026 through March 31, 2027, the State will invest up to \$1.5 billion in hospital outpatient services when combined with investments in hospital inpatient and residential health care facility services. The State will invest up to \$1.0 billion, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to \$1.5 billion.

Effective on or after April 1, 2026, the State will provide Medicaid reimbursement to freestanding birth centers, including midwifery birth centers and birth centers licensed as diagnostic and treatment centers. The Ambulatory Patient Group (APG) payment methodology will be utilized to reimburse services provided in freestanding birth centers. A separate payment will also be made to the healthcare professionals providing services in freestanding birth centers.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Institutional Services

Effective on or after April 1, 2026, this proposal continues the indigent care pool payments made to general hospitals, subject to all provisions of PHL 2807-k.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2026, the proposed amendment to the State Plan will allow Title XIX (Medicaid) reimbursement to general hospitals, as defined in Subdivision 10 of Section 2801 of the Public Health Law, for provision of inpatient acute care that is provided off-site, pursuant to the conditions set forth in proposed Subdivision 15 of Section 2803 of the Public Health Law (see Proposed Executive Budget, Health and Mental Hygiene, Part K, Section 6). Reimbursement rates will match those provided for inpatient acute care services provided on-site in licensed general hospital settings.

Under the proposed law, the Commissioner of Health of the State of New York may allow general hospitals to provide off-site acute care medical services that are (a) not home care services or professional services as defined in Subdivisions 1 and 2 of Section 3602 of the

Public Health Law; (b) provided by a medical professional, including a physician, registered nurse, nurse practitioner, or physician assistant, to a patient with a preexisting clinical relationship with the general hospital or with the health care professional providing the service; and (c) provided to a patient for whom a medical professional has determined is appropriate to receive acute medical services at their residence. To participate, the general hospital must also have appropriate discharge planning in place to coordinate discharge to a home care agency where medically necessary and consented to by the patient after the patient's acute care episode ends, consistent with all applicable federal, state, and local laws.

There is no estimated change to gross Medicaid expenditures as a result of this proposed amendment.

Effective on or after April 1, 2026 through March 31, 2027, the State will invest up to \$1.5 billion in hospital inpatient services when combined with investments in hospital outpatient and residential health care facility services. The State will invest up to \$1.0 billion, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to \$1.5 billion.

Long Term Care

Effective on or after April 1, 2026, this proposal would end-date the previously enacted 10% reduction to nursing home capital reimbursement. The 10% reduction will not continue going forward.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is \$58 million.

Effective on or after April 1, 2026 through March 31, 2027, the State will invest up to \$1.5 billion in residential health care facility services when combined with investments in hospital inpatient and hospital outpatient services. The State will invest up to \$1.0 billion, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to \$1.5 billion.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district.

For the New York City district, copies will be available at the following places:

New York County
250 Church Street
New York, New York 10018

Queens County, Queens Center
3220 Northern Boulevard
Long Island City, New York 11101

Kings County, Fulton Center
114 Willoughby Street
Brooklyn, New York 11201

Bronx County, Tremont Center
1916 Monterey Avenue
Bronx, New York 10457

Richmond County, Richmond Center
95 Central Avenue, St. George
Staten Island, New York 10301

For further information and to review and comment, please contact: Department of Health, Division of Finance and Rate Setting, 99 Washington Ave., One Commerce Plaza, Suite 1432, Albany, NY 12210, spa-inquiries@health.ny.gov

PUBLIC NOTICE

New York City Deferred Compensation Plan

The New York City Deferred Compensation Plan (the "Plan") is seeking qualified vendors to provide US small-cap equity core investment management services for the Small Cap Equity Fund ("the Fund") investment option of the Plan. The objective of the Fund is to provide long term growth of capital by investing primarily in the stocks of smaller rapidly growing companies. To be considered, vendors must submit their product information to Segal Marco Advisors at the following e-mail address: nycdcp.procurement@segalmarco.com. Please complete the submission of product information no later than 4:30 P.M. Eastern Time on April 2, 2026.

Consistent with the policies expressed by the City, proposals from certified minority-owned and/or women-owned businesses or proposals that include partnering arrangements with certified minority-owned and/or women-owned firms are encouraged. Additionally, proposals from small and New York City-based businesses are also encouraged.

PUBLIC NOTICE

New York City Deferred Compensation Plan

The New York City Deferred Compensation Plan (the "Plan") is seeking qualified vendors to provide liquidity support services, including maintenance of daily liquidity, for the Stable Income Fund ("the Fund") investment option of the Plan. The objective of the Fund is to provide an opportunity to invest in high quality fixed income securities with an emphasis on safety of principal and consistency of returns. To be considered, vendors must submit their product information to Segal Marco Advisors at the following e-mail address: nycdcp.procurement@segalmarco.com. Please complete the submission of product information no later than 4:30 P.M. Eastern Time on April 2, 2026.

Consistent with the policies expressed by the City, proposals from certified minority-owned and/or women-owned businesses or proposals that include partnering arrangements with certified minority-owned and/or women-owned firms are encouraged. Additionally, proposals from small and New York City-based businesses are also encouraged.

PUBLIC NOTICE

Department of State

F-2026-0002

Date of Issuance – March 25, 2026

The New York State Department of State (DOS) is required by Federal regulations to provide timely public notice for the activities described below, which are subject to the consistency provisions of the Federal Coastal Zone Management Act of 1972, as amended.

The applicant has certified that the proposed activity complies with and will be conducted in a manner consistent with the approved New York State Coastal Management Program.

In F-2026-0002, the applicant, Joseph Milito, PHH Bank, is proposing to install an approx. 200' long rock revetment along the toe of the bluff, including 10' and 12' returns, and place erosion control matting with approx. 1,400 cubic yards of clean sand backfill to be planted with indigenous species to revegetate the bluff face. This project is located at 10 Richards Path, Village of St. James, Suffolk County, Long Island Sound.

The applicant's consistency certification and supporting information are available for review at:

<https://dos.ny.gov/f-2026-0002> or at <https://dos.ny.gov/public-notices>

The proposed activity would be located within or has the potential to affect the following Special Management or Regulated Area(s):

- Town of Smithtown Local Waterfront Revitalization Program:
<https://dos.ny.gov/location/town-smithtown-local-waterfront-revitalization-program>
- Villages of Head of the Harbor and Nissequogue Local Waterfront Revitalization Program:

Public Notice
NYS Department of Health

Pursuant to 42 CFR Section 447.205, the Department of Health hereby gives public notice of the following:

The Department of Health proposes to amend the Title XIX (Medicaid) State Plan for all services to comply with the 2026-2027 enacted budget. The following changes are proposed:

All Services

The following is a clarification to the March 25th, 2026, noticed proposal to adjust rates of payment statewide to reflect a 1.7 percent (1.7%) Targeted Inflationary Increase. With clarification, this increase will now be 2.7 percent (2.7%) and relating to the following: Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), and Office for People With Developmental Disabilities (OPWDD) State Plan Services: OMH Outpatient Services, OMH Clinic Services, OMH Rehabilitative Services, Comprehensive Psychiatric Emergency Program, including Extended Observation Beds, Children and Family Treatment and Support Services, Health Home Plus, Psychiatric Residential Treatment Facilities for Children and Youth, OASAS Part 822 Outpatient Addiction Services, OASAS Part 818 Substance Use Disorder Residential Rehabilitation Services (freestanding), OASAS Part 816 Residential Medically Supervised Withdrawal and Stabilization Services (freestanding), OASAS Part 820 Residential Services, OASAS Part 817 Substance Use Disorder Residential Rehabilitation Services for Youth, Intermediate Care Facility (ICF/IDD), Day Treatment,

Article 16 Clinic Services, Specialty Hospital, Independent Practitioner Services for Individual with Developmental Disabilities (IPSIDD), and OPWDD Crisis Services.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is \$39.6 million.

Non-Institutional Services

The following is a clarification to the March 25, 2026, noticed provision to invest up to \$60 million in diagnostic and treatment centers, including Federally Qualified Health Centers and Rural Health Clinics, by an aggregate amount up to \$60 million per year, effective on or after April 1, 2026.

With clarification, that State will invest up to \$80 million per year in diagnostic and treatment centers, designated as Federally Qualified Health Centers or Rural Health Clinics, effective on or after April 1, 2026.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to \$80 million.

The following is a clarification to the March 25, 2026, noticed provision to invest up to \$1.5 billion in hospital outpatient services, when combined with investments in hospital inpatient and residential health care facility services. The state would also invest up to \$1.0 billion, collectively, in each state fiscal year thereafter.

With clarification, the state will invest up to \$706 million in hospital outpatient services, including hospital-based Federally Qualified Health Center and Rural Health Clinic outpatient services, when combined with investments in hospital inpatient services, effective on or after April 1, 2026 and each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to \$706 million.

Institutional Services

The following is a clarification to the March 25, 2026, noticed provision to invest up to \$1.5 billion in hospital inpatient services, when combined with investments in hospital outpatient and residential health care facility services. The state would also invest up to \$1.0 billion, collectively, in each state fiscal year thereafter.

With clarification, the state will invest up to \$706 million in hospital inpatient services, when combined with investments in hospital outpatient services, including hospital-based Federally Qualified Health Center and Rural Health Clinic outpatient services, effective on or after April 1, 2026 and each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to \$706 million.

Long Term Care Services

The following is a clarification to the March 25, 2026, noticed provision to the distribution of the previously identified \$1.5 billion investment for residential health care facilities and hospitals.

With clarification, effective on or after April 1, 2026, through March 31, 2027, the State will invest up to \$480 million in residential health care facility services when combined with investments in Adult Day Health Care, AIDS Adult Day Health Care, and Hospice programs. The State will invest up to \$480 million, collectively, in each state fiscal year thereafter.

The estimated annual net aggregate increase in gross Medicaid expenditures attributable to this initiative is up to \$480 million.

The public is invited to review and comment on this proposed State Plan Amendment, a copy of which will be available for public review on the Department's website at http://www.health.ny.gov/regulations/state_plans/status. Individuals without Internet access may view the State Plan Amendments at any local (county) social services district.

For the New York City district, copies will be available at the following places:

New York County
250 Church Street
New York, New York 10018

Queens County, Queens Center
3220 Northern Boulevard
Long Island City, New York 11101

Kings County, Fulton Center
114 Willoughby Street
Brooklyn, New York 11201

Bronx County, Tremont Center
1916 Monterey Avenue
Bronx, New York 10457

Richmond County, Richmond Center
95 Central Avenue, St. George
Staten Island, New York 10301

For further information and to review and comment, please contact:

New York State Department of Health
Division of Finance and Rate Setting
99 Washington Ave
One Commerce Plaza
Suite 1432
Albany, New York 12210
spa-inquiries@health.ny.gov

Appendix V
2026 Title XIX State Plan
Second Quarter Amendment
Responses to Standard Funding Questions

LONG-TERM SERVICES
State Plan Amendment #26-0039

CMS Standard Funding Questions

The following questions are being asked and should be answered in relation to all payments made to all providers reimbursed pursuant to a methodology described in Attachment 4.19-D of the state plan.

- 1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.).**

Response: Providers (except for OPWDD's ICF/DD) receive and retain 100 percent of total Medicaid expenditures claimed by the State and the State does not require any provider to return any portion of such payments to the State, local government entities, or any other intermediary organization.

OPWDD's ICF/DD facilities are subject to a 5.5% Medicaid-reimbursable tax on gross receipts that are not kept by the provider but remitted to the state general fund for both voluntary and State-operated ICF/DDs. This assessment is authorized by Public Law 102-234, Section 43.04 of the New York State Mental Hygiene Law, Federal Medicaid regulations at 42 CFR 433.68. OPWDD recoups the assessment from the ICF/DD Medicaid payment before the payment is sent to the voluntary provider. For State operated ICF/DDs, the legislature appropriates an amount for payment of the assessment. Aside from the assessments, providers receive and retain all the Medicaid payments for ICF/DD services.

- 2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either through an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid**

payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local governmental entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:

- (i) a complete list of the names of entities transferring or certifying funds;
- (ii) the operational nature of the entity (state, county, city, other);
- (iii) the total amounts transferred or certified by each entity;
- (iv) clarify whether the certifying or transferring entity has general taxing authority; and,
- (v) whether the certifying or transferring entity received appropriations (identify level of appropriations).

Response: The Non-Federal share Medicaid provider payment (normal per diem and supplemental) is funded by a combination of the following funds/funding sources through enacted appropriations authority to the Department of Health (DOH) for the New York State Medicaid program or is funded by an IGT transferred from the counties.

		4/1/26 – 3/31/27	
Payment Type	Non-Federal Share Funding	Non-Federal	Gross
Nursing Homes Normal Per Diem	General Fund; Special Revenue Funds; County Contribution	\$3.638B	\$7.362B
Intermediate Care Facilities Normal Per Diem	General Fund; County Contribution	\$461M	\$929M
Nursing Homes Supplemental	General Fund	\$108M	\$216M
Intermediate Care Facilities Supplemental	General Fund	\$0	\$0
Nursing Homes UPL	IGT	\$128M	\$256M
Totals		\$4.335B	\$8.763B

A. **General Fund:** Revenue resources for the State's General Fund includes taxes (e.g., income, sales, etc.), and miscellaneous fees (including audit recoveries and provider assessments). Medicaid expenditures from the State's General Fund are authorized from Department of Health Medicaid.

- 1) New York State Audit Recoveries: The Department of Health collaborates with the Office of the Medical Inspector General (OMIG) and the Office of the Attorney General (AG) in recovering improperly expended Medicaid funds. OMIG conducts and coordinates the investigation, detection, audit, and review of Medicaid providers and recipients to ensure they are complying with all applicable laws and regulation. OMIG recovers any improper payments through cash collections and voided claim recoveries. Cash collections are deposited into the State's General Fund to offset Medicaid costs.

In addition to cash collections, OMIG finds inappropriately billed claims within provider claims. To correct an error, OMIG and DOH process the current accurate claim, and reduce this claim by the inappropriate claim value to recoup the previous overclaim and decrease state spending.

- 2) Intermediate Care Facilities (ICF) Provider Service Assessment: Pursuant to New York State Mental Hygiene Law 43.04, a provider's gross receipts received on a cash basis for all services rendered at all ICFs is assessed at 5.5 percent. This assessment is deposited directly into the State's General Fund.

B. Special Revenue Funds:

Health Facility Cash Assessment Program (HFCAP) Fund: Pursuant to New York State Public Health Law 2807-d and Section 90 of Part H of Chapter 59 of the Laws of 2011, the total state assessment on each residential health care facility's gross receipts received from all patient care services and other operating income on a cash basis for residential health care facilities, including adult day service, but excluding, gross receipts attributable to payments received pursuant to Title XVIII of the federal Social Security Act (Medicare), is 6.8 percent.

NOTE: New York's Health Care taxes are either broad based and uniform (as in all HFCAP assessments except for the Personal Care Provider Cash Assessment) or have a specific exemption known as the "D'Amato provision (Federal PHL section 105-33 4722 (c))" which allows the HCRA surcharges to exist in their current format. The single tax which has been determined by the State to be an impermissible provider tax is the HFCAP charge on Personal Care Providers. The State does not claim any Federal dollars for the surcharge collected in this manner in order to comply with all Federal provider tax rules.

C. Additional Resources for Non-Federal Share Funding:

County Contribution: In State Fiscal Year 2006, through enacted State legislation (Part C of Chapter 58 of the laws of 2005), New York State "capped" the amount localities contributed to the non-Federal share of providers claims. This was designed to relieve pressure on county property taxes and the NYC budget by limiting local contributions having New York State absorb all local program costs above this fixed statutory inflation rate (3% at the time).

However, in State Fiscal Year 2013 New York State provided additional relief to Localities by reducing local contributions annual growth from three percent to zero over a three-year period. Beginning in State Fiscal Year 2016, counties began paying a fixed cost in perpetuity as follows:

Entity	Annual Amount
New York City	\$5.378B
Suffolk County	\$256M
Nassau County	\$241M
Westchester County	\$223M

Erie County	\$216M
Rest of State (53 Counties)	\$1.320B
Total	\$7.634B

By eliminating the growth in localities Medicaid costs, the State has statutorily capped total Statewide County Medicaid expenditures at 2015 levels. All additional county Medicaid costs are funded by the State through State funding as described above. DOH provides annual letters to counties providing weekly contributions. Contributions are deposited directly into State escrow account and used to offset 'total' State share Medicaid funding.

NOTE: The Local Contribution is not tied to a specific claim or service category and instead is a capped amount based on 2015 county spending levels as stated above. Each deposit received is reviewed and compared to the amount each county is responsible to contribute to the Medicaid program to verify the county funds received are eligible for Medicaid expenses.

D. IGT Funding:

New York State requests the transfer of the IGT amounts from entities prior to the release of payments to the providers. The entities transferring IGT amounts are all units of government, and the nonfederal share is derived from state or local tax revenue funded accounts only. The providers keep and retain Medicaid payments. Please note that entities have taxing authority, and the State does not provide appropriations to the entities for IGTs.

Provider	Entity Transferring IGT Funds	4/1/26-3/31/27 IGT Amount
A Holly Patterson Extended Care Facility	Nassau County	\$12M
Albany County Nursing Home	Albany County	\$6M
Chemung County Health Center	Chemung County	\$4M
Clinton County Nursing Home	Clinton County	\$2M
Coler Rehabilitation & Nursing Care Center	New York City	\$9M
Dr. Susan Smith Mckinney Nursing and Rehab Center	Kings County	\$7M
Glendale Home	Schenectady County	\$4M
Henry J. Carter Nursing Home	New York City	\$3M
Lewis County General Hospital-Nursing Home Unit	Lewis County	\$3M
Livingston County Center for Nursing and Rehabilitation	Livingston County	\$5M
Monroe Community Hospital-Nursing Home Unit	Monroe County	\$12M
New Gouverneur Hospital-Nursing Home Unit	New York City	\$6M
Sea View Hospital Rehabilitation Center and Home	Richmond County	\$7M
Sullivan County Adult Care Center	Sullivan County	\$3M
Terrace View Long Term Care	Erie County	\$8M
The Pines Healthcare & Rehab Centers Machias Camp	Cattaraugus County	\$3M
The Pines Healthcare & Rehab Centers Olean Camp	Cattaraugus County	\$3M
The Valley View Center for Nursing Care and Rehab	Orange County	\$8M
Van Rensselaer Manor	Rensselaer County	\$9M

Wayne County Nursing Home	Wayne County	\$4M
Willow Point Rehabilitation & Nursing Center	Broome County	\$6M
Wyoming County Community Hospital-NH Unit	Wyoming County	\$4M
Total		\$128M

- 3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.**

Response: Below is a list of nursing home and ICF supplemental payments:

Payment Type	Private	State Government	Non-State Government	4/1/26-3/31/27 Gross Total
Advance Training Initiative	\$44M	\$0	\$2M	\$46M
Cinergy	\$29M	\$0	\$1M	\$30M
1% Supplemental	\$133M	\$1M	\$6M	\$140M
Nursing Home UPL	\$243M	\$1M	\$12M	\$256M
Total	\$449M	\$2M	\$21M	\$472M

The Medicaid payments authorized under this State Plan Amendment are supplemental payments and total \$480 million for State Fiscal Year 2026-27.

- 4. Please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State owned or operated, non-state government owned or operated, and privately owned or operated). Please provide a current (i.e. applicable to the current rate year) UPL demonstration. Under regulations at 42 CFR 447.272, States are prohibited from setting payment rates for Medicaid inpatient services that exceed a reasonable estimate of the amount that would be paid under Medicare payment principals.**

Response: The nursing home UPL calculation is a payment-to-cost calculation for state government, private facilities, and Non-state Governmental facilities. The Medicaid payments under this State Plan Amendment will be included in the 2026 nursing home UPL when it is submitted to CMS.

5. Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?

Response: Providers do not receive payments that in the aggregate exceed their reasonable costs of providing services. If any providers received payments that in the aggregate exceeded their reasonable costs of providing services, the State would recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report.

ACA Assurances:

1. **Maintenance of Effort (MOE).** Under section 1902(gg) of the Social Security Act (the Act), as amended by the Affordable Care Act, as a condition of receiving any Federal payments under the Medicaid program during the MOE period indicated below, the State shall not have in effect any eligibility standards, methodologies, or procedures in its Medicaid program which are more restrictive than such eligibility provisions as in effect in its Medicaid program on March 10, 2010.

MOE Period.

- **Begins on:** March 10, 2010, and
- **Ends on:** The date the Secretary of the Federal Department of Health and Human Services determines an Exchange established by a State under the provisions of section 1311 of the Affordable Care Act is fully operational.

Response: This SPA complies with the conditions of the MOE provision of section 1902(gg) of the Act for continued funding under the Medicaid program.

2. **Section 1905(y) and (z) of the Act provides for increased FMAPs for expenditures made on or after January 1, 2014 for individuals determined eligible under section 1902(a)(10)(A)(i)(VIII) of the Act. Under section 1905(cc) of the Act, the increased FMAP under sections 1905(y) and (z) would not be available for States that require local political subdivisions to contribute amounts toward the non-Federal share of the State's expenditures at a greater percentage than would have been required on December 31, 2009.**

Prior to January 1, 2014 States may potentially require contributions by local political subdivisions toward the non-Federal share of the States' expenditures at percentages greater than were required on December 31, 2009. However, because of the provisions of section 1905(cc) of the Act, it is important to determine and document/flag any SPAs/State plans which have such greater percentages prior to the January 1, 2014 date in order to anticipate potential violations and/or appropriate corrective actions by the States and the Federal government.

Response: This SPA would [] / would not [✓] violate these provisions, if they remained in effect on or after January 1, 2014.

3. Please indicate whether the State is currently in conformance with the requirements of section 1902(a)(37) of the Act regarding prompt payment of claims.

Response: The State complies with the requirements of section 1902(a)(37) of the Act regarding prompt payment of claims.

Tribal Assurance:

Section 1902(a)(73) of the Social Security Act the Act requires a State in which one or more Indian Health Programs or Urban Indian Organizations furnish health care services to establish a process for the State Medicaid agency to seek advice on a regular ongoing basis from designees of Indian health programs whether operated by the Indian Health Service HIS Tribes or Tribal organizations under the Indian Self Determination and Education Assistance Act ISDEAA or Urban Indian Organizations under the Indian Health Care Improvement Act.

IHCIA Section 2107(e)(I) of the Act was also amended to apply these requirements to the Children's Health Insurance Program CHIP. Consultation is required concerning Medicaid and CHIP matters having a direct impact on Indian health programs and Urban Indian organizations.

- a) Please describe the process the State uses to seek advice on a regular ongoing basis from federally recognized tribes Indian Health Programs and Urban Indian Organizations on matters related to Medicaid and CHIP programs and for consultation on State Plan Amendments waiver proposals waiver extensions waiver amendments waiver renewals and proposals for demonstration projects prior to submission to CMS.**
- b) Please include information about the frequency inclusiveness and process for seeking such advice.**
- c) Please describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment when it occurred and who was involved.**

Response: Tribal consultation was performed in accordance with the State's tribal consultation policy as approved in SPA 17-0065, and documentation of such is included with this submission. To date, no feedback has been received from any tribal representative in response to the proposed change in this SPA.