

GREATER NEW YORK HEALTH CARE FACILITIES ASSOCIATION

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Memo 26-42

**To: Administrator, DNS, Owners, Operators, MDs Coordinators, Comptroller(s),
Interdisciplinary Team members and QA Committee**

From: Mary Gracey-White RN, BSN, QCP.RAC-CTA, Director of Regulatory Compliance

Date: August 5, 2026

Re: NYSDOH Bureau of Reimbursement Updates

GNYHCFA participated in a call on August 4, 2026, with the NYSDOH Bureau of Reimbursement regarding New York State's transition to Medicaid PDPM (Patient Driven Payment Methodology). Attached to this Memo please find the PDPM Presentation. Discussion included:

- Review of CMS phased out RUG-III support, NYS DOH is building a PDPM-based Case Mix Index for **Medicaid rate setting**. Dual eligible (Medicare/Medicaid) recipients encompass a significant portion of the Medicaid nursing home population. Payment responsibilities for Duals differ significantly from those for non-dual eligible recipients for items such as therapies and drugs.
- **Case mix has been frozen since July 2023** – Medicaid rates still reflect RUG-III acuity from MDS assessments covering October 2022 through March 2023.
- **Where it stands:** only the Nursing component is projected to be used; implementation is expected no earlier than late 2026. A 3-year phase-in approach with a corridor of acceptable increases/decreases compared to the prior system is the most equitable approach for both the State and providers.
- To achieve a budget neutral PDPM implementation, the system Direct Care Price and regional CMI adjustment must be updated.
- The follow-up Stakeholder Meeting will be held within 2 weeks as per NYSDOH. Facilities can send questions to GNYHCFA or NYNF@mslc.com and NFRates@health.ny.gov