

TO: Local Commissioners, Medicaid Directors

FROM: Betty Rice, Director
Division of Consumer and Local District Relations

SUBJECT: Medicaid Regional Rates for Calculating Transfer Penalty
Periods for 2000

EFFECTIVE DATE: August 1, 2000

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This is to notify districts of the year 2000 regional rates which must be used to determine the Medicaid transfer of assets penalty period in accordance with 96 ADM-8, "OBRA '93 Provisions on Transfers and Trusts." These rates are based on the average nursing home costs in each of the seven regions in the State.

The year 2000 regional rates must be used in determining the penalty period for institutionalized persons who applied for Medicaid coverage on or after August 1, 2000. The year 2000 Medicaid regional rates are:

Region	Monthly Regional Rate
Central	\$4,837
Long Island	\$7,840
New York City	\$7,517
Northeastern	\$5,494
Northern Metropolitan	\$6,668
Rochester	\$5,448
Western	\$5,186

The regional rates which have been in effect since 1998 were based on information provided to the Department by nursing homes regarding the maximum rates charged to their private pay patients. This information did not take into account the number of private pay patients in nursing homes who are charged less than the maximum rate. Since the new regional rates are based on weighted averages, they more accurately reflect the average cost of nursing home care to a private pay patient. As a result of this more precise calculation, however, several of the year 2000 regional rates are lower than the previous regional rates.