Deloitte.



Managed Long Term Care Partial Capitation Program

Information Sharing Report
April 1, 2025 – March 31, 2026

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Introduction

In partnership with the New York State Department of Health ("DOH" or "State"), Deloitte Consulting LLP ("Deloitte") was engaged to analyze and certify actuarially sound capitation rates for the New York Managed Long Term Care Partial Capitation (MLTCP) program for State Fiscal Year (SFY) 2025-26 (April 1, 2025 – March 31, 2026).

The approach for the analysis and rate certification is to develop actuarially sound ranges for various assumptions within the rate development process and certify specific rates that correspond to specific assumptions within the actuarially sound assumption ranges, which is consistent with Section 3.2.1 of Actuarial Standard of Practice #49 (Medicaid Managed Care Capitation Rate Development and Certification):

> "Form of the Capitation Rates (Single Rate or Capitation Rate Ranges)—The capitation rate certification may apply to a single point estimate capitation rate or a range of capitation rates. If a range of capitation rates is prepared, the contracted rates with an MCO may be at either end of the range or a point within the range. The capitation rates may vary by MCO."

DOH has implemented a rate negotiation process that allows contracting managed care organizations (MCOs) and their actuaries to review the capitation rate development and provide comments and feedback to DOH. The specific rates submitted by DOH are the result of the negotiation process which is informed by the rate methodology and are then certified to be actuarially sound as long as they correspond to specific assumptions that are within the actuarially sound assumption ranges developed by Deloitte.

In compliance with the requirement outlined in Subdivision 18 of section 364-j of the Social Service Law, this report provides a detailed description of the rate analysis and shows the assumptions used for developing the selected capitation rates for the State. This document includes exhibits that quantify the impact of each adjustment and the resulting actuarially sound rates. This report has been prepared for the State and to assist the managed care health plans in reviewing the capitation rates described herein prior to submission to CMS and may not be appropriate for other purposes. The rates will be adjusted as necessary to reflect any relevant changes as a result of policy changes or State budget action when information is available.

Deloitte and the State have developed the capitation rates in accordance with the applicable CMS provisions under 42 CFR 438 and all applicable Actuarial Standards of Practice (ASOPs). The methods used for calculating these capitation rates are consistent with the requirements of the *2024-2025 Medicaid Managed Care Rate Development Guide* as promulgated by CMS that the capitation rates be actuarially sound and appropriate for the population covered by the program. For purposes of this report, actuarial soundness is defined consistent with ASOP No. 49, *Medicaid Managed Care Capitation Rate Development and Certification*. ASOP No. 49 defines that Medicaid capitation rates are "actuarially sound" if, for business for which the certification is being prepared and for the period covered by the certification, projected capitation rates, and other revenue sources provide for all reasonable, appropriate, and attainable costs.

Program Overview

The State currently operates three unique MLTC programs – Managed Long Term Care Partial Capitation (MLTCP), Medicaid Advantage Plus (MAP), and Program of All-Inclusive Care for the Elderly (PACE) – that provide long-term services and supports (LTSS) and limited acute benefits to elderly and/or disabled populations. In addition to the current MLTC programs, the State previously operated the Primary Fully Integrated Dual Advantage (FIDA) program that also provided LTSS and limited acute benefits until its demonstration ended in 2019. For the remainder of this report, these programs are collectively referred to as the MLTC programs, and managed care plans serving these programs are referred to as the MLTC plans. New York has operated MLTC programs since 1997 and for SFY 2025-26 there are expected to be approximately 25 MLTC organizations contracted to enroll members. The State makes reimbursements to the MLTC plans using capitation payments designed to reflect the covered services and acuity of the populations covered by each plan.

The MLTCP program is offered statewide for select individuals who are eligible under the specifications outlined in New York's Medicaid State Plan. As discussed further in the covered populations section below, enrollment in an MLTCP plan is mandatory for individuals meeting certain eligibility criteria, and voluntary for others.

Covered Populations

Eligibility for an MLTC plan depends on a number of factors including the enrollee's age, Medicare beneficiary status, and required level of care. The eligibility criteria are outlined in the Model Contract[1] for the MLTCP, MAP, and PACE programs. Throughout this memorandum, members who are dually-eligible for Medicare and Medicaid benefits are referred to as "dual eligible members" and members who are only eligible for Medicaid are referred to as "non-dual eligible members".

Enrollment in an MLTC plan can be mandatory or voluntary depending on the individual's specific circumstances. Enrollment in an MLTC plan is required for all dual eligible members age 21 years or older and in need of community based LTSS services for more than 120 days. Enrollment in an MLTC plan is voluntary for dual eligible members, ages 18 to 20, who are eligible for nursing home level of care at time of enrollment and also assessed as needing community based long term care services for more than 120 days. Enrollment in an MLTC plan is voluntary for non-dual eligible individuals, ages 18 and older, who have been assessed as eligible for nursing home level of care at time of enrollment and also assessed as needing community based long term care services for more than 120 days.

Effective December 2019, CMS approved the request by the State to "carve out" long-term Nursing Home Care from the MLTCP program. Individuals seeking or referred for permanent nursing home placement are no longer eligible to newly enroll within MLTCP and will instead receive benefits through the State's FFS program. Additionally, permanently placed members who have been in nursing homes for three or more months were disenrolled from their MLTCP plan and will continue to receive nursing home care through FFS, with statewide recurring batch disenrollment from MLTCP commencing as of August 2020. In this memorandum, the permanently-placed nursing home population is referred to as the "Nursing Home Transition" ("NHT") population, and all other members are referred to as the "Community" population.

Covered Services

The MLTCP program provides a defined package of institutional and community based LTSS services consistent with the benefits described in the Medicaid State Plan. In addition, limited acute-care benefits are provided such as outpatient rehab & therapy, and podiatry services. MAP and PACE

[1] Model Contracts
https://www.health.ny.gov/health_care/medicaid/redesign/mrt90/2023/docs/part_cap_model.pdf
https://www.health.ny.gov/health_care/medicaid/redesign/mrt90/docs/2022-2026-map_model_contract.pdf
https://www.health.ny.gov/health_care/medicaid/redesign/mrt90/docs/pace_model_contract.pdf

programs add to the benefit package provided by the MLTCP program, covering additional Medicaid State Plan benefits that would generally be provided through FFS for MLTCP members, including cost sharing on services covered by Medicare. Any services that are covered in the State Plan that are not provided by the MLTC program are reimbursed through FFS.

Please reference the MLTCP, MAP, and PACE Model Contracts for details on the benefits and services provided by the respective MLTC programs.

Data & Information

A data request was developed to collect the necessary items to be used for the rate analysis. The State and participating managed care plans provided information required for the SFY 2025-26 capitation rate range analysis. Data and information collected are outlined below.

- Calendar Year (CY) 2019 through CY 2023 health plan audited financial data and 2024 Quarter Three (Q3) health plan submitted financial data from the cost reports for the MLTCP, FIDA and MAP programs
- Managed Long Term Care (MLTC) encounter data with service dates between January 1, 2015 and December 31, 2021 with runout through November 2022
- Managed Long Term Care Partial (MLTCP) encounter data with service dates between January 1, 2022 and December 31, 2023 with runout through July 2024
- NHT enrollment survey data from February 1, 2015 to September 30, 2024
- Number of members permanently placed in nursing homes who were disenrolled from MLTCP and transitioned to the State's FFS program through October 2024
- Survey by the State of plans' Social Day Care Transportation trips managed by the center and by the statewide transportation broker as of February 2024
- CY 2023 dental utilization data for adults in New York's MLTCP population, and CY 2022 dental utilization data for active as well as Consolidated Omnibus Budget Reconciliation Act (COBRA) members of the New York State Health Insurance Plan (NYSHIP)
- Dental service rates from the New York Medicaid Fee Schedule effective January 31, 2024
- Medicaid Data Warehouse member enrollment from July 2022 through October 2024 to estimate percentage of MLTCP members enrolled in DSNPs
- CY 2023 managed care encounters and FFS claims data was used to identify individuals diagnosed with Arthritis and eligible for the Chronic Disease Self-Management Program (CDSMP)
- SFY 2024-25 MLTCP program rate certifications and supporting exhibits
- SFY 2024-25 MLTCP program State payment rate models
- Model contracts for MLTCP, MAP, and PACE
- Minimum wage schedule for home care workers through SFY 2025-26
- Historical costs of wage-dependent fringe benefits paid for home and community-based service providers
- Community Health Assessment (CHA) data from the Uniform Assessment System for New York (UAS-NY) from October 2021 through September 2024
- Documentation of the State's Long Term Care Risk Adjustment Model
- SFY 2025-26 MLTCP enrollment projections for the Community and NHT populations by plan and region
- Medicaid enrollment and eligibility data through November 2024

In addition to the information provided by the State and participating managed care plans, the following items were also considered in the SFY 2025-26 capitation rate range analysis:

- Publicly available cost increase studies published by CMS
- Economic data/indicators from the U.S. Bureau of Labor Statistics (BLS) and Federal Reserve
- FFS benchmark payment rate schedule for Nursing Homes in New York State
- Publicly available State Medicaid Plan and State Plan Amendments for the State of New York

The scope of the capitation rate development and the intended use of the analysis being performed has been considered in order to determine the nature of the data needed. Additionally, Actuarial guidelines on utilizing imperfect data have been followed and the quality of data has been considered in the actuarial analysis as outlined in ASOP No. 23, *Data Quality*. Deloitte believes the data used in this analysis is credible unless otherwise noted and reasonable data sources are used to develop capitation rates for Managed Long-Term Care (MLTC) services offered to the State of New York's Medicaid population.

Reliance and Limitations

In developing the SFY 2025-26 capitation rates, it has been assumed that the Model Contracts for MLTCP, MAP, and PACE, and all New York Medicaid program specifics have been approved by CMS.

Data provided by the State and participating managed care health plans was relied upon. The data was reviewed for reasonableness and consistency during the course of the work; however, the data was not audited. If the underlying data or information provided is inaccurate or incomplete, the results of this analysis may likewise be inaccurate or incomplete.

This report provides a detailed description of the methodology used in cooperation with DOH for developing the selected capitation rates to be used by the State and to inform the plans in New York State that participate in MLTCP. The capitation rates have been solely prepared for the State of New York and should not be reproduced in any form without the prior consent of Deloitte and should not be relied upon by any entity other than the State of New York nor for any other purpose than that expressly stated in this document.

Capitation rates developed by Deloitte and DOH are based on actuarial analysis of future MLTC program costs for SFY 2025-26. It may be expected that actual experience will vary from the values shown in this report. The methods used for calculating these rates are consistent with CMS requirements detailed in the *2024-2025 Medicaid Managed Care Rate Development Guide* and all applicable actuarial guidance.

Rate Setting Analysis

Overview

Deloitte and DOH have developed actuarially sound capitation rates for the MLTC programs on behalf of the State to demonstrate compliance with the CMS requirements under 42 CFR 438.4.

For base data development, CY 2023 encounter data with claims submitted through July 2024 from the MLTCP program for LTSS and limited acute services was used, with adjustments based on CY 2023 MLTCOR data. Institution for Mental Disease (IMD) services were excluded from CY 2023 experience for the MLTCP program. Due to use of program-specific base data for MLTCP, there is no program acuity adjustment applicable within SFY 2025-26 MLTCP rate development.

Consistent with the 2024-2025 Medicaid Managed Care Rate Development Guide released in January 2024 and Addendum released June 2024, the following data adjustments to the CY 2023 base data were applied as appropriate for each population:

- Base data adjustments
- Program change adjustments
- Trend factors to forecast expenditures to the contract period

The following program, plan, and region-specific adjustments were applied as appropriate for each population and program:

- Administrative expenses
- Care Management costs
- Spenddown/Net Available Monthly Income (NAMI)
- Underwriting gain
- MCO Provider Tax
- Premium based taxes

Adjustments are developed separately for the Community and NHT population, unless otherwise noted. The various steps and further details on rate development are described in subsequent sections of this document.

Rate Structure

For MLTCP, rates are paid to plans based on their region. Separate rates are developed for the Community and NHT populations and then blended as outlined in the Other Actuarial Adjustments section. Each plan's Community rate is risk-adjusted using the State's Long Term Care Risk Adjustment Model with a risk score that excludes NHT members. The NHT rate is not risk-adjusted.

Regional Groups

Community rates are developed separately for each one of the four MLTC regions, and these regions are consistent across the MLTC programs. The Mid-Hudson/Northern Metro, Northeast/Western, and Rest of State rating regions are collectively referred to as "Upstate" throughout this report. NHT rates are calculated for the NYC Area and Upstate. The following table lists the counties in New York State that compose the four rating regions.

Region/County Mapping

Region	Counties
NYC Area	New York City (Bronx, Kings, New York, Queens, Richmond), Nassau, Suffolk, Westchester
Mid-Hudson/Northern Metro	Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster
Northeast/Western	Albany, Erie, Fulton, Genesee, Madison, Monroe, Montgomery, Niagara, Onondaga, Orleans, Rensselaer, Saratoga, Schenectady, Warren, Washington, Wyoming
Rest of State	Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Essex, Franklin, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Oneida, Ontario, Otsego, Oswego, Saint Lawrence, Schoharie, Schuyler, Seneca, Steuben, Tioga, Tompkins, Wayne, Yates

Categories of Service

The experience utilized for rate development was organized by the COS shown in the following table. These COS are consistent with the MLTC benefit packages, reporting of data by plans in the CY 2023 OR data, attribution of claims in the CY 2023 encounter data, as well as how the COS have been historically summarized in the rate development process for the MLTC plans. For costs that were reported as "Other Medical Services" in the CY 2023 OR and encounter data, Deloitte and DOH reviewed the expenses and descriptions provided, discussed significant items with representatives from plans, confirmed services were state plan or waiver services included in the MLTC benefit package, and re-allocated these expenses to the most relevant COS.

COS Description

COS	Description
Nursing Facility	The cost of a nursing facility, a licensed institution which provides room and board, nursing and related care services, commonly used items and equipment, supplies and services used for the medical and nursing benefit of patients. The Medicaid cost allocation for this benefit is equal to the number of skilled nursing days in excess of 100 days per benefit period.
Personal Care	Expense of providing some or total assistance with activities of daily living (such as personal hygiene, dressing and feeding, nutritional and environmental support function tasks) in an enrollee's home.
Consumer Directed Personal Assistance Services (CDPAS)	Expense of personal assistance with such activities as personal hygiene, dressing and feeding, and nutritional and environmental support function tasks in the enrollee's home and is directed by the enrollee. These expenses are part of the Consumer Directed Personal Assistance Program (CDPAP).
Adult Day Health Care (ADHC)	Payments to Adult Day Health Care providers for the cost of the care and services provided at the adult day care site, under the medical supervision of a physician, to enrollees who are functionally impaired, not homebound.
Social Day Care (SDC)	Expense of attending a structured, comprehensive program which provides functionally impaired individuals with socialization, supervision and monitoring, personal care, and nutrition in a protective setting during any part of the day, but for less than a 24-hour period.
Personal Emergency Response Services	The number of electronic devices which enable enrollees to secure immediate help in the event of physical, emotional, or environmental emergency.

COS	Description
Home Delivered Meals	Expense of providing nutritionally adequate meals in the enrollee's home.
Home Health Care	Expenses for home health services provided including therapeutic and preventive nursing services, private duty nursing, home health aide services and rehabilitation therapies. Includes pharmaceutical costs for IV therapies.
Durable Medical Equipment (DME) & Supplies	Expense of durable medical equipment (DME), medical/surgical supplies, prosthetics and orthotics, and orthopedic footwear. Durable medical equipment are devices and equipment, other than prosthetic or orthotic appliances, which have been ordered by a practitioner in the treatment of a specific medical condition and which have all the following characteristics: • Can withstand repeated use for a protracted period of time • Are primarily and customarily used for medical purposes • Are generally not useful in the absence of an illness or injury • Are not usually fitted, designed, or fashioned for a particular individual's use. Where equipment is intended for use by only one patient, it may be either custom made or customized.
Outpatient Rehab & Therapy	Services provided for the maximum reduction of physical or mental disability and restoration of the enrollee to his or her best functional level. Rehabilitation services include care and services rendered by independent physical therapists, speech-language pathologists, and occupational therapists on an outpatient basis outside of the home.
Podiatry	Medically necessary foot care, including care for medical conditions affecting lower limbs. Routine hygienic care of the feet, the treatment of corns and calluses, the trimming of nails, and other hygienic care such as cleaning or soaking feet, is not covered in the absence of a pathological condition.
Dental	Preventive, prophylactic and other dental care, services and supplies, oral surgery, and dental prosthetic and orthotic appliances required to alleviate a serious health condition.
Vision	The cost of testing the vision and prescribing glasses to correct eye defects. Includes the cost of eyeglasses but excludes ophthalmologist costs related to the treatment of disease or injury to the eye.
Other Professional Services	Includes costs for services provided by non-physician providers engaged in the delivery of medical services. This includes outpatient services provided by dieticians, social workers, and audiologists outside the home.
Transportation – Non-Emergent (NEMT)	Transportation service for assistance in getting to the day health centers, outpatient facilities or other providers. May include the expenses of licensed driver(s) providing all the transportation for plan's enrollees and the cost of operating, maintaining and servicing the vehicles.

Spenddown/NAMI

The State requires that capitation rates be adjusted to exclude enrollee Spenddown and NAMI and that plans are responsible for collecting these amounts. Accordingly, the rate development is

calculated net of the full Spenddown and NAMI amounts, irrespective of whether the plans collect the full amounts. Plans were required to report the total Spenddown/NAMI in the CY 2023 ORs both gross and net of amounts the plans determined to be uncollectible and separate Spenddown/NAMI amounts for the Community and NHT populations were reported.

For the Community population, the average Spenddown per enrollee was calculated by plan and region using the CY 2023 OR data. The Spenddown amounts by plan were adjusted to account for the estimated impact of realized or anticipated plan mergers, acquisitions, and closures from the CY 2023 base period through the SFY 2025-26 rating period. This adjustment was budget neutral to the regional rate.

Further, a downward adjustment was applied to the historic Spenddown amounts to reflect the policy change which raised the Medicaid Income Eligibility level for the Aged, Blind, and Disabled (Non-MAGI) population from 87% to 138% of the Federal Poverty Level (FPL) starting January 2023. The downward Spenddown adjustment was calculated on a NYC Area and Upstate regional basis, and estimated based on feedback from plans and MLTCOR data from 2023 through 2024 Q3. The adjustments were applied to the plan-specific Spenddown assumption calculated from the MLTCORs, which was then deducted from each plan's projected capitation rate. For plans that were not active in CY 2023 or did not report any Spenddown for the Community population, the regional average per enrollee was deducted.

For the NHT population, regional average NAMI amounts per enrollee were calculated using the OR data and deducted from gross benefit costs in the NHT rate development on a regional basis due to differing arrangements on NAMI collection and reporting between plans and nursing homes. In the calculation of the regional average, plans that did not report NAMI for the NHT population in OR data were confirmed to have reported Nursing Facility expense net of NAMI and were included in the regional average amount per enrollee.

Services Excluded

State Plan services not included in the MLTC benefit packages are provided on a FFS basis. For the SFY 2025-26 contract period, services not covered under the MLTC benefit packages as specified in the Model Contracts for MLTCP, MAP, and PACE are excluded from rate development.

All costs incurred by an individual age 21 – 64 who is also a patient in an IMD have been excluded from the CY 2023 base data as part of the rate development process.

Coordination with Medicare

Costs for services that are paid by Medicare are not included in the capitation rates described in this report, however Medicaid plan costs driven by cost sharing on Medicare covered LTSS services may be included.

Impacts of COVID-19 Pandemic

The following impacts of the pandemic and the COVID-19 Public Health Emergency (PHE) were considered when developing capitation rates for SFY 2025-26.

- In the Families First Coronavirus Response Act, states received a temporary increase in funding and as an exchange, they agreed to not impose new Medicaid eligibility requirements or disenroll members during the public health emergency. These requirements are referred to as Maintenance of Effort (MOE). As a result of the Public Health Emergency Unwind from the Medicaid Maintenance of Effort from the COVID-19 relief packages, beginning in late 2023, Mainstream Managed Care (MMC) and Integrated Benefit Dually Eligible (IB Dual) members that were dual eligible under the Medicaid MOE began to be disenrolled from the program. At the time the rates were developed, the PHE unwind had begun and data through October 2024 was analyzed to understand how the MLTC programs would be impacted by dual-eligible members in the MMC and IB Dual programs that would be required to be disenrolled and

transferred to MLTC. The PHE unwind acuity adjustment, described further in the 'Acuity Adjustment' subsection of the 'Trend' section of this report, accounts for the increase of dual-eligible members in the MLTC programs as a result of disenrollments and transfers of dual-eligible members from MMC and IB Dual programs.

- For dual-eligible members in the MMC population during the Public Health Emergency that required long-term care ("PHE duals"), the following assumptions were made:
    - Through the start of the rating period, it will be assumed that members continue to transition from MMC to MLTCP & MAP at a rate that is comparable to the transition during the public health emergency.
    - Additional Non-IB Dual members in the SSI Core rate cell requiring long-term care will begin to disenroll with the onset of the M-file restart, which is anticipated to happen in July or later in 2025.
    - This impact is described further in the 'Acuity Adjustment' subsection of the 'Trend' section of this report.

- For dual-eligible members in the IB Dual population during the Public Health Emergency that required long-term care ("IB Duals"), the following assumptions were made:
    - There is no clear date currently for disenrollments. This will depend on contingent denials prior to the start of April 2025.
    - Non-New York State of Health (NYSoH) IB Dual members are expected to transition prior to the end of the SFY 2025-26 rating period; however, this date is currently unknown.
    - This impact is described further in the 'Acuity Adjustment' subsection of the 'Trend' section of this report.

- Deloitte will consider revisiting the above assumptions in a supplemental update as the State's unwind plan continues to evolve.

- In March 2020, the Families First Coronavirus Response Act instituted flexibilities to suspend some Medicaid disenrollment reasons for Medicaid managed care enrollees during the Public Health Emergency (PHE). In November 2023, the State resumed involuntary disenrollment of MLTC enrollees per the MLTC model contract requirements. An increase to the population acuity was considered for SFY 2025-26 rates to reflect this resumption of the disenrollment process. This impact is described further in the 'Acuity Adjustment' subsection of the 'Trend' section of this report.

Base Data Development

Overview

For SFY 2025-26 MLTCP rates, CY 2023 encounter data with claims submitted through July 2024 from the MLTCP program was used as the base data for benefit expenses. The MLTCP base data was developed separately for the Community and NHT population data, where the Community and NHT populations were identified based on NHT surveys through September 2024. The CY 2023 OR data was also leveraged by Community and NHT for each region to account for costs paid outside of the encounter system (non-claim transactions) and missing data to ensure completeness and enhance the credibility of the base data.

Quality and completeness of the data was assessed per Actuarial Standard of Practice 23 (Data Quality) in order to deem the data sufficient to support rate setting. This included a review of the encounter and OR data for changes relative to prior years, errors in reporting including missing or repeating data, overall reasonableness, and consistency across data sources to ensure it was appropriate to incorporate into the rate development process. To the best of our knowledge at the time of this analysis, the data utilized to construct the base data reflected only State Plan/1115 Waiver services.

Base Data Adjustments

The following adjustments were made to the base data discussed previously in this section to form the final Community population base data and the final NHT population base data. The adjustments were applied at the COS level and are shown in the Base Data Exhibits section.

- Inclusion of provider incentive payments
- Incurred But Not Reported (IBNR) Completion Factor
- Non-System Adjustment
- Encounter Completion Adjustment

Provider Incentives

Adjustments were made to reflect the provider incentive payments and/or recoveries reported by plans in the CY 2023 ORs related to services rendered during CY 2023. The incentives include items such as provider withholds retained by the plans or shared expenses with providers and therefore can result in upward or downward adjustments to the base data on a per member per month (PMPM) basis. The amounts were aggregated by region and were allocated equally across each COS. The adjustment was calculated and applied separately to the Community and NHT populations. The impact of the provider incentives adjustment was observed to be less than 0.01% of the estimated benefit expenses for all of the regions for the Community population and the NHT population.

IBNR Completion Factor

For base data development, historical encounter data was considered with service dates between 1/1/2023 – 12/31/2023 and claim submission dates between 1/1/2023 – 7/31/2024. In order to account for the estimated completion lag with respect to claims runout beyond July 2024, a unique factor was developed and applied at the COS and region level for both the Community and NHT population on the CY 2023 encounter data.

Non-System Adjustment

The Non-System Adjustment is comprised of several components:

- Non-Claim Transactions – Non-Claim transactions account for the transactions that would not result in an encounter submission or be reflected in the encounter data. Information provided by the plans as part of the CY 2023 OR review process was leveraged to develop this adjustment.
- Spenddown Adjustment – The encounter data was adjusted to include aggregate spenddown dollars reported within the CY 2023 MLTCOR so that plan level adjustments can be applied later in the rate development process, which are discussed in the Spenddown/NAMI section of the report.
- Plan Adjustment – Following discussions with plans regarding differences between the CY 2023 encounter vs MLTCOR data, an adjustment to the encounter base data was made for each region by Community and NHT populations to account for missing and misclassified data in the plan encounters relative to their CY 2023 MLTCOR reporting.
- Reinsurance – The reinsurance adjustment reflects the net value of reinsurance recovered from plans in the base data. Deloitte utilized actual plan experience reported in the CY 2023 ORs to calculate the net value of reinsurance as reinsurance premiums less reinsurance recoveries by region. These amounts were applied to the Community and NHT base as a percentage of the total base data costs and allocated equally across each COS.

Encounter Completion Adjustment

The encounter completion adjustment was developed based on a comparison of the CY 2023 encounter data to the MLTCOR health plan audited financial data at the COS level (for higher volume services) or based on an aggregation of COS (for lower volume services). This adjustment is applicable for each region by Community and NHT populations to account for differences in the encounter and OR data beyond the adjustments described previously in this section. This is the second year of transition to using encounter data, and the adjustment continues to reflect the entire remaining difference between the encounter and MLTCOR data. Deloitte will continue to evaluate the differences in encounter and MLTCOR data and methodology for this adjustment in future rate cycles.

Program Change Adjustments

Program change adjustments account for the impact of benefit, policy, or program eligibility changes expected to impact the contract period. The program change adjustments were applied at the COS level to both the Community and NHT adjusted base data and include the following:

- Fiscal Intermediary (FI) Carve-Out applicable on CDPAS for the Community and NHT populations
- Minimum Wage impacts on Personal Care, CDPAS, and Home Health Aide services for the Community and NHT populations
- Transportation Carve-Out applicable to NEMT services for the Community and NHT populations, and ADHC services for the Community population
- Dental Benefit Expansion and DSNP Dental Coverage impacts to Dental services for the Community and NHT populations
- SDC Transportation Carve-In impact on SDC services for the Community population

Fiscal Intermediary (FI) Carve-Out

Effective August 1, 2024, payments for FI provider agencies that provide CDPAS moved to a non-risk distribution methodology for managed care enrollees separate from the capitation rates. As a result, FI expense has been removed from the managed care capitation rate.

For the development of the benefit expense adjustment, FI reimbursement was estimated by region using CY 2023 MLTCP encounter data for CDPAS (including reported FI expenses), CY 2023 MLTCP cost reports, and the minimum wage schedules. FFS data and historical analysis of FI expenses were considered for reasonability comparisons. The 2023 data available was used to estimate the portion of CDPAS expenses in the regional base data attributable to FI. The benefit adjustment was calculated separately for NYC Area, Mid-Hudson/Northern Metro, Northeast/Western and Rest of State regions for the Community population, and for NYC Area and Upstate regions for the NHT population.

In addition to the benefit expense adjustment, administrative expenses for the health plans were also assumed to decrease as a result of the FI carve-out.

The carveout adjustments to benefit and non-benefit expenses solely reflect the removal of FI expense from the capitation rates. Impacts of the required re-contracting related to the transition to the Statewide Fiscal Intermediary between rate development and the expected completion date of April 1, 2025 will be considered in a supplemental rate update.

Personal Care/CDPAS/Home Health Care Minimum Wage

On April 9, 2022, Governor Hochul signed into law an enhancement to minimum wage increases for home care workers. The minimum wage increases for home care workers in the base period through the contract period are detailed in the following table:

New York State Personal Care/CDPAS/Home Health Care Minimum Wage Increase Schedule				
Region	**12/31/22**	**1/1/24**	**1/1/25**	**1/1/26**
NYC Metro (11+ Employees)	$17.00	$18.55	$19.10	$19.65
Nassau, Suffolk, Westchester	$17.00	$18.55	$19.10	$19.65
Remaining Counties	$16.20	$17.55	$18.10	$18.65

The minimum wage increases detailed above require that Personal Care and Home Health Care agencies pay employees a higher wage in accordance with the law. Caregivers contracted through the CDPAP are also subject to the minimum wage increases. As such, an adjustment was made to the Community and NHT population for Personal Care, CDPAS and Home Health Care COS to account for the increased minimum wage in the rating period relative to the base period.

To estimate the impact of the change in minimum wage on Personal Care, CDPAS, and Home Health Care services, CY 2023 health plan financial (OR) utilization and cost data from the MLTCP program were analyzed. CY 2023 OR data was leveraged due to higher credibility with respect to unit reporting relative to the encounter data. Deloitte is working with the State to consider encounter data for unit cost determination in future rate cycles.

The estimated cost per hour for each COS was then allocated for base wages and wage-dependent fringe benefits. The impact of increases in wage-dependent fringe benefits earned by workers were estimated based on a survey administered by the State.

Beginning January 1, 2024, the wage parity benefit portion of the home care worker minimum wage was reduced from $4.09/hour in NYC to $2.54/hour and from $3.22/hour in Nassau, Suffolk and Westchester to $1.67/hour. The wage parity decrease for home care workers in the base period through the contract period are detailed in the following table:

New York State Personal Care/CDPAS/Home Health Care Wage Parity Schedule		
Region	**1/1/23**	**1/1/24**
NYC Metro (11+ Employees)	$4.09	$2.54
Nassau, Suffolk, Westchester	$3.22	$1.67

Analysis of cost report data identified that some home care workers are paid above minimum wage and therefore, are not impacted by the law. Therefore, a proration adjustment was applied to the minimum wage adjustment for the Home Health Care COS for the Community and NHT populations to reflect only the portion of home care workers impacted by the minimum wage law.

Consistent with the rating regions used for the MLTC programs, the impact of wage increases on Nassau, Suffolk, and Westchester counties were grouped with the New York City counties to estimate the program change adjustment percentage for the NYC Area region.

The minimum wage adjustment for the CDPAS COS was applied on a regional basis to reflect higher volume in the Upstate regions and to align with other program changes impacting CDPAS. The adjustment for Personal Care and Home Health Care continues to be applied on a NYC Area vs Upstate basis.

The minimum wage increases were normalized in the trend development for these COS to ensure anticipated changes in unit cost driven by the minimum wage increases are only reflected in the program change adjustment and not in trend.

Transportation Carve-Out

Effective March 1, 2024, the Department of Health transitioned the NEMT and ADHC transportation benefits from the MLTC plans (excluding PACE) to FFS programs and the State's Transportation Broker. The Transportation Carve-Out program change adjustment removed CY 2023 costs attributed to transportation benefits for the 'Transportation – Non-Emergent' and 'Adult Day Health Care' categories of service from the estimated benefit expenses.

Dental Benefit Expansion

Effective January 31, 2024, the rules for benefit eligibility for certain dental services, such as molar root canals, single restoration crowns, and dentures, have been revised and coverage for new dental services, including crown lengthening and implants under specific circumstances, has been added. These revised rules for benefit eligibility for molar root canals and single restoration crowns are expected to result in a decrease in the number of dental extractions.

Utilization data for active and COBRA members of NYSHIP from 2022 was used as a benchmark to estimate expected utilization changes for the MLTCP population due to the Dental Benefit Expansion. The New York Medicaid Fee Schedule effective January 31, 2024, was used to estimate unit costs. The estimated percentage change in costs was calculated separately for the NYC and Upstate regions.

DSNP Dental Coverage

Effective January 1, 2025, Dual-eligible Special Needs Plans (DSNPs) in New York have been required to use their Medicare rebate to fully cover Medicaid Dental Services as a Medicare supplemental benefit. This is expected to remove dental costs for DSNP members from the Medicaid managed care capitation processes. Medicare coverage of dental services will apply for MLTCP members who are enrolled in a DSNP based on an analysis by region of DSNP eligible members enrolled within MLTCP from July 2022 through October 2024. Non-DSNP members will continue to have dental services covered by Medicaid. Due to higher credibility of Community data, the program change percentage adjustment calculated for the Community population was also applied to the NHT population.

Additional benefits included within the Dental category of service through the Medicaid benefit expansion effective January 31, 2024 were assumed to be covered by Medicare for DSNP members effective January 1, 2025.

SDC Transportation Carve-In

In a policy update issued by the State on July 1, 2024, SDC (Social Day Care) transportation remained a covered benefit under MLTC Plans, effective January 1, 2025, after previously being transitioned to FFS programs and the State's Transportation Broker as mentioned in the 'Transportation Carve-out' program change adjustment described above. Therefore, a benefit adjustment was made to the 'Social Day Care' category of service, effective January 1, 2025, to account for transportation benefits for the SDC program that were previously reported under the 'Transportation - Non-Emergent' category of service, and otherwise would have been carved-out as a result of the Transportation Carve-Out program change adjustment.

Trend

Trend rates were developed by region and major COS to estimate the change in benefit costs from the historical base period to the contract period. The Community and NHT trends were developed by analyzing experience of the MLTCP Program from CY 2019 through 2024 Q3. The data was normalized for program changes during the experience period.

For the Personal Care and CDPAS COS, changes in utilization of services were the primary consideration. Based on an analysis of emerging experience, the utilization of these services appears to be staying level or decreasing on a normalized basis relative to the 2023 base period. Slightly negative trends were selected to reflect the expected change from the base period through SFY 2025-26. Unit cost changes are driven by the minimum wage schedule and were accounted for in the Minimum Wage program change adjustment. Industry trend benchmarks from the publicly available cost increase studies published by CMS were also considered as inputs in developing these trend assumptions.

In March 2020, the State issued guidance restricting in-person day care visits which reduced the utilization of Adult Day Care and Social Day Care services in order to slow down the spread of COVID-19. With the relaxation of restrictions in the State's guidance beginning in April 2021, a recovery in the utilization of these services was observed in emerging experience data through CY 2023. Emerging experience data through 2024 Q3 shows the recovery continuing in NYC Area, so positive trends were selected. However, in Upstate regions, negative trends were selected to reflect emerging experience data through 2024 Q3 coming in lower than CY 2023 experience.

For the Nursing Facility COS, plans are required to pay nursing homes at the minimum of the FFS benchmark rates established by the State. It is Deloitte's understanding from the State that the majority of plans contract with nursing facilities at the benchmark rate while a few plans pay at a rate higher than the benchmark rate. Therefore, the trend was calculated based on the annualized benchmark fee schedule changes between the base period and the most recent available nursing facility fee schedule available from January 1, 2024 through March 31, 2024. Effective April 1, 2024, the State implemented a 10% reduction to the capital component of the nursing home benchmark fee schedules, so the capital component of the most recent schedule was reduced by 10% to account for this change. The trend calculation also includes an estimation of fee schedule changes through the rate period based on discussions with the State, and CY 2023 nursing facility day counts from MLTCP encounter data. Day counts were calculated separately for the Community and NHT populations based on plan submitted NHT enrollment surveys through September 2024. This requirement is based on a minimum fee schedule tied to state plan approved rates and thus does not require written preapproval from CMS.

For the other COS, historical PMPM costs were considered to be the most credible basis for determining trends based on an analysis of recent program changes and population shifts that impact the MLTCP program.

For the Spenddown/NAMI amounts, the trend was based on the Social Security and Supplemental Security Income (SSI) cost-of-living adjustments (COLA) from CY 2023 to CY 2025.

Acuity Adjustment

An acuity adjustment was applied as part of trend to reflect the expected change in the acuity of the population from the base period to the rating period. The acuity adjustment is made up of three components – the population acuity adjustment, the involuntary disenrollment adjustment, and the Public Health Emergency (PHE) unwind adjustment.

The population acuity adjustment was made based on an analysis of changes in population acuity by region using historical and projected enrollment. The involuntary disenrollment adjustment, as described in the 'Impacts of COVID-19 Pandemic' section of this report considered an increase in

population acuity from the resumption of the MLTC involuntary disenrollment process effective November 2023.

The PHE unwind adjustment accounts for the decrease in population acuity as a result of the transitions of PHE duals and IB duals requiring LTSS services from MMC and IB Dual programs into MLTC beginning in late 2023 as a result of the Public Health Emergency Unwind from the Medicaid Maintenance of Effort from the COVID-19 relief packages, as described in the 'Impacts of COVID-19 Pandemic' section in this report.

The total number of PHE dual and IB duals members requiring LTSS that are expected to transfer from MMC/IB Duals to MLTC according to the schedule described in the 'Impacts of COVID-19 Pandemic' section in this report was estimated by analyzing recent MMC experience data through October 2024 for members who were utilizing LTSS services to the extent to require them to transition to MLTC. This membership count assumed to transfer into MLTC is consistent with the membership count of members transitioning out of MMC and IB Duals assumed by the MMC and IB Duals programs as a result of the PHE unwind. The acuity of this transitioning population was then estimated based on analysis of the acuity of MMC populations that transferred to the MLTC program in historical periods.

Deloitte will consider revisiting the above assumptions in a supplemental update as the State's unwind plan continues to evolve.

The selected trend assumptions, including the acuity adjustment in trend, developed by region and COS are shown in the Estimated Benefit Expenses Exhibits section of this report. The trends are applied from the midpoint of the base data period to the midpoint of the rate period; therefore, the trends are applied from July 1, 2023 to October 1, 2025, for a total of 27 months.

Other Actuarial Adjustments

This section describes the NHT add-on calculated by plan and region using enrollment mix.

NHT Add-on

To create a blended rate that accounts for the costs of both the Community and NHT populations, an NHT add-on was calculated and added to the risk-adjusted Community rate calculated for each plan. The add-on is specific to each plan and region combination and relies on the plan-specific Community and NHT rates (i.e. inclusive of Community risk adjustment and plan-specific non-benefit expenses) and enrollment mix. The add-on is calculated as the difference between the plan and region-specific Community rate and the weighted average of the Community and NHT rates using projected enrollment of Community and NHT members for SFY 2025-26 developed by the State. Enrollment of Community members was projected based on monthly plan-specific enrollment trends through November 2024 and enrollment of NHT members was projected based on monthly region-specific enrollment trends (due to lower volume) as well as NHT enrollment survey data available through September 2024. The projected enrollment of NHT members also considered the ongoing process to disenroll permanently placed members who have been in nursing homes for three or more months. Disenrollment data through October 2024 was used to estimate the number of NHT members to be disenrolled throughout the rating period.

Non-Benefit Expenses

This section discusses the non-benefit components included in the capitation rates, including administrative expenses, Care Management, underwriting gain, MCO Provider tax, and premium-based taxes.

Administrative Expenses

To develop the administrative expenses, actual administrative expense detail was reviewed from the CY 2019 through 2024 Q3 ORs for MLTCP. Consistent with the base data development, CY 2023 experience was used as the final basis for the administrative expenses.

Based on a review of the expense detail, Deloitte allocated the CY 2023 experience into fixed and variable components. Expenses were reallocated for items that were determined to be more closely related to Care Management activities as well as for-profit taxes reported in administrative expenses to prevent double counting in the rate development. The administrative expenses were also adjusted to account for the estimated impact of realized and anticipated plan mergers, acquisitions, and closures from the CY 2023 base period through the SFY 2025-26 rating period.

The total estimated fixed costs in dollars and variable costs per enrollee were projected using a blend of recent trends in the BLS Consumer Price Index (CPI) and the Federal Reserve, and a range of historical experience trends normalized for population growth and emerging experience trends. The total dollar expenditures on fixed costs by definition are not expected to change as membership changes, but the fixed costs per enrollee are impacted by changes in enrollment including substantial growth in the Community population and decreases in the NHT population due to the carve-out. Variable expenses were estimated to increase on a per enrollee basis consistent with recent BLS CPI trends and the Federal Reserve, and historical experience trends normalized for population growth and emerging experience trends.

Administrative expenses were adjusted to reflect the net impact of the Transportation Carve-Out, SDC Transportation Carve-In and FI Carve-Out program changes as described in the 'Program Change Adjustments' section above. The administrative expenses for MLTC plans are not expected to vary between the Community and NHT populations on a PMPM basis.

Care Management

Managed care plans perform Care Management activities so that enrollees receive care in the most cost-effective settings. To develop the Care Management costs included in the rates, Deloitte collected actual Care Management cost data from the CY 2019 through 2024 Q3 ORs for MLTCP, including total salaries and fringe benefits for professional staff performing Care Management activities, Care Management full-time equivalent (FTE) counts, and ratios of Care Management staff to plan enrollees. Plans that were in the CY 2023 base but not active in the SFY 2025-26 rating period were excluded from the experience used.

Historical staffing ratios were used to calculate Care Management costs per enrollee for each year and region. Given the different care delivery models between Community and NHT members and the higher level of Care Management and care coordination inherently necessary for members in the community, a lower Care Management staffing ratio per Community enrollee was assumed relative to the Care Management staff needed for NHT enrollees. Because the Care Management data was not provided separately for Community and NHT members, relative staffing ratio requirements were considered for community and nursing facility members from other states to inform the assumed staffing ratio allocation between Community and NHT enrollees.

Using the assumed staffing ratios, Care Management costs per enrollee were recalculated for the Community and NHT populations separately and then trended to the rating period based on a blend of

BLS CPI and Federal Reserve trends for the resulting Care Management cost estimates and historical and emerging experience trends. In addition, a review of the detailed administrative expense in the CY 2023 MLTCP OR resulted in a reallocation of select expenses that were identified as being more closely related to Care Management. These expenses were added on a per-member-per-month basis to the cost estimates based on staffing ratios and costs per enrollee.

The Care Management expenses were also adjusted to account for the estimated impact of realized and anticipated plan mergers, acquisitions, and closures from the CY 2023 base period through the SFY 2025-26 rating period.

Effective October 1, 2023, the State launched the CDSMP for individuals diagnosed with Osteoarthritis or Rheumatoid Arthritis. The program provides coverage of CDSMP workshop to be offered as a substitute for prolonged inpatient hospitalizations, emergency department visits, and other medical care needed for the management of arthritis. Care Management expenses were adjusted to include the additional cost from the CDSMP, estimated by region based on MLTCP program experience.

Care Management expenses were adjusted to reflect the net impact of the Transportation Carve-out and SDC Transportation Carve-In program changes as described in the 'Program Change Adjustments' section above.

Underwriting Gain

The capitation rates include a provision for underwriting gain of 1% across all regions for Community and NHT members. The provision for underwriting gain was informed by the Society of Actuaries' (SOA) updated Underwriting Margin Model[2], covers the minimum cost of capital and margin for risks of participating health plans, and is consistent with similar programs and insurance products in other states and marketplaces.

MCO Provider Tax

Effective January 1st, 2025, the State of New York implemented a tax for health plans offering Medicaid managed care plans in the state. CMS approved New York's request of waiver of the broad-based and uniformity provisions of sections 1903(w)(3)(b) and (c) of the Social Security Act[3]. A health plan shall pay the MCO Provider Tax for each calendar year as follows:

1. Tier 1: Medicaid member months below 250,000 member months will be taxed at a rate of $126.00 per member month;
2. Tier 2: Medicaid member months greater than or equal to 250,000 member months, but less than 500,000 member months, will be taxed at a rate of $88.00 per member month;
3. Tier 3: Medicaid member months greater than 500,000 member months will be taxed at a rate of $25.00 per member month

The MCO Provider Tax PMPM is estimated and applied for each plan and region combination in the SFY 25-26 MLTCP rates based on Statewide enrollment projections for SFY 2025-26 for each MLTCP plan.

Expenses for MCO Provider Taxes are subject to applicable premium-based taxes described in the next section.

[2] SOA Medicaid Managed Care Underwriting Margin Model
https://www.soa.org/resources/research-reports/2022/medicaid-underwriting-margin-model/

[3] Social Security Act, section 1903
https://www.ssa.gov/OP_Home/ssact/title19/1903.htm

Premium-Based Taxes

The premium-based taxes included in the rates will vary by plan based on the for-profit status of each plan and the region in which the plan operates. The regional capitation rates are displayed separately with and without the full impact of the premium based taxes described below.

Franchise Tax

All for-profit corporations that are either incorporated in New York State or that do business, employ capital, own or lease property, maintain an office, or derive receipts from activity in New York State are required to pay a franchise tax equal to 1.75% of gross premium.

To determine the for-profit tax amount to include in the rates, the for-profit tax amount was calculated based on the for-profit status of each plan. The rates include a load for a 1.75% franchise tax if the plan is for-profit and no tax load if the plan is not-for-profit.

Metropolitan Transportation Authority Surcharge

Any entity that does business, employs capital, owns or leases property, maintains an office, or derives receipts from activity in the Metropolitan Commuter Transportation District must pay a Metropolitan Transportation Authority (MTA) business surcharge on business done in the MTA region. The MTA region includes the NYC Area and Mid-Hudson/Northern Metro regions. Each plan operating in this region is required to pay the applicable 17% of the franchise tax amount for premium earned in this region.

The applicable 17% surcharge was applied to the franchise tax assumption described previously to reflect the impact of this surcharge. This surcharge was applied in the NYC Area and Mid-Hudson/Northern Metro regions.

Risk Mitigation

This section discusses the various risk mitigation programs in place for plans during SFY 2025-26.

Minimum Medical Loss Ratio

For the MLTCP program, the State has set a Minimum Medical Loss Ratio (MLR) percentage at 89% and has communicated this change to plans in advance of the rating period. For details on the calculation of the MLR in New York, please refer to the most recent MLR guide from New York State titled *"SFY 2023-2024 Managed Care MLR Instructions.pdf"*. A SFY 2025-26 version of the guide will be shared with plans as it is available.

The State will implement a remittance for plans whose MLR is below the minimum MLR threshold based on the difference between the plan's actual MLR and the minimum MLR.

Risk Adjustment

The State's Long Term Care Risk Adjustment Model was used to determine risk scores for the SFY 2025-26 rates. The risk scores were developed with sound actuarial principles and are in accordance with 42 CFR 438.5 as well as the "Actuarial Standard of Practice No. 45 – The Use of Health Status Based Risk Adjustment Methodologies". All community members during October 2024 were assigned a risk score based on their most recent CHA in the UAS-NY from October 2021 through September 2024, with Community and NHT members identified using NHT enrollment survey data available through September 2024.

The risk adjustment factors were applied to the LTSS and limited acute services portion of the rates for the Community populations and were not applied to the non-benefit components of the rates. Risk adjustment was not applied to the NHT population.

A risk score was determined for Community members in MLTCP plans identified by a snapshot of enrollment (October 2024) based on complete responses for the 33 predictors used to estimate member-specific acuity with a risk weight assigned to each predictor response. A risk score for each member was then calculated using each member's most recent CHA in the UAS-NY from October 2021 through September 2024.

Each scored member in the MLTCP plans was aggregated to develop raw plan risk scores within each region/program combination based on their October 2024 enrollment. Using the risk adjustment model, raw risk scores were calculated for each plan/region/program combination. Members without an assessment were assumed to have the same raw score as the average raw score for their respective plan/region/program.

Credibility criteria, as described below, was used to identify any plan/region/program combinations for which the calculated risk scores were not appropriate for application in the rating period. Low credibility plans as well as plans that closed or migrated as of October 1, 2024 were excluded from the calculation of relative risk scores for credible plans and were assigned a final relative risk score of 1.0. Low credibility plans were defined as those that:

- Had less than half of all enrolled community members in the snapshot with an assessment in the specific window; or
- Had less than 100 scored community members in the snapshot in the specified window; or
- Were a new MLTC plan with enrollment beginning on October 1, 2023, not including plans that expanded to a new region or program.

To calculate the relative risk score for each plan/region/program combination, the plan's raw risk score was divided by its respective enrollment-weighted region-wide average risk score within the

program. These relative risk scores are "budget neutral" within each program/region combination based on the selected enrollment snapshot and reflect the acuity of the members within each plan/region/program combination relative to the average acuity of the members within that plan's region/program combination. The raw and relative risk scores were also adjusted to account for realized and anticipated plan mergers, acquisitions, and closures from the October 2024 enrollment through the SFY 2025-26 rating period.

Special Contract Provisions

Encounter Data Withhold

The Encounter Data Withhold applied to the SFY 2025-26 rates incentivizes quality encounter data reporting and equals 1.5% of the certified capitation rate. Plans are able to earn back the entire amount withheld from capitated premium payments by successfully submitting an attestation regarding the plan's efforts to provide accurate encounter data. The withhold repayment for SFY 2025-26 will be based on timely submission of the attestation and therefore, is reasonably expected to be fully earned back by health plans.

Enrollment Cap Withhold

The Enrollment Cap Withhold applied to the SFY 2025-26 rates equals 3% of the certified capitation rate. Plans are able to earn back the entire amount withheld from capitated premium payments by successfully submitting prescribed enrollment information to the State. The withhold repayment for SFY 2025-26 will be based on timely submission of the requested information and is reasonably expected to be fully earned back by health plans.

Incentive Arrangements

For the MLTCP, MAP, and PACE programs, the State operates the Quality Incentive (QI) Pool and Quality Incentive/Vital Access Provider Pool (QIVAPP).

- The QI Pool rewards plans based on a designated set of quality measures, satisfaction measures, compliance measures, and efficiency measures. The algorithm to award points and generate a quality score for each plan based on the measures was developed by the State's Office of Quality and Patient Safety. To determine the incentive award, plans are grouped into tiers and receive an incentive award if their score meets or exceeds the threshold for their respective tier.
- The QIVAPP program rewards plans that invest in home and personal care aide providers and services. Plans must meet the pool requirements set by the State and be in full compliance of the public health law, including the wage parity statute. Plans are expected to pass the reward funds to the qualifying licensed agencies in their networks.

The impact of the State's incentive arrangements is outside of the rate development and is considered when evaluating the amount for incentives allowed in capitation rates per 42 CFR 438.6. The State will ensure that rates including quality incentive payments will not exceed 105% of the payment rates.

Base Data Development Exhibits

Community

The base data development exhibits summarize the base data (both cost and member months) and base data adjustments used in the development of the SFY 2025-26 capitation rates for the Community population and are provided by region. Plan specific payment rate considerations are not included in the exhibits. The base data development exhibits summarize the following information:

- **Total Base Member Months**: Community member months in the MLTCP Program from the CY 2023 OR.
- **Base Data PMPMs**: PMPMs for each COS for the MLTCP Program.
- **Base Data Adjustments:** Percentage impacts on base data PMPMs for the base data adjustments as listed below and described in the Base Data Adjustments section of this report:
    - Provider Incentives
    - IBNR Completion Factors
    - Non-System Adjustment
    - Encounter Completion
- **Final Base Data PMPMs**: Final Base Data PMPMs for the Community population that incorporate Base Data PMPMs and all Base Data Adjustments by COS.

Base Data Development Exhibits

Community

MLTC Program	MLTCP
Region	NYC Area
Calendar Year	2023
Total Base Member Months	2,806,018

	Base Data	Encounter Base Data Adjustments					Final Base Data
Category of Service	**Encounter PMPM**	**Provider Incentives**	**IBNR Completion Factor**	**Non-System Adjustments**	**Adjusted Encounter PMPM**	**Encounter Completion Adjustment**	**PMPM**
Nursing Facility	$52.20	0.0%	1.2%	0.7%	$53.18	-32.7%	$35.77
Personal Care	$1,805.46	0.0%	0.1%	0.7%	$1,819.06	1.4%	$1,844.52
CDPAS	$2,108.81	0.0%	0.0%	0.7%	$2,123.89	0.2%	$2,128.55
Adult Day Health Care	$6.74	0.0%	0.0%	0.7%	$6.78	-0.1%	$6.78
Social Day Care	$197.19	0.0%	0.0%	0.7%	$198.59	-0.1%	$198.37
PERS	$5.69	0.0%	0.5%	0.7%	$5.75	24.3%	$7.15
Home Delivered Meals	$3.59	0.0%	0.5%	0.7%	$3.63	24.3%	$4.52
Home Health Care	$26.22	0.0%	0.6%	0.7%	$26.56	8.8%	$28.90
DME & Supplies	$48.08	0.0%	0.7%	0.7%	$48.76	1.6%	$49.55
Outpatient Rehab & Therapy	$3.19	0.0%	0.5%	0.7%	$3.23	24.3%	$4.01
Podiatry	$1.15	0.0%	0.5%	0.7%	$1.17	24.3%	$1.45
Dental	$3.92	0.0%	0.5%	0.7%	$3.97	24.3%	$4.93
Vision	$0.79	0.0%	0.5%	0.7%	$0.80	24.3%	$1.00
Other Professional Services	$0.89	0.0%	0.5%	0.7%	$0.90	24.3%	$1.12
NEMT	$57.93	0.0%	0.1%	0.7%	$58.37	11.5%	$65.10
Total Medical Services	**$4,321.86**	**0.0%**	**0.1%**	**0.7%**	**$4,354.65**	**0.6%**	**$4,381.72**

MLTC Program	MLTCP
Region	Mid-Hudson/Northern Metro
Calendar Year	2023
Total Base Member Months	78,801

	Base Data	Encounter Base Data Adjustments					Final Base Data
Category of Service	**Encounter PMPM**	**Provider Incentives**	**IBNR Completion Factor**	**Non-System Adjustments**	**Adjusted Encounter PMPM**	**Encounter Completion Adjustment**	**PMPM**
Nursing Facility	$98.47	0.0%	0.8%	0.8%	$100.07	-3.9%	$96.13
Personal Care	$890.03	0.0%	0.0%	0.8%	$897.60	12.7%	$1,011.65
CDPAS	$2,421.12	0.0%	0.0%	0.8%	$2,441.66	5.0%	$2,563.16
Adult Day Health Care	$17.96	0.0%	0.0%	0.8%	$18.11	13.6%	$20.57
Social Day Care	$26.08	0.0%	0.0%	0.8%	$26.30	13.6%	$29.87
PERS	$6.84	0.0%	0.1%	0.8%	$6.90	23.3%	$8.51
Home Delivered Meals	$16.02	0.0%	0.1%	0.8%	$16.16	23.3%	$19.93
Home Health Care	$26.48	0.0%	0.1%	0.8%	$26.72	2.9%	$27.51
DME & Supplies	$38.57	0.0%	0.1%	0.8%	$38.92	13.2%	$44.07
Outpatient Rehab & Therapy	$1.79	0.0%	0.1%	0.8%	$1.81	23.3%	$2.23
Podiatry	$1.05	0.0%	0.1%	0.8%	$1.06	23.3%	$1.31
Dental	$7.67	0.0%	0.1%	0.8%	$7.74	23.3%	$9.54
Vision	$0.70	0.0%	0.1%	0.8%	$0.71	23.3%	$0.87
Other Professional Services	$0.86	0.0%	0.1%	0.8%	$0.86	23.3%	$1.07
NEMT	$85.18	0.0%	0.0%	0.8%	$85.91	20.3%	$103.34
Total Medical Services	**$3,638.82**	**0.0%**	**0.0%**	**0.8%**	**$3,670.54**	**7.3%**	**$3,939.77**

Notes:

1. Base data reflects CY 2023 data for MLTCP program
2. Totals may not equal the sum of the COS components due to rounding.
3. Base member months are for the Community population
4. The encounter completion adjustment is determined at COS level (for larger categories of service) or based on an aggregation of COS (for smaller categories of service)

Base Data Development Exhibits

Community

MLTC Program	MLTCP
Region	Northeast/Western
Calendar Year	2023
Total Base Member Months	181,088

	Base Data	Encounter Base Data Adjustments					Final Base Data
Category of Service	**Encounter PMPM**	**Provider Incentives**	**IBNR Completion Factor**	**Non-System Adjustments**	**Adjusted Encounter PMPM**	**Encounter Completion Adjustment**	**PMPM**
Nursing Facility	$74.84	0.0%	1.7%	0.6%	$76.59	-41.9%	$44.47
Personal Care	$301.61	0.0%	0.0%	0.6%	$303.50	1.3%	$307.34
CDPAS	$2,465.74	0.0%	0.0%	0.6%	$2,481.10	1.1%	$2,508.34
Adult Day Health Care	$10.29	0.0%	0.0%	0.6%	$10.35	-6.0%	$9.73
Social Day Care	$16.63	0.0%	0.0%	0.6%	$16.73	-6.0%	$15.73
PERS	$12.09	0.0%	0.0%	0.6%	$12.17	7.0%	$13.01
Home Delivered Meals	$27.23	0.0%	0.0%	0.6%	$27.40	7.0%	$29.31
Home Health Care	$37.99	0.0%	0.1%	0.6%	$38.26	-4.7%	$36.46
DME & Supplies	$34.04	0.0%	0.1%	0.6%	$34.28	7.8%	$36.96
Outpatient Rehab & Therapy	$1.11	0.0%	0.0%	0.6%	$1.12	7.0%	$1.19
Podiatry	$0.25	0.0%	0.0%	0.6%	$0.25	7.0%	$0.27
Dental	$7.00	0.0%	0.0%	0.6%	$7.04	7.0%	$7.53
Vision	$0.70	0.0%	0.0%	0.6%	$0.70	7.0%	$0.75
Other Professional Services	$0.98	0.0%	0.0%	0.6%	$0.99	7.0%	$1.06
NEMT	$72.71	0.0%	0.0%	0.6%	$73.16	17.9%	$86.28
Total Medical Services	**$3,063.21**	**0.0%**	**0.1%**	**0.6%**	**$3,083.64**	**0.5%**	**$3,098.44**

MLTC Program	MLTCP
Region	Rest of State
Calendar Year	2023
Total Base Member Months	82,034

	Base Data	Encounter Base Data Adjustments					Final Base Data
Category of Service	**Encounter PMPM**	**Provider Incentives**	**IBNR Completion Factor**	**Non-System Adjustments**	**Adjusted Encounter PMPM**	**Encounter Completion Adjustment**	**PMPM**
Nursing Facility	$122.51	0.0%	2.2%	0.8%	$126.17	-51.7%	$60.96
Personal Care	$188.65	0.0%	0.0%	0.8%	$190.18	3.1%	$196.09
CDPAS	$2,090.36	0.0%	0.0%	0.8%	$2,107.11	1.1%	$2,129.75
Adult Day Health Care	$7.04	0.0%	0.2%	0.8%	$7.11	-9.8%	$6.41
Social Day Care	$8.70	0.0%	0.2%	0.8%	$8.78	-9.8%	$7.92
PERS	$12.29	0.0%	0.0%	0.8%	$12.39	9.3%	$13.53
Home Delivered Meals	$31.59	0.0%	0.0%	0.8%	$31.84	9.3%	$34.79
Home Health Care	$39.78	0.0%	0.2%	0.8%	$40.16	-1.4%	$39.58
DME & Supplies	$35.61	0.0%	0.1%	0.8%	$35.92	11.9%	$40.18
Outpatient Rehab & Therapy	$0.71	0.0%	0.0%	0.8%	$0.72	9.3%	$0.78
Podiatry	$0.53	0.0%	0.0%	0.8%	$0.53	9.3%	$0.58
Dental	$5.26	0.0%	0.0%	0.8%	$5.30	9.3%	$5.79
Vision	$0.82	0.0%	0.0%	0.8%	$0.82	9.3%	$0.90
Other Professional Services	$0.92	0.0%	0.0%	0.8%	$0.93	9.3%	$1.01
NEMT	$92.73	0.0%	0.0%	0.8%	$93.47	15.1%	$107.60
Total Medical Services	**$2,637.48**	**0.0%**	**0.1%**	**0.8%**	**$2,661.41**	**-0.6%**	**$2,645.89**

Notes:

1. Base data reflects CY 2023 data for MLTCP program
2. Totals may not equal the sum of the COS components due to rounding.
3. Base member months are for the Community population
   The encounter completion adjustment is determined at COS level (for larger categories of service) or based on an aggregation of COS (for smaller categories of service)

NHT

The base data development exhibits summarize the base data (both cost and member months) and base data adjustments used in the development of the SFY 2025-26 capitation rates for the NHT population and are provided by region. Plan specific payment rate considerations are not included in the exhibits. The base data development exhibits summarize the following information:

- **Total Base Member Months**: NHT member months in the MLTCP Program from the CY 2023 OR.
- **Base Data PMPMs**: PMPMs for each COS for the MLTCP Program.
- **Base Data Adjustments:** Percentage impacts on base data PMPMs for the base data adjustments as listed below and described in the Base Data Adjustments section of this report:
    - Provider Incentives
    - IBNR Completion Factors
    - Non-System Adjustment
    - Encounter Completion
- **Final Base Data PMPMs**: Final Base Data PMPMs for the NHT population that incorporate Base Data PMPMs and all Base Data Adjustments by COS.

Base Data Development Exhibits

NHT

MLTC Program	MLTCP
Region	NYC Area
Calendar Year	2023
Total Base Member Months	42,932

	Base Data	Encounter Base Data Adjustments					Final Base Data
Category of Service	**Encounter PMPM**	**Provider Incentives**	**IBNR Completion Factor**	**Non-System Adjustments**	**Adjusted Encounter PMPM**	**Encounter Completion Adjustment**	**PMPM**
Nursing Facility	$8,250.47	0.0%	1.2%	2.7%	$8,578.26	5.2%	$9,020.27
Personal Care	$244.28	0.0%	0.1%	0.1%	$244.66	-67.8%	$78.86
CDPAS	$86.96	0.0%	0.0%	0.1%	$87.06	-57.4%	$37.11
Adult Day Health Care	$0.03	0.0%	0.0%	0.1%	$0.03	-24.8%	$0.02
Social Day Care	$1.00	0.0%	0.0%	0.1%	$1.00	-24.8%	$0.75
PERS	$1.63	0.0%	0.5%	0.1%	$1.64	47.4%	$2.41
Home Delivered Meals	$0.31	0.0%	0.5%	0.1%	$0.31	47.4%	$0.46
Home Health Care	$7.88	0.0%	0.6%	0.1%	$7.94	-46.3%	$4.26
DME & Supplies	$206.14	0.0%	0.7%	0.1%	$207.81	-90.1%	$20.48
Outpatient Rehab & Therapy	$0.58	0.0%	0.5%	0.1%	$0.58	47.4%	$0.86
Podiatry	$0.99	0.0%	0.5%	0.1%	$0.99	47.4%	$1.47
Dental	$0.71	0.0%	0.5%	0.1%	$0.72	47.4%	$1.06
Vision	$0.59	0.0%	0.5%	0.1%	$0.59	47.4%	$0.88
Other Professional Services	$0.70	0.0%	0.5%	0.1%	$0.70	47.4%	$1.04
NEMT	$47.09	0.0%	0.1%	0.1%	$47.18	19.9%	$56.57
NAMI	-$222.04	0.0%	0.0%	0.0%	-$222.01	-0.15%	-$221.67
Total Medical Services	**$8,627.33**	**0.0%**	**1.2%**	**2.6%**	**$8,957.47**	**0.5%**	**$9,004.82**

MLTC Program	MLTCP
Region	Upstate
Calendar Year	2023
Total Base Member Months	7,690

	Base Data	Encounter Base Data Adjustments					Final Base Data
Category of Service	**Encounter PMPM**	**Provider Incentives**	**IBNR Completion Factor**	**Non-System Adjustments**	**Adjusted Encounter PMPM**	**Encounter Completion Adjustment**	**PMPM**
Nursing Facility	$5,967.01	0.0%	2.3%	5.3%	$6,423.11	10.6%	$7,106.61
Personal Care	$37.63	0.0%	0.0%	0.0%	$37.64	-78.2%	$8.22
CDPAS	$158.36	0.0%	0.0%	0.0%	$158.38	-91.0%	$14.29
Adult Day Health Care	$0.47	0.0%	0.0%	0.0%	$0.47	-61.1%	$0.18
Social Day Care	$0.52	0.0%	0.0%	0.0%	$0.52	-61.1%	$0.20
PERS	$1.65	0.0%	0.0%	0.0%	$1.65	-1.4%	$1.62
Home Delivered Meals	$3.50	0.0%	0.0%	0.0%	$3.50	-1.4%	$3.45
Home Health Care	$3.89	0.0%	0.2%	0.0%	$3.90	-52.9%	$1.84
DME & Supplies	$64.61	0.0%	0.1%	0.0%	$64.66	-84.0%	$10.38
Outpatient Rehab & Therapy	$0.29	0.0%	0.0%	0.0%	$0.29	-1.4%	$0.28
Podiatry	$0.21	0.0%	0.0%	0.0%	$0.21	-1.4%	$0.21
Dental	$1.02	0.0%	0.0%	0.0%	$1.02	-1.4%	$1.00
Vision	$0.57	0.0%	0.0%	0.0%	$0.57	-1.4%	$0.56
Other Professional Services	$1.12	0.0%	0.0%	0.0%	$1.12	-1.4%	$1.10
NEMT	$68.16	0.0%	0.0%	0.0%	$68.17	28.2%	$87.37
NAMI	-$355.01	0.0%	0.0%	0.0%	-$354.96	0.2%	-$355.60
Total Medical Services	**$5,953.97**	**0.0%**	**2.3%**	**5.3%**	**$6,410.21**	**7.4%**	**$6,881.70**

Notes:

1. Base data reflects CY 2023 data for MLTCP programs
2. Totals may not equal the sum of the COS components due to rounding.
3. Base member months are for the NHT population
4. The encounter completion adjustment is determined at COS level (for larger categories of service) or based on an aggregation of COS (for smaller categories of service)

Estimated Benefit Expenses Exhibits

The estimated benefit expense exhibits summarize the development of the estimated benefit expenses, separately for the Community and NHT populations. Plan specific payment rate considerations are not included in the exhibits.

Community

The estimated benefit expense exhibits for the Community population detail the development of the COS-specific benefit expenses for each region, summarized as follows:

- **SFY 2025-26 Estimated Member Months**: Estimated MLTCP member months for the Community population.
- **Base Data**: Community base data PMPMs including base data adjustments detailed in the previous section and described in the Base Data Development section of this report that are used to develop the capitation rates by COS.
- **Program Change Adjustments**: Percentage impact on the adjusted base data PMPMs as described in the Program Change Adjustments section of this report:
  - FI Carve-Out
  - Minimum Wage
  - Transportation Carve-Out
  - Dental Benefit Expansion
  - DSNP Dental Coverage
  - SDC Transportation Carve-In
- **Annual PMPM Benefit Trends**: Annualized trend percentages applied to each COS for the Community population as described in the Trend section of this report. The annualized trends are applied from the midpoint of the base period to the midpoint of the contract period as detailed in the exhibits.
- **Estimated Benefit Expenses PMPM**: PMPMs by COS after application of all base data adjustments, program change adjustments, and annual trend.

Estimated Benefit Expenses Exhibits

Community

	Base Midpoint	Contract Midpoint
	July 1, 2023	September 30, 2025
Contract Period	April 1, 2025 to March 31, 2026	
Trend Months	27	

Region	NYC Area
SFY 2025-26 Estimated MLTCP MMs	3,483,818

	Base Data	Program Changes									
Category of Service	PMPM	FI Carve-Out	Minimum Wage	Base Data + FI Carve-Out + Min Wage	Transportation Carve-Out	Dental Benefit Expansion	DSNP Dental Coverage	SDC Transportation Carve-In	Base Data + Program Changes	Annual Trend	Estimated Benefit Expenses PMPM
Nursing Facility	$35.77	0.0%	0.0%	$35.77	0.0%	0.0%	0.0%	0.0%	$35.77	1.2%	$36.71
Personal Care	$1,844.52	0.0%	3.9%	$1,916.13	0.0%	0.0%	0.0%	0.0%	$1,916.13	-6.7%	$1,639.38
CDPAS	$2,128.55	-14.5%	4.6%	$1,902.60	0.0%	0.0%	0.0%	0.0%	$1,902.60	4.7%	$2,108.58
Adult Day Health Care	$6.78	0.0%	0.0%	$6.78	-3.8%	0.0%	0.0%	0.0%	$6.51	1.5%	$6.73
Social Day Care	$198.37	0.0%	0.0%	$198.37	0.0%	0.0%	0.0%	0.2%	$198.69	1.5%	$205.39
PERS	$7.15	0.0%	0.0%	$7.15	0.0%	0.0%	0.0%	0.0%	$7.15	1.3%	$7.36
Home Delivered Meals	$4.52	0.0%	0.0%	$4.52	0.0%	0.0%	0.0%	0.0%	$4.52	1.3%	$4.65
Home Health Care	$28.90	0.0%	0.4%	$29.02	0.0%	0.0%	0.0%	0.0%	$29.02	0.0%	$29.03
DME & Supplies	$49.55	0.0%	0.0%	$49.55	0.0%	0.0%	0.0%	0.0%	$49.55	2.2%	$52.02
Outpatient Rehab & Therapy	$4.01	0.0%	0.0%	$4.01	0.0%	0.0%	0.0%	0.0%	$4.01	1.3%	$4.13
Podiatry	$1.45	0.0%	0.0%	$1.45	0.0%	0.0%	0.0%	0.0%	$1.45	1.3%	$1.49
Dental	$4.93	0.0%	0.0%	$4.93	0.0%	31.3%	-59.1%	0.0%	$2.65	1.3%	$2.73
Vision	$1.00	0.0%	0.0%	$1.00	0.0%	0.0%	0.0%	0.0%	$1.00	1.3%	$1.03
Other Professional Services	$1.12	0.0%	0.0%	$1.12	0.0%	0.0%	0.0%	0.0%	$1.12	1.3%	$1.15
NEMT	$65.10	0.0%	0.0%	$65.10	-100.0%	0.0%	0.0%	0.0%	$0.00	0.0%	$0.00
Total Medical Services	**$4,381.72**	**-7.1%**	**3.8%**	**$4,227.49**	**-1.5%**	**0.0%**	**-0.1%**	**0.0%**	**$4,160.17**	**-0.6%**	**$4,100.39**

Region	Mid-Hudson/Northern Metro
SFY 2025-26 Estimated MLTCP MMs	98,240

	Base Data	Program Changes									
Category of Service	PMPM	FI Carve-Out	Minimum Wage	Base Data + FI Carve-Out + Min Wage	Transportation Carve-Out	Dental Benefit Expansion	DSNP Dental Coverage	SDC Transportation Carve-In	Base Data + Program Changes	Annual Trend	Estimated Benefit Expenses PMPM
Nursing Facility	$96.13	0.0%	0.0%	$96.13	0.0%	0.0%	0.0%	0.0%	$96.13	1.4%	$99.16
Personal Care	$1,011.65	0.0%	8.4%	$1,096.48	0.0%	0.0%	0.0%	0.0%	$1,096.48	-8.8%	$891.01
CDPAS	$2,563.16	-18.1%	11.3%	$2,337.77	0.0%	0.0%	0.0%	0.0%	$2,337.77	2.6%	$2,477.56
Adult Day Health Care	$20.57	0.0%	0.0%	$20.57	-13.3%	0.0%	0.0%	0.0%	$17.82	-4.8%	$15.96
Social Day Care	$29.87	0.0%	0.0%	$29.87	0.0%	0.0%	0.0%	8.6%	$32.45	-4.8%	$29.05
PERS	$8.51	0.0%	0.0%	$8.51	0.0%	0.0%	0.0%	0.0%	$8.51	-3.8%	$7.80
Home Delivered Meals	$19.93	0.0%	0.0%	$19.93	0.0%	0.0%	0.0%	0.0%	$19.93	-3.8%	$18.27
Home Health Care	$27.51	0.0%	0.7%	$27.70	0.0%	0.0%	0.0%	0.0%	$27.70	0.6%	$28.05
DME & Supplies	$44.07	0.0%	0.0%	$44.07	0.0%	0.0%	0.0%	0.0%	$44.07	3.6%	$47.76
Outpatient Rehab & Therapy	$2.23	0.0%	0.0%	$2.23	0.0%	0.0%	0.0%	0.0%	$2.23	-3.8%	$2.05
Podiatry	$1.31	0.0%	0.0%	$1.31	0.0%	0.0%	0.0%	0.0%	$1.31	-3.8%	$1.20
Dental	$9.54	0.0%	0.0%	$9.54	0.0%	16.4%	-50.2%	0.0%	$5.54	-3.8%	$5.07
Vision	$0.87	0.0%	0.0%	$0.87	0.0%	0.0%	0.0%	0.0%	$0.87	-3.8%	$0.80
Other Professional Services	$1.07	0.0%	0.0%	$1.07	0.0%	0.0%	0.0%	0.0%	$1.07	-3.8%	$0.98
NEMT	$103.34	0.0%	0.0%	$103.34	-100.0%	0.0%	0.0%	0.0%	$0.00	0.0%	$0.00
Total Medical Services	**$3,939.77**	**-11.7%**	**9.3%**	**$3,799.41**	**-2.8%**	**0.0%**	**-0.2%**	**0.1%**	**$3,691.89**	**-0.8%**	**$3,624.72**

Notes:

1. Totals may not equal the sum of the COS components due to rounding

Estimated Benefit Expenses Exhibits
Community

	Base Midpoint	Contract Midpoint
	July 1, 2023	September 30, 2025
Contract Period	April 1, 2025 to March 31, 2026	
Trend Months	27	

Region	Northeast/Western
SFY 2025-26 Estimated MLTCP MMs	277,745

	Base Data	Program Changes									
Category of Service	PMPM	FI Carve-Out	Minimum Wage	Base Data + FI Carve-Out + Min Wage	Transportation Carve-Out	Dental Benefit Expansion	DSNP Dental Coverage	SDC Transportation Carve-In	Base Data + Program Changes	Annual Trend	Estimated Benefit Expenses PMPM
Nursing Facility	$44.47	0.0%	0.0%	$44.47	0.0%	0.0%	0.0%	0.0%	$44.47	1.3%	$45.81
Personal Care	$307.34	0.0%	8.4%	$333.11	0.0%	0.0%	0.0%	0.0%	$333.11	-4.2%	$302.38
CDPAS	$2,508.34	-19.9%	11.5%	$2,238.62	0.0%	0.0%	0.0%	0.0%	$2,238.62	0.6%	$2,267.00
Adult Day Health Care	$9.73	0.0%	0.0%	$9.73	-9.0%	0.0%	0.0%	0.0%	$8.85	-2.2%	$8.43
Social Day Care	$15.73	0.0%	0.0%	$15.73	0.0%	0.0%	0.0%	6.3%	$16.73	-2.2%	$15.92
PERS	$13.01	0.0%	0.0%	$13.01	0.0%	0.0%	0.0%	0.0%	$13.01	-4.1%	$11.86
Home Delivered Meals	$29.31	0.0%	0.0%	$29.31	0.0%	0.0%	0.0%	0.0%	$29.31	-4.1%	$26.70
Home Health Care	$36.46	0.0%	0.7%	$36.72	0.0%	0.0%	0.0%	0.0%	$36.72	-1.0%	$35.88
DME & Supplies	$36.96	0.0%	0.0%	$36.96	0.0%	0.0%	0.0%	0.0%	$36.96	3.9%	$40.27
Outpatient Rehab & Therapy	$1.19	0.0%	0.0%	$1.19	0.0%	0.0%	0.0%	0.0%	$1.19	-4.1%	$1.09
Podiatry	$0.27	0.0%	0.0%	$0.27	0.0%	0.0%	0.0%	0.0%	$0.27	-4.1%	$0.25
Dental	$7.53	0.0%	0.0%	$7.53	0.0%	16.4%	-60.3%	0.0%	$3.48	-4.1%	$3.17
Vision	$0.75	0.0%	0.0%	$0.75	0.0%	0.0%	0.0%	0.0%	$0.75	-4.1%	$0.68
Other Professional Services	$1.06	0.0%	0.0%	$1.06	0.0%	0.0%	0.0%	0.0%	$1.06	-4.1%	$0.96
NEMT	$86.28	0.0%	0.0%	$86.28	-100.0%	0.0%	0.0%	0.0%	$0.00	0.0%	$0.00
Total Medical Services	**$3,098.44**	**-16.1%**	**9.9%**	**$2,854.76**	**-3.1%**	**0.0%**	**-0.2%**	**0.0%**	**$2,764.54**	**-0.1%**	**$2,760.39**

Region	Rest of State
SFY 2025-26 Estimated MLTCP MMs	134,304

	Base Data	Program Changes									
Category of Service	PMPM	FI Carve-Out	Minimum Wage	Base Data + FI Carve-Out + Min Wage	Transportation Carve-Out	Dental Benefit Expansion	DSNP Dental Coverage	SDC Transportation Carve-In	Base Data + Program Changes	Annual Trend	Estimated Benefit Expenses PMPM
Nursing Facility	$60.96	0.0%	0.0%	$60.96	0.0%	0.0%	0.0%	0.0%	$60.96	1.9%	$63.64
Personal Care	$196.09	0.0%	8.4%	$212.53	0.0%	0.0%	0.0%	0.0%	$212.53	-6.4%	$183.26
CDPAS	$2,129.75	-17.4%	11.4%	$1,958.86	0.0%	0.0%	0.0%	0.0%	$1,958.86	0.2%	$1,966.02
Adult Day Health Care	$6.41	0.0%	0.0%	$6.41	-16.1%	0.0%	0.0%	0.0%	$5.38	-2.0%	$5.14
Social Day Care	$7.92	0.0%	0.0%	$7.92	0.0%	0.0%	0.0%	9.1%	$8.64	-2.0%	$8.25
PERS	$13.53	0.0%	0.0%	$13.53	0.0%	0.0%	0.0%	0.0%	$13.53	-3.3%	$12.54
Home Delivered Meals	$34.79	0.0%	0.0%	$34.79	0.0%	0.0%	0.0%	0.0%	$34.79	-3.3%	$32.23
Home Health Care	$39.58	0.0%	0.7%	$39.87	0.0%	0.0%	0.0%	0.0%	$39.87	-6.4%	$34.38
DME & Supplies	$40.18	0.0%	0.0%	$40.18	0.0%	0.0%	0.0%	0.0%	$40.18	0.6%	$40.68
Outpatient Rehab & Therapy	$0.78	0.0%	0.0%	$0.78	0.0%	0.0%	0.0%	0.0%	$0.78	-3.3%	$0.72
Podiatry	$0.58	0.0%	0.0%	$0.58	0.0%	0.0%	0.0%	0.0%	$0.58	-3.3%	$0.54
Dental	$5.79	0.0%	0.0%	$5.79	0.0%	16.4%	-66.3%	0.0%	$2.27	-3.3%	$2.10
Vision	$0.90	0.0%	0.0%	$0.90	0.0%	0.0%	0.0%	0.0%	$0.90	-3.3%	$0.83
Other Professional Services	$1.01	0.0%	0.0%	$1.01	0.0%	0.0%	0.0%	0.0%	$1.01	-3.3%	$0.94
NEMT	$107.60	0.0%	0.0%	$107.60	-100.0%	0.0%	0.0%	0.0%	$0.00	0.0%	$0.00
Total Medical Services	**$2,645.89**	**-14.0%**	**9.6%**	**$2,491.73**	**-4.4%**	**0.0%**	**-0.2%**	**0.0%**	**$2,380.30**	**-0.5%**	**$2,351.28**

Notes:
1. Totals may not equal the sum of the COS components due to rounding

Estimated Benefit Expenses Exhibits – Trend Acuity Impact

Community

Region	Acuity Adjustment (Annual)
NYC area	-0.5%
Mid-Hudson/Northern Metro	-0.8%
Northeast/Western	-0.6%
Rest of State	-0.3%

NHT

The estimated benefit expense exhibits for the NHT population detail the development of the COS-specific benefit expenses for each region, summarized as follows:

- **SFY 2025-26 Estimated Member Months**: Projected MLTCP member months for the NHT population.
- **Base Data**: NHT base data PMPMs including base data adjustments detailed in the previous section and described in the Base Data Development section of this report that are used to develop the capitation rates by COS.
- **Program Change Adjustments**: Percentage impact on the adjusted base data PMPMs for the program change adjustments as listed below and described in the Program Change Adjustments section of this report:
    - FI Carve-Out
    - Minimum Wage
    - Transportation Carve-Out
    - Dental Benefit Expansion
    - DSNP Dental Coverage
- **Annual PMPM Benefit Trends**: Annualized trend percentages applied to each COS for the NHT population as described in the Trend section of this report. The annualized trends are applied from the midpoint of the base period to the midpoint of the contract period as detailed in the exhibits.
- **Estimated Benefit Expenses PMPM**: PMPMs by COS after application of all base data adjustments, program change adjustments, and annual trend.

Estimated Benefit Expenses Exhibits

NHT

	Base Midpoint	Contract Midpoint
	July 1, 2023	September 30, 2025
Contract Period	April 1, 2025 to March 31, 2026	
Trend Months	27	

Region	NYC Area
SFY 2025-26 Estimated MLTCP MMs	24,507

	Base Data	Program Changes								
Category of Service	**PMPM**	**FI Carve-Out**	**Minimum Wage**	**Base Data + FI Carve-Out + Min Wage**	**Transportation Carve-Out**	**Dental Benefit Expansion**	**DSNP Dental Coverage**	**Base Data + Program Changes**	**Annual Trend**	**Estimated Benefit Expenses PMPM**
Nursing Facility	$9,020.27	0.0%	0.0%	$9,020.27	0.0%	0.0%	0.0%	$9,020.27	1.7%	$9,378.57
Personal Care	$78.86	0.0%	3.9%	$81.92	0.0%	0.0%	0.0%	$81.92	0.0%	$81.92
CDPAS	$37.11	-14.5%	4.6%	$33.17	0.0%	0.0%	0.0%	$33.17	0.0%	$33.17
Adult Day Health Care	$0.02	0.0%	0.0%	$0.02	0.0%	0.0%	0.0%	$0.02	0.0%	$0.02
Social Day Care	$0.75	0.0%	0.0%	$0.75	0.0%	0.0%	0.0%	$0.75	0.0%	$0.75
PERS	$2.41	0.0%	0.0%	$2.41	0.0%	0.0%	0.0%	$2.41	0.0%	$2.41
Home Delivered Meals	$0.46	0.0%	0.0%	$0.46	0.0%	0.0%	0.0%	$0.46	0.0%	$0.46
Home Health Care	$4.26	0.0%	0.4%	$4.28	0.0%	0.0%	0.0%	$4.28	0.0%	$4.28
DME & Supplies	$20.48	0.0%	0.0%	$20.48	0.0%	0.0%	0.0%	$20.48	2.7%	$21.74
Outpatient Rehab & Therapy	$0.86	0.0%	0.0%	$0.86	0.0%	0.0%	0.0%	$0.86	1.8%	$0.89
Podiatry	$1.47	0.0%	0.0%	$1.47	0.0%	0.0%	0.0%	$1.47	1.8%	$1.53
Dental	$1.06	0.0%	0.0%	$1.06	0.0%	31.3%	-59.1%	$0.57	1.8%	$0.59
Vision	$0.88	0.0%	0.0%	$0.88	0.0%	0.0%	0.0%	$0.88	1.8%	$0.91
Other Professional Services	$1.04	0.0%	0.0%	$1.04	0.0%	0.0%	0.0%	$1.04	1.8%	$1.08
NEMT	$56.57	0.0%	0.0%	$56.57	-100.0%	0.0%	0.0%	$0.00	0.0%	$0.00
NAMI	-$221.67	0.0%	0.0%	-$221.67	0.0%	0.0%	0.0%	-$221.67	4.2%	-$242.97
Total Medical Services	**$9,004.82**	**-0.1%**	**0.1%**	**$9,003.96**	**-0.6%**	**0.0%**	**0.0%**	**$8,946.90**	**1.7%**	**$9,285.37**

Region	Upstate
SFY 2025-26 Estimated MLTCP MMs	6,640

	Base Data	Program Changes								
Category of Service	**PMPM**	**FI Carve-Out**	**Minimum Wage**	**Base Data + FI Carve-Out + Min Wage**	**Transportation Carve-Out**	**Dental Benefit Expansion**	**DSNP Dental Coverage**	**Base Data + Program Changes**	**Annual Trend**	**Estimated Benefit Expenses PMPM**
Nursing Facility	$7,106.61	0.0%	0.0%	$7,106.61	0.0%	0.0%	0.0%	$7,106.61	2.2%	$7,464.76
Personal Care	$8.22	0.0%	8.4%	$8.90	0.0%	0.0%	0.0%	$8.90	0.0%	$8.90
CDPAS	$14.29	-19.0%	11.4%	$12.90	0.0%	0.0%	0.0%	$12.90	0.0%	$12.90
Adult Day Health Care	$0.18	0.0%	0.0%	$0.18	0.0%	0.0%	0.0%	$0.18	0.0%	$0.18
Social Day Care	$0.20	0.0%	0.0%	$0.20	0.0%	0.0%	0.0%	$0.20	0.0%	$0.20
PERS	$1.62	0.0%	0.0%	$1.62	0.0%	0.0%	0.0%	$1.62	0.0%	$1.62
Home Delivered Meals	$3.45	0.0%	0.0%	$3.45	0.0%	0.0%	0.0%	$3.45	0.0%	$3.45
Home Health Care	$1.84	0.0%	0.7%	$1.85	0.0%	0.0%	0.0%	$1.85	0.0%	$1.85
DME & Supplies	$10.38	0.0%	0.0%	$10.38	0.0%	0.0%	0.0%	$10.38	3.3%	$11.17
Outpatient Rehab & Therapy	$0.28	0.0%	0.0%	$0.28	0.0%	0.0%	0.0%	$0.28	-3.2%	$0.26
Podiatry	$0.21	0.0%	0.0%	$0.21	0.0%	0.0%	0.0%	$0.21	-3.2%	$0.19
Dental	$1.00	0.0%	0.0%	$1.00	0.0%	16.4%	-59.0%	$0.48	-3.2%	$0.45
Vision	$0.56	0.0%	0.0%	$0.56	0.0%	0.0%	0.0%	$0.56	-3.2%	$0.52
Other Professional Services	$1.10	0.0%	0.0%	$1.10	0.0%	0.0%	0.0%	$1.10	-3.2%	$1.02
NEMT	$87.37	0.0%	0.0%	$87.37	-100.0%	0.0%	0.0%	$0.00	0.0%	$0.00
NAMI	-$355.60	0.0%	0.0%	-$355.60	0.0%	0.0%	0.0%	-$355.60	4.2%	-$389.76
Total Medical Services	**$6,881.70**	**0.0%**	**0.0%**	**$6,881.01**	**-1.3%**	**0.0%**	**0.0%**	**$6,793.12**	**2.1%**	**$7,117.72**

Notes:

1. Totals may not equal the sum of the COS components due to rounding
2. Upstate includes Mid-Hudson/Northern Metro, Northeast/Western, and Rest of State regions

Capitation Rate Exhibits

MLTCP capitation rate exhibits summarize the development of the selected capitation rate by region, separately for the Community and NHT populations and by Profit and Non-for-Profit status. Plan specific payment rate considerations are not included in the exhibits.

Community

The capitation rate exhibits for the Community population detail the development of the total capitation rate for each region, summarized as follows:

- **Estimated Benefit Expenses PMPM**: PMPMs by COS after application of all base data adjustments, program change adjustments, and annual trend.
- **Administrative Expenses**: PMPM and percentage impact of administrative expenses incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **Care Management**: PMPM and percentage impact of Care Management expenses incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **Spenddown/NAMI**: PMPM impact of Spenddown/NAMI incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **Underwriting Gain**: PMPM and percentage impact of underwriting gain incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **MCO Provider Tax**: PMPM impact of MCO Provider Tax incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **Premium Based Taxes**: PMPM and percentage impact of premium based taxes incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **Regional Capitation Rate**: Final SFY 2025-26 selected capitation rate PMPM for the Community population.

Capitation Rate Exhibits

Community

Not-For-Profit Plans

Region	Estimated Benefit Expenses PMPM	Administrative Expenses	Care Management	Spenddown/ NAMI	Underwriting Gain	MCO Tax	Premium Based Taxes	Regional Capitation Rate
NYC Area	$4,100.39	$208.81	$178.32	($14.24)	$45.18	$102.42	$0.00	$4,620.87
Mid-Hudson/Northern Metro	$3,624.72	$211.48	$155.41	($23.84)	$40.08	$118.19	$0.00	$4,126.03
Northeast/Western	$2,760.39	$194.57	$166.58	($17.48)	$31.35	$116.67	$0.00	$3,252.09
Rest of State	$2,351.28	$192.13	$160.90	($18.98)	$27.12	$124.46	$0.00	$2,836.92

Region		Administrative Expenses *% of Estimated Benefit Expenses*	Care Management *% of Estimated Benefit Expenses*		Underwriting Gain *% of Gross Regional Capitation Rate*	MCO Tax *% of Regional Capitation Rate*	Premium Based Taxes *% of Regional Capitation Rate*	
NYC Area		5.09%	4.35%		1.00%	2.22%	0.00%	
Mid-Hudson/Northern Metro		5.83%	4.29%		1.00%	2.86%	0.00%	
Northeast/Western		7.05%	6.03%		1.00%	3.59%	0.00%	
Rest of State		8.17%	6.84%		1.00%	4.39%	0.00%	

For-Profit Plans

Region	Estimated Benefit Expenses PMPM	Administrative Expenses	Care Management	Spenddown/ NAMI	Underwriting Gain	MCO Tax	Premium Based Taxes	Regional Capitation Rate
NYC Area	$4,100.39	$208.81	$178.32	($14.24)	$45.18	$102.42	$96.59	$4,717.46
Mid-Hudson/Northern Metro	$3,624.72	$211.48	$155.41	($23.84)	$40.08	$118.19	$86.25	$4,212.28
Northeast/Western	$2,760.39	$194.57	$166.58	($17.48)	$31.35	$116.67	$57.93	$3,310.01
Rest of State	$2,351.28	$192.13	$160.90	($18.98)	$27.12	$124.46	$50.53	$2,887.45

Region		Administrative Expenses *% of Estimated Benefit Expenses*	Care Management *% of Estimated Benefit Expenses*		Underwriting Gain *% of Gross Regional Capitation Rate*	MCO Tax *% of Regional Capitation Rate*	Premium Based Taxes *% of Regional Capitation Rate*	
NYC Area		5.09%	4.35%		1.00%	2.17%	2.05%	
Mid-Hudson/Northern Metro		5.83%	4.29%		1.00%	2.81%	2.05%	
Northeast/Western		7.05%	6.03%		1.00%	3.52%	1.75%	
Rest of State		8.17%	6.84%		1.00%	4.31%	1.75%	

Notes:

1. Administrative expenses and Care Management shown as a percent of estimated benefit expenses
2. Underwriting gain shown as a percentage of the gross regional capitation rate before adjustments for MCO and premium based taxes
3. MCO and Premium based taxes shown as a percentage of the regional capitation rate

NHT

The capitation rate exhibits for the NHT population by Profit and Non-for-Profit status detail the development of the total capitation rate for each region, summarized as follows:

- **Estimated Benefit Expenses PMPM**: PMPMs by COS after application of all base data adjustments, program change adjustments, and annual trend.
- **Administrative Expenses**: PMPM and percentage impact of administrative expenses incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **Care Management**: PMPM and percentage impact of Care Management expenses incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **Underwriting Gain**: PMPM and percentage impact of underwriting gain incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **MCO Provider Tax**: PMPM impact of MCO Provider Tax incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **Premium Based Taxes**: PMPM and percentage impact of premium based taxes incorporated for each region as described in the Non-Benefit Expenses section of this report.
- **Regional Capitation Rate**: Final SFY 2025-26 selected capitation rate PMPM for the NHT population.

Capitation Rate Exhibits

NHT

Not-For-Profit Plans

Region	Estimated Benefit Expenses PMPM	Administrative Expenses	Care Management	Underwriting Gain	MCO Tax	Premium Based Taxes	Regional Capitation Rate
NYC Area	$9,285.37	$208.81	$145.71	$97.37	$102.42	$0.00	$9,839.68
Mid-Hudson/Northern Metro	$7,117.72	$211.48	$106.43	$75.11	$118.19	$0.00	$7,628.93
Northeast/Western	$7,117.72	$194.57	$99.43	$74.87	$116.67	$0.00	$7,603.25
Rest of State	$7,117.72	$192.13	$89.81	$74.74	$124.46	$0.00	$7,598.87

Region		Administrative Expenses *% of Estimated Benefit Expenses*	Care Management *% of Estimated Benefit Expenses*	Underwriting Gain *% of Gross Regional Capitation Rate*	MCO Tax *% of Regional Capitation Rate*	Premium Based Taxes *% of Regional Capitation Rate*	
NYC Area		2.25%	1.57%	1.00%	1.04%	0.00%	
Mid-Hudson/Northern Metro		2.97%	1.50%	1.00%	1.55%	0.00%	
Northeast/Western		2.73%	1.40%	1.00%	1.53%	0.00%	
Rest of State		2.70%	1.26%	1.00%	1.64%	0.00%	

For-Profit Plans

Region	Estimated Benefit Expenses PMPM	Administrative Expenses	Care Management	Underwriting Gain	MCO Tax	Premium Based Taxes	Regional Capitation Rate
NYC Area	$9,285.37	$208.81	$145.71	$97.37	$102.42	$205.68	$10,045.35
Mid-Hudson/Northern Metro	$7,117.72	$211.48	$106.43	$75.11	$118.19	$159.47	$7,788.39
Northeast/Western	$7,117.72	$194.57	$99.43	$74.87	$116.67	$135.43	$7,738.68
Rest of State	$7,117.72	$192.13	$89.81	$74.74	$124.46	$135.35	$7,734.22

Region		Administrative Expenses *% of Estimated Benefit Expenses*	Care Management *% of Estimated Benefit Expenses*	Underwriting Gain *% of Gross Regional Capitation Rate*	MCO Tax *% of Regional Capitation Rate*	Premium Based Taxes *% of Regional Capitation Rate*	
NYC Area		2.25%	1.57%	1.00%	1.02%	2.05%	
Mid-Hudson/Northern Metro		2.97%	1.50%	1.00%	1.52%	2.05%	
Northeast/Western		2.73%	1.40%	1.00%	1.51%	1.75%	
Rest of State		2.70%	1.26%	1.00%	1.61%	1.75%	

Notes:

1. Administrative expenses and Care Management shown as a percent of estimated benefit expenses
2. Underwriting gain shown as a percentage of the gross regional capitation rate before adjustments for MCO and premium based taxes
3. MCO and Premium based taxes shown as a percentage of the regional capitation rate