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State/Territory Name: New York

State Plan Amendment (SPA) #: 18-0023

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services New York Regional Office 26 Federal Plaza, Room 37-100 New York, NY 10278



DIVISION OF MEDICAID AND CHILDREN'S HEALTH OPERATIONS

DMCHO: BP:SPA-NY-18-0023-Approval

September 7, 2018

Ms. Donna Frescatore State Medicaid Director Office of Health Insurance Programs NYS Department of Health One Commerce Plaza, Suite 1211 Albany, NY 12210

Dear Ms. Frescatore:

This letter is to notify you that New York State Plan Amendment (SPA) #18-0023 has been approved for adoption into the State Medicaid Plan with an effective date of April 1, 2018. This SPA provides increases to hospice provider reimbursement rates due to the state's statutorily increases to hourly minimum wages.

Enclosed are copies of the Plan Pages for SPA #18-0023 and the HCFA-179 form, as approved.

If you have any questions regarding this amendment, please call Betsy Pinho at 518.396.3810 or e-mail at Betsy.Pinho@cms.hhs.gov.

Ricardo Holligan Acting Associate Regional Administrator Division of Medicaid and Children's Health Operations

Enclosures: HCFA-179 Form State Plan Pages

cc: R. Deyette R. Holligan
P. LaVenia N. McKnight
M. Levesque M. Tabakov
J. Yungandreas B. Pinho
R. Weaver M. Lopez

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O: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE	
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# New York 6(b)

### <u>Hospice Services – Adjustment for Minimum Wage Increases</u>

Effective April 1, 2018, and every January 1, thereafter until the minimum wage reaches the statutorily described per hour wage as shown below, the rates of payment for services provided by Non-Residence Hospice providers include a rate add-on to reimbursement in accordance with the wage chart shown below to address increases in labor costs.

#### **Minimum Wage Chart**

	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
New York City	<u>\$10.50</u>	<u>\$12.00</u>	<u>\$13.50</u>	<u>\$15.00</u>	<u>\$15.00</u>	<u>\$15.00</u>
Nassau, Suffolk, & Westchester counties	<u>\$10.00</u>	<u>\$11.00</u>	<u>\$12.00</u>	<u>\$13.00</u>	<u>\$14.00</u>	<u>\$15.00</u>
Remainder of the State	<u>\$9.70</u>	<u>\$10.40</u>	<u>\$11.10</u>	<u>\$11.80</u>	<u>\$12.50</u>	<u>\$12.50</u>

The minimum wage adjustment will be developed and implemented as follows:

- 1. <u>Minimum wage costs will mean the additional costs incurred beginning April 1, 2018 and thereafter, as a result of New York State statutory increases to minimum wages.</u>
- 2. The 2018 provider specific minimum wage add-on will be developed based on collected survey data received and attested to by hospice providers. If a hospice provider fails to submit the attested survey data, the provider will not receive a minimum wage add-on.
  - i. Minimum wage cost development based on survey data collected.
    - a. Survey data will be collected for provider specific wage data.
    - b. <u>Providers will report by wage bands, the total count of FTEs and total hours paid to all employees (contracted and non-contracted staff) earning less than the statutory minimum wage applicable for each region.</u>
    - c. <u>Providers will report an average fringe benefit percentage for the employees directly affected by the minimum wage increase.</u>
    - d. The minimum wage costs are calculated by multiplying the total hours paid by the difference between the statutory minimum wage and the midpoint of each wage band where the provider has reported total hours paid. To this result, the provider's average fringe benefit percentage is applied and added to the costs.
- 3. The provider specific cost amount will be adjusted by a factor calculated by dividing the provider's average dollar per hour under minimum wage by the regional average. The resulting amount will be divided by patient days to arrive at a rate per diem add on, which will be applied to only Medicaid days for purposes of Medicaid reimbursement.

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	Department will survey facilities utilizing the	the same	<u>methodo</u>	logy.		
4.	In subsequent years until the minimum w	<i>r</i> age is co	<u>ompletely</u>	<u>impleme</u>	<u>ented statewide</u>	<u>e, the </u>

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# New York 6(b)(1)

- 5. Minimum Wage Reconciliation After the end of each calendar year, the Department of Health will survey providers to obtain the following information for the purpose of reconciling annual minimum wage reimbursement. The state will release the reconciliation survey by the end of March and providers will have two weeks to complete the survey or request an extension if a provider determines it is unable to complete the survey within that time. Approval of extensions, and the time of the extension, is at the discretion of the state. If the reconciliation survey is not submitted within the two weeks or within the extension time frame, should one be granted, the provider's minimum wage add-on for the calendar year covered by the survey will be recouped.
  - i. Total annual minimum wage funding paid to the provider (as determined from the minimum wage add-on to claims paid for services rendered in the prior calendar year) for the Medicaid share of the minimum wage law increase requirement. (This information will be supplied by the Department of Health.) Medicaid's share is the percentage of minimum wage costs that are attributable to Medicaid services based on the proportion of Medicaid services to a provider's total services.
  - ii. Medicaid's share of the total amount the provider was obligated to pay to bring salaries up to the minimum wage for the calendar year. (This information will be completed by the provider.)
  - iii. Minimum wage funds to be recouped or additional funds to be received by the provider. (This information will be completed by the provider.) This will be the difference between the amount paid to the provider for the Medicaid share of the minimum wage law increase requirement and the corresponding amount the provider determined it was actually obligated to pay.
  - iv. The State agency will review providers' submissions for accuracy and reasonableness, following which it will process associated payments and recoupments via retroactive per unit rate adjustments as quickly as practical thereafter.
- 6. <u>The agency's Chief Executive Officer or Chief Financial Officer must sign an Attestation verifying the data that is supplied in the survey.</u>

TN#18	3-0023	Approval Date _	09/07/2018
_	_	-	04/01/2018
Supersedes TN _	New	Effective Date _	