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State/Territory Name: New York

State Plan Amendment (SPA) #: NY-22-0015

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

June 23, 2023

Amir Bassiri
State Medicaid Director
New York State Department of Health
99 Washington Ave
One Commerce Plaza, Suite 1432
Albany, NY 12210

RE: State Plan Amendment (SPA) NY-22-0015

Dear Director Bassiri:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State Plan submitted under transmittal number (TN) NY-22-0015. This State Plan Amendment adjusts inpatient hospital rates to take into account increased labor costs resulting from statutorily required increases in the New York State minimum wage. Specifically, the SPA updates the inpatient hospital minimum wage cost for the Remainder of the State region from \$12.50 to \$13.20 per hour. Total minimum wage cost is determined by applying total hours by the difference between the statutory minimum wage and the midpoint of each wage band plus the calculated fringe benefit.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State Plan Amendment NY-22-0015 is approved effective January 1, 2022. The CMS-179 and the amended plan pages are attached.

If you have any questions or need further assistance, please contact James Francis at 857-357-6378 or via email at James.Francis@cms.hhs.gov.

Sincerely,



Rory Howe
Director

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

1. TRANSMITTAL NUMBER

2 2 — 0 0 1 5

2. STATE

NY

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

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

4. PROPOSED EFFECTIVE DATE

January 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

~~§-1902(a) of the Social Security Act and 42-CFR 447~~ **§1905(a)(1) Inpatient Hospital Services**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 01/01/22-09/30/22 \$ 16,050
b. FFY 10/01/22-09/30/23 \$ 21,400

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A: Page 105(b)

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

Attachment 4.19-A: Page 105(b)

9. SUBJECT OF AMENDMENT

Minimum Wage - Hospital Inpatient Acute, Specialty, Critical Access, and Physical Medical Rehabilitation Rates

10. GOVERNOR'S REVIEW (Check One)

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

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Brett R. Friedman

13. TITLE

Acting Medicaid Director

14. DATE SUBMITTED

March 31, 2022

15. RETURN TO

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

FOR CMS USE ONLY

16. DATE RECEIVED

March 31, 2022

17. DATE APPROVED

June 23, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

The State authorizes the following pen and ink changes:

Box 5 Federal Statute/Regulation Citation: §1905(a)(1) Inpatient Hospital Services

**New York
105(b)**

1905(a)(1) Inpatient Hospital Services

24. *Minimum wage costs* will mean the additional costs incurred by a hospital used in the calculation of a minimum wage add-on for the Acute Rate per Discharge, Specialty Long Term Acute Care Hospital, Cancer Hospital, Acute Care Children's Hospital, Critical Access Hospital, and Medical Rehabilitation Hospital rates beginning January 1, 2017, and thereafter, as a result of New York state statutory increases to minimum wage. The following regions' minimum wage will be increased on and after the stated periods as follows:

	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
New York City	\$11.00	\$13.00	\$15.00	\$15.00	\$15.00	\$15.00
Nassau, Suffolk, & Westchester counties	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00
Remainder of the State	\$9.70	\$10.40	\$11.10	\$11.80	\$12.50	\$13.20*

*Effective January 1, 2022, the minimum wage value for the Remainder of the State will be \$13.20.

- a. For purposes of reimbursement the minimum wage in effect on January 1, 2017, and January 1st of each year thereafter, will be utilized in the calculation of the additional costs due to minimum wage increases until all regions of the State reach \$15.00 per hour.
- b. Minimum wage costs will be developed using collected survey data submitted and attested to by the hospital. If a hospital fails to submit a survey, the hospital's minimum wage costs will default to an average wage calculation based on the latest available institutional cost report (ICR) data.
 - i. Minimum wage cost development based on survey data collected.
 1. Survey data will be collected for hospital specific wage data.
 2. Hospitals will report by specified wage bands, the total count of FTEs and total hours paid of employees earning less than the statutory minimum wage applicable for the region.
 3. Hospitals will report an average fringe benefit percentage of the reported employees.
4. 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 hospital has reported total hours paid. To this result, the hospital's average fringe benefit percentage is applied and added to the costs resulting in total minimum wage costs.

TN #22-0015

Approval Date June 23, 2023

Supersedes TN #17-0011

Effective Date January 1, 2022