



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

March 10, 2017

Dear Administrator,

As State Fiscal Year (SFY) 2017-18 approaches, the Department of Health continues to evaluate Medicaid rate adjustments to ensure the most appropriate reflection of costs due to the increase of the minimum wage that occurred on December 31, 2016 and the scheduled increase for December 31, 2017.

The Department intends to share projected aggregate home care minimum wage funding for SFY 2017-18 with Partial Capitation plans by mid-March. Aggregate funding for other managed care programs will be provided at a later date. A schedule of minimum wage adjustments for managed care programs is below:

- Partial Capitation – effective April 1, 2017, draft available March 2017
- FIDA – effective April 1, 2017, draft available April 2017
- MAP – effective April 1, 2017, draft available June 2017
- PACE – effective April 1, 2017, draft available June 2017
- MA – effective January 1, 2017, draft available June 2017
- Mainstream – effective April 1, 2017, draft available April 2017 (retro to January)
- HARP - effective April 1, 2017, draft available April 2017
- HIV/SNP - effective April 1, 2017, draft available April 2017
- Essential Plan - TBD

The Department has surveyed home care providers and is actively collecting this minimum wage data to ensure that the rate adjustments for impacted regions across the State appropriately reflect the increased costs.

At this time, the Department strongly advises that managed care plans and home care provider agencies maintain current contracted amounts reflecting the costs of the December increase. Current plan rates on the eMEDNY system reflect a minimum wage adjustment as a carryover from the prior year. This funding is expected to mitigate concerns with continued minimum wage funding and allow plans and providers to maintain current contract levels until SFY 2017-18 rates are paid.

Additional steps will also be taken to ensure proper funding, with a timeline of those steps forthcoming. The Department is currently working with plan and provider associations to address elements of the timeline that include:

- New provider cost report submissions including LHCSA, CHHA and CDPAS FI
- Amended managed care plan cost reports
- Provider and plan cost report audit process
- Rate reconciliation process

As previously stated, the Department is committed to collecting minimum wage data to reconcile minimum wage funding amounts in rates. The intent is to reconcile any excess or deficiency in funding for minimum wage in a subsequent fiscal year rate cycle based upon cost report data submissions.