

Table of Contents

State/Territory Name: NY

State Plan Amendment (SPA): NY-24-0020

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
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

June 25, 2024

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

RE: TN 24-0020

Dear Director Bassiri:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed New York state plan amendment (SPA) to Attachment 4.19-B of NY-24-0020, which was submitted to CMS on March 29, 2024. This plan amendment continues minimum wage adjustments for freestanding Federally Qualified Health Centers (FQHCs).

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of January 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Jerica Bennett at 410-786-1167 or via email at jerica.bennett@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 2 0

2. STATE

N Y

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, 2024

5. FEDERAL STATUTE/REGULATION CITATION

§ 1905(a)(2)(B), 1905(a)(2)(C)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 01/01/24-09/30/24 \$ 109,683
b. FFY 10/01/24-09/30/25 \$ 206,763

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B: Pages 2(c)(iv)(c), 2(c)(iv)(c)(1), 2(c)(iv)(c)(2)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B: Page 2(c)(iv)(c)

9. SUBJECT OF AMENDMENT

2024 Freestanding FQHC MW

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

[Redacted Signature]

12. TYPED NAME

Amir Bassiri

13. TITLE

Medicaid Director

14. DATE SUBMITTED

March 29, 2024

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

03/29/2024

17. DATE APPROVED

June 25, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

01/01/2024

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, Division of Reimbursement Review

22. REMARKS

New York
2(c)(iv)(c)

1905(a)(2)(B) Rural Health Clinic (RHC) Services and 1905(a)(2)(C) Federally Qualified Health Center (FQHC) Services

Minimum Wage – Article 28 FQHCs

Adjustment for Minimum Wage Increases. Effective January 1, 2017, and every January 1, thereafter until the minimum wage reaches the state statutorily described per hour wage as shown below, a minimum wage add-on will be developed and applied to adjust Article 28 freestanding FQHC rate as an alternative payment method (APM) rate.

Minimum Wage (MW) Region	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
New York City (Large employers)	\$11.00	\$13.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
New York City (Small employers)	\$10.50	\$12.00	\$13.50	\$15.00	\$15.00	\$15.00	\$15.00
Nassau, Suffolk, & Westchester counties	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00	\$15.00
Remainder of the State	\$9.70	\$10.40	\$11.10	\$11.80	\$12.50	\$13.20*	\$14.20**

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

**Effective January 1, 2023, the minimum wage value for the Remainder of the State will be \$14.20.

Minimum Wage (MW) Region	1/1/2024	1/1/2025	1/1/2026				
New York City (Large employers)	\$16.00	\$16.50	\$17.00				
New York City (Small employers)	\$16.00	\$16.50	\$17.00				
Nassau, Suffolk, & Westchester counties	\$16.00	\$16.50	\$17.00				
Remainder of the State	\$15.00	\$15.50	\$16.00				

TN #24-0020

Approval Date June 25, 2024

Supersedes TN #23-0012

Effective Date January 1, 2024

New York
2(c)(iv)(c)(1)

1905(a)(2)(B) Rural Health Clinic (RHC) Services and 1905(a)(2)(C) Federally Qualified Health Center (FQHC) Services

Minimum Wage – Article 28 FQHCs (continued)

For January 1, 2027, and each January 1 thereafter, the adjusted minimum wage rate will be determined by increasing the then current year's minimum wage rate by the rate of change in the average of the three most recent consecutive twelve-month periods between the first of August and the thirty-first of July, each over their preceding twelve-month periods published by the United States department of labor non-seasonally adjusted consumer price index or northeast region urban wage earners and clerical workers (CPI-W) or any successor index as calculated by the United States department of labor, plus applicable fringe, with the result rounded to the nearest five cents.

However, effective January 1, 2027, no increase in minimum wage will be effectuated if any of the following conditions are met:

- Rate of change in the average of the most recent period of the first of August to the 31st of July over the preceding period of the 1st of August to the 31st of July published by the US Department of Labor non-seasonally adjusted consumer price index for the northeast region urban wage earners and clerical workers (CPI-W) or any successor index as calculated by the US Department of Labor is negative.
- 3 month moving average of the seasonally adjusted NYS unemployment rate as determined by the U-3 measure of labor underutilization for the most recent period ending 31st of July as calculated by the US Department of Labor rises by ½ percentage point or more relative to its low during the previous 12 months.
- Seasonally adjusted, total non-farm employment for NYS in July, calculated by the US Department of Labor, decreased from the seasonally adjusted total non-farm employment for NYS in July, calculated by the US Department of Labor decreased from the seasonally adjusted total non-farm employment for NYS in January.

TN #24-0020 Approval Date June 25, 2024

Supersedes TN #NEW Effective Date January 1, 2024

New York
2(c)(iv)(c)(2)

1905(a)(2)(B) Rural Health Clinic (RHC) Services and 1905(a)(2)(C) Federally Qualified Health Center (FQHC) Services

Minimum Wage – Article 28 FQHCs (continued)

The minimum wage add-on and the APM rate will be posted to Health Commerce System (HCS: https://commerce.health.state.ny.us/public/hcs_login.html). An Article 28 FQHC's PPS threshold rate will be adjusted by a minimum wage add-on based on the following:

- a. Minimum wage costs will mean the additional costs incurred beginning January 1, 2017, and thereafter, as a result of New York state statutory increases to minimum wage.
 - i. Minimum wage cost development based on survey data collected.
 - 1. Survey data will be collected for Article 28 FQHC specific wage data.
 - 2. Article 28 FQHCs will report by specified wage bands, the total count of FTEs and total hours paid to employees earning less than the statutory minimum wage applicable for each MW Region.
 - 3. Article 28 FQHCs will report an average fringe benefit percentage for the employees directly affected by the minimum wage increase.
 - 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 Article 28 FQHC has reported total hours paid. To this result, the Article 28 FQHC's average fringe benefit percentage is applied and added to the costs.
 - ii. Minimum wage cost development based on the AHCF cost report data.
 - 1. The average hourly wages of employees in occupational titles where the reported average hourly wage is below the regional statutory minimum wage are identified.
 - 2. The total payroll hours of the titles identified are then multiplied by the regional statutory minimum wage resulting in a projected payroll. The actual payroll as reported in the AHCF cost report is then subtracted from the projected payroll resulting in the expected wage costs increase.

TN #24-0020 Approval Date June 25, 2024

Supersedes TN #NEW Effective Date January 1, 2024