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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

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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](mailto: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. LaVenía	N. McKnight
	M. Levesque	M. Tabakov
	J. Yungandreas	B. Pinho
	R. Weaver	M. Lopez

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:  
18-0023

2. STATE  
New York

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE  
April 1, 2018

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
Section 1905(r)(5) of the Social Security Act and 42 CFR 447

7. FEDERAL BUDGET IMPACT: (in thousands)  
a. FFY 04/01/18-09/30/18      \$22.50  
b. FFY 10/01/18-09/30/19      \$45.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-B – Page 6(b), 6(b)(1)

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 PAGE NUMBER OF THE SUPERSEDED PLAN  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

10. SUBJECT OF AMENDMENT:  
Minimum Wage – Hospice Non-Residence  
(FMAP = 50%)

11. GOVERNOR'S REVIEW (Check One):  
 GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Donna Frescatore

14. TITLE: Medicaid Director  
Department of Health

15. DATE SUBMITTED:  
JUN 26 2018

16. RETURN TO:  
New York State Department of Health  
Division of Finance & Rate Setting  
99 Washington Ave – One Commerce Plaza  
Suite 1432  
Albany, NY 12210

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:  
09/07/2018

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
04/01/2018

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:  
RICARDO HOLLIGAN

22. TITLE: Acting Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

23. REMARKS:

**New York  
6(b)**

**Hospice Services – Adjustment for Minimum Wage Increases**

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**

	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>
<u>New York City</u>	<u>\$10.50</u>	<u>\$12.00</u>	<u>\$13.50</u>	<u>\$15.00</u>	<u>\$15.00</u>	<u>\$15.00</u>
<u>Nassau, Suffolk, &amp; Westchester counties</u>	<u>\$10.00</u>	<u>\$11.00</u>	<u>\$12.00</u>	<u>\$13.00</u>	<u>\$14.00</u>	<u>\$15.00</u>
<u>Remainder of the State</u>	<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. 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.
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. 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.
    - c. Providers will report an average fringe benefit percentage for the employees directly affected by the minimum wage increase.
    - 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.
4. In subsequent years until the minimum wage is completely implemented statewide, the Department will survey facilities utilizing the same methodology.

TN                   #18-0023                  

Supersedes TN   New                  

Approval Date                   09/07/2018                  

Effective Date                   04/01/2018

