



Claudia J. Hammar  
President

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November 2, 2018

Ms. Donna Frescatore  
New York State Medicaid Director  
Executive Chamber  
Albany, New York 12237

Re: 2018 Minimum Wage Contract Amendments

Dear Ms. Frescatore

On behalf of the New York State Association of Health Care Providers (HCP), I am writing to request that the New York State Department of Health (DOH/the Department) issue guidance to managed long term care (MLTC) plans specifying that contract amendments related to the upcoming minimum wage increase be distributed to home care providers immediately. As you are aware, since its implementation in 2016, the minimum wage process has proven to be flawed, with providers, plans, and State agencies working until the last minute to ensure contract amendments are distributed and minimum wage funds flow by the December 31<sup>st</sup> deadline.

On August 10, 2018, the New York State Department of Health (DOH) issued an Additional Minimum Wage Frequently Asked Questions (FAQs) document, stating: "For January 1, 2019 contracts between managed care organizations (MCOs) and providers, the Department recommends that contract amendments be executed no later than November 1, 2018." In conversations with DOH throughout the summer and fall, HCP was told repeatedly that minimum wage monies are funded in their entirety, available to plans, and that plans should issue contract amendments by November 1, 2018 per the FAQs – in advance of the December 31, 2018 minimum wage increase.

Since the FAQs were released, a large number of HCP provider members have reported that they have not yet received contract amendments from their contracted MLTC plans regarding the increase. Providers continue to be told by plans that they are awaiting additional guidance from the State prior to releasing contract amendments. HCP has communicated this situation to DOH on multiple occasions and reiterated that this is the third year in a row that providers have experienced delays in receiving contract amendments. With the December 31 minimum wage deadline rapidly approaching, providers are increasingly concerned that they will not receive minimum wage funds to pay their workers in a timely or adequate manner. To be clear, absent the payment by the plans of State minimum wage funds, the majority of home health care providers do not have the financial resources to pay for the statutory increase effective December 31<sup>st</sup>.

With the November 1, 2018 State-recommended deadline now passed, we urge the Department to act quickly to address this situation by issuing guidance to plans requiring contract amendments be sent to providers immediately. Plan-provider guidance will mitigate significant disruption in the delivery of care to New York's most vulnerable citizens, and will ensure that workers are paid the statutory wage increase by the date set forth by the Governor and Legislature.

As the Association representing the health care providers that will be hardest hit if the minimum wage funding is not distributed adequately and on time, HCP must be able to provide timely information to provider members so they can make appropriate business decisions in the weeks ahead. For questions or concerns about HCP's request or for additional information, please contact HCP Director for Public Policy Alyssa Lovelace at 518.463.1118 ext. 818.

Sincerely,

A handwritten signature in cursive script that reads "Claudia Hammar".

Claudia J. Hammar  
President

Cc: Paul Francis, Deputy Secretary for Health and Human Services, Executive Chamber  
Megan Baldwin, Assistant Secretary for Health, Executive Chamber  
Robert Mujica, State Budget Director, NYS DOB  
Frank Walsh, Chief Budget Examiner for Health Care, NYS DOB  
Michael Ogborn, Medicaid CFO, NYS DOH  
Assembly Member Richard Gottfried, Assembly Health Committee Chair  
Senator Kemp Hannon, Senate Health Committee Chair