

Hourly Cost of Service Worksheet Instructions:

This worksheet is intended as a framework only to aid you in determining your hourly cost of service. Each provider agency is different and has its own costs associated with providing care.

It may or may not be in your best interest to share this information with your MLTCs. Only you can make that determination.

Please **DO NOT SHARE** completed worksheets containing personalized, identifiable data with other providers or with HCP. Sharing specific rates and cost per hour information in such a way may violate state and federal anti-trust laws.

You can open the worksheet as a .pdf and export it to an Excel spreadsheet.

Be sure to add **HOURLY** costs.

Blank lines are included in each section in case your agency has costs not already included.

Keep in mind that the new home care worker minimum wage on 10/1/22 is **NOT** an across the board \$2/hour raise. It will **ONLY** impact workers who are making less than the minimum wage on 10/1/22 and who will need to have their hourly wage increased to the new minimum.

Definitions:

NYC means the counties comprising the 5 boroughs: New York County (Manhattan), Kings County (Brooklyn), Queens County (Queens), Bronx County (The Bronx), Richmond County (Staten Island)

W'Chester means Westchester County

LI means the counties comprising Long Island: Suffolk County, Nassau County

Rest of State means all other counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenengo, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Rockland, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Wyoming, Yates

Need help? Contact the HCP Public Policy team at 518-463-1118 and publicpolicystaff@nyshcp.org

COST OF SERVICE PER HOUR WORKSHEET

	<u>Wage & Benefit Costs</u>	<u>Hourly Cost</u>
These are costs directly related to wages and benefits. NYC-specific costs are highlighted in yellow.	Current Minimum Wage (through 9/30/22)	
	New Minimum Wage Increase for Home Care Workers	\$2.00
	NY CITY, LI, W'Chester Wage Parity	
	NY CITY Sick Leave	
	NYS Unemployment Insurance	
	NYS Paid Family Leave	
	NYS COVID-19 Sick Leave	
	NYS Sick Leave	
	Workers' Compensation	
	Disability Insurance	
	Overtime: spread of hrs, split shifts, etc.	
	In-service / required training hours	
	Federal Unemployment Insurance	
	Health Ins. & other misc. employee benefits	
	Transportation	
Total Wage & Benefit Costs:		

Notes:

- ← 10/1/22 Minimum Wage NYC, LI, W'Chester \$17.00; Rest of State: \$15.20 on 10/1/22, \$15.90 on 1/1/23
- ← \$2.00 on 10/1/2022 ***please note this increase only impacts workers making less than the new minimum on 10/1/22***
- ← \$4.09 in NYC; \$3.22 in LI and W'Chester

Use these blank lines to add any additional costs you may have.

	<u>Related Patient Care Team Costs</u>	<u>Hourly Cost</u>
These are costs related to providing patient care but directly tied to home care worker wages and benefits, like nursing supervision.	Operational Supervision & Support	
	Additional Staffing Costs w/ Base Wage Increase	
	Other Operational Support Services	
Total Related Patient Care Team Costs:		

Use these blank lines to add any additional costs you may have.

<p>These are the allowable costs related to general business and administration.</p>	<u>Administrative & General</u>	<u>Hourly Cost</u>
	Recruitment	
	Business Support Services	
	Rent & Facilities Management	
Total Administrative & General:		

Use these blank lines to add any additional costs you may have.

TOTAL ALL COSTS: / hour

New York State Employer Requirements: 2022

Unemployment Insurance

New York Unemployment Insurance is an employer obligation. Payments are not deducted from an employee's wages. The New York Unemployment Insurance program is part of a nationwide program administered by the US Department of Labor (DOL). Unemployment Insurance (UI) provides temporary payments to individuals who are unemployed through no fault of their own.

Unemployment Insurance is, like other insurance policies, a numbers game. Employer tax liability is based on a percentage of each employee's wages. When a new New York employer registers for Unemployment Insurance, the state has no numbers on which to base the percentage. First time New York employers are assigned an introductory rate based on the type of business and number of employees among other factors.

After the state has had enough time to compile insurance numbers on your business (total contributions vs. total paid to former employees over time) they will assign an "Experience Rate" to compute the percentage of wages to be paid going forward. The percentage rate is commonly adjusted on an annual basis.

New York employers currently pay a percentage on the first \$12,000 in wages paid to each employee in a calendar year. The Unemployment Insurance rate schedule and amount of taxable wages will be revised upward annually until 2026.ⁱ

The percentage is based upon an individual employer's unemployment experience. This percentage is fixed each year. The current rate cannot exceed 3.4%. The current new employer normal contribution rate is 3.4%.ⁱⁱ

In July 2022, businesses who make unemployment insurance contributions received Interest Assessment Surcharge (IAS) bills, along with information about the fee and how to pay it. Devastating job losses during the pandemic led to exponentially increased jobless claims. Beginning in May 2020, New York's UI fund fell short of the increased demand, necessitating loans from the federal government. This surcharge has been added so that New York State can pay its outstanding debt to the Federal UI system. Beginning in July 2022, employers will be charged the 2022 IAS rate (.23%) or about \$27.60/employee.

Federal Unemployment Tax Act (FUTA) Tax

The Federal Unemployment Tax Act is a federal law that imposes an unemployment tax on employers. The FUTA tax funds the federal government's oversight of each state's unemployment program. **Only employers pay FUTA tax; there is no requirement for withholding amounts from employee wages.** Employers must deposit the tax quarterly and file an annual form.

FUTA Tax is used to fund the administrative costs of the New York Unemployment Insurance program while Unemployment Tax is used solely for the payment of benefits to unemployed New York workers.

The current FUTA tax rate is 6%. FUTA tax only applies to the first \$7,000 you pay to each employee in a calendar year. You will stop paying FUTA taxes on an employee's wages once you pay the employee more than \$7,000. Currently, the largest FUTA amount you will have to pay is \$420 per employee (\$7,000 x 0.06).ⁱⁱⁱ

If you have FUTA tax liabilities, you need to make quarterly deposits and file [IRS Form 940](#).

All employers must now deposit FUTA taxes by using electronic funds transfer (EFT). Usually, EFT payments are made using the Electronic Federal Tax Payment System (EFTPS).

Workers' Compensation Insurance

The New York Workers' Compensation Insurance program is administered by the Workers' Compensation Board. **New York Workers' Compensation Insurance is an employer obligation. Payments are not deducted from an employee's wages.**

New York employers are required by law to pay their employees if they are unable to work because of a work-related injury or illness. Most employers pay the premiums for a Workers' Compensation Insurance policy which has been approved by the Workers' Compensation Board. Some employers opt to self-insure themselves if they are able to qualify with the Workers' Compensation Board.

All New York employers may be required to have Workers' Compensation Insurance even if they have only one employee. While there are exceptions, almost all New York employees who are injured on the job are eligible for Workers' Compensation Insurance benefits.

Insurance rates vary depending on the type of business being conducted, the carrier's rate and the employer's annual payroll. On average the current cost of an approved Workers' Compensation Insurance policy in the New York State for Home Healthcare Workers (Class Code 9051) is \$5.25 per \$100 in payroll.^{iv}

Disability Insurance

The New York Disability Insurance program is administered by the New York Workers' Compensation Board.

New York employees who are injured on the job may be eligible for Workers' Compensation Insurance benefits as described above. **The NY Workers' Compensation Board requires that an employer maintain an additional Disability Insurance policy for people who are injured off the job.**

New York Disability Insurance expenses are shared between New York employers and their employees.

For 2022, the DBL (disability insurance) rate of employee contribution (payroll deduction) of 0.5% of taxable wages up to a maximum of \$0.60/week (the first \$120.00). The employer funds balance of plan cost.^v

Paid Family Leave (State)

Beginning on January 1, 2022, the amount of paid family leave available to eligible employees under New York State's Paid Family Leave (PFL) law is 12 weeks. The level of wage replacement benefits under the law is 67% of the average weekly wage, with a maximum weekly benefit for 2022 of \$1068.36.^{vi}

The State's PFL law provides eligible employees with paid time off to "bond with a new child, care for a family member with a serious health condition, or to assist loved ones when a family member is deployed abroad on active military service." PFL also may be available for use in the event that an employee or an employee's minor dependent child is "under an order of quarantine or isolation due to COVID-19." Employees can take the time all at once, or in full day increments.

For more information, please read New York State's FAQs [here](#).

COVID-19 Quarantine Related Sick Leave (State)

New York State also provided paid sick leave and job protections for employees in New York who are unable to work due to COVID-19. The specifics of the leave vary depending on the size and net income of the employer, but regardless of employer size, all employees subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19 will be entitled to job protection during the order of isolation and quarantine. New York requires that:

- businesses with at least 100 employees must provide at least 5 days of paid sick leave during any mandatory or precautionary order of COVID-19 quarantine or isolation;
- businesses with between 11 and 99 employees (or with 10 or fewer employees but more than one million dollars in net income) must provide 5 days of paid sick leave. Once that is exhausted, those employers must provide their workers with access to short-term disability benefits and paid family leave for the period of quarantine/isolation; and
- finally, employers with 10 or fewer employees and less than one million dollars in net income are not obligated to provide paid leave but must give their workers access to short-term disability benefits and paid family leave for the period of quarantine/isolation.
- See the Department of Health's [webpage](#) for the latest guidance.

New York State Sick Leave (State)

As of September 30, 2020, all private-sector employees in New York State began accruing sick leave pursuant to new amendments to the New York Labor Law. Employees can use their accrued leave as of January 1, 2021.

Under the New York Labor Law's requirements:

- employers with 100 or more employees must allow employees to accrue at least 56 hours of paid sick leave each calendar year;

- employers with between five and 99 employees must allow employees to accrue at least 40 hours of paid sick leave each calendar year;
- employers with fewer than five employees but having a net income greater than one million dollars in the previous tax year must allow employees to accrue at least 40 hours of paid sick leave each calendar year; and
- employers with fewer than five employees and having a net income less than one million dollars in the previous tax year must allow employees to accrue at least 40 hours of unpaid sick leave each calendar year.

Employers can also choose to frontload the allotments. Unused leave can be carried over into the next year, but employers can restrict annual usage to the amount of the employee's annual allotment. Unused accrued leave need not be paid out at termination of employment. Employees may take sick leave to care for themselves or for their family member in the following circumstances: physical illness or injury or mental illness; for diagnosis, care, or treatment of a physical illness or injury or mental illness; and for "safe leave" requiring an absence from work when the employee or the employee's family member has been the victim of domestic violence, a sexual offense, stalking, or human trafficking.

These amendments are permanent requirements and are not limited to the COVID-19 pandemic.

New York City Sick Leave (New York City)

New York City amended its sick leave law so that, with a few exceptions, it matches the accrual and use provisions of the New York State Sick Leave Law detailed above. Importantly, New York City now requires the same sick leave accrual rates, based on size and net income, as New York State. Differing from the New York State Sick Leave Law, however, New York City provides that:

- employers are required to cover any fee incurred by the employee associated with acquiring documentation (such as a doctor's note) requested by the employer to justify use of safe/sick time for an absence of more than three consecutive workdays;
- employers must also notify employees in writing each pay period as to the amount of safe/sick time accrued and used during that pay period and the total balance of accrued safe/sick time (either on a pay stub or by some other means);
- employers need to provide written notice to new hires of the leave requirements (including the accrual and use of safe/sick time, the employer's calendar year, and the right to be free from retaliation and to file a complaint);
- the New York City Department of Consumer and Worker Protection can now open investigations into violations of the law "upon receipt of a complaint or on its own initiative;" and

Violations now include a civil penalty of not more than \$15,000 and relief of up to \$500 to each employee "covered by an employer's official or unofficial policy or practice of not providing or refusing to allow the use of earned time."

New Minimum Wage Rates (State)

Revised Minimum Wage Schedule (including Home Care Worker Wage Increase effective 10/1/2022)

Region	2019	2020	2021	1/1/2022	10/1/2022	1/1/2023
NYC Metro	\$15.00	\$15.00	\$15.00	\$15.00	\$17.00	\$17.00
Nassau, Suffolk, Westchester	\$12.00	\$13.00	\$14.00	\$15.00	\$17.00	\$17.00
All Other Regions	\$11.10	\$11.80	\$12.50	\$13.20	\$15.20	\$15.90

Employers should take note that as of 10/1/2022, there is a new minimum wage for home care workers that increases the minimum wage by \$2/hour. This is not an across the board raise and will only impact workers whose rate of pay is less than the minimum wage on 10/1/2022 and as such, must be increased to meet the new minimum wage. As noted in the chart above, in regions outside of the NYC Metropolitan Area, Long Island, and Westchester County, there is an additional minimum wage increase of \$.70/hour effective on 1/1/2023.

Worker Wage Parity Law (State)

New York State amended the Home Health Care Worker Wage Parity Law (the “Wage Parity Law”) which established a minimum rate of total compensation (wages plus supplemental benefits) for home health care aides who perform Medicaid-reimbursed work within Nassau, Suffolk, and Westchester Counties, as well as for those in New York City. In addition to the current State minimum wage, employers must pay a total of \$4.09 per hour in New York City and \$3.22 in Westchester, Nassau, and Suffolk Counties in additional wages and/or supplemental benefits.

Employers of home health care aides subject to the Wage Parity Law must also provide employees with a notice that details the supplemental benefit portion of the minimum rate of home health care aide total compensation. This information must specify:

- hourly rate paid;
- type of supplement or type of home care aide benefits;
- names and addresses of the benefit providers; and
- the plan or agreement, if any, that creates the benefit for each type of employee.

Harassment & Discrimination

Training Requirements

Every employer in New York State is required to provide employees with sexual harassment prevention training to all employees annually. An employer that does not use the model training developed by the Department of Labor and Division of Human Rights must ensure that the training that they use meets or exceeds certain minimum standards.

Additionally, employers in New York City are subject to further requirements as it relates to training. Notably, independent contractors who work more than 80 hours in a calendar year and for at least 90 days must also complete the anti-sexual harassment training.

HERO Act (State)

On May 5, 2021, the New York Health and Essential Rights Act (NY HERO Act) was signed into law. The law mandates extensive new workplace health and safety protections in response to the COVID-19 pandemic. The purpose of the NY HERO Act is to protect employees against exposure and disease during an airborne infectious disease outbreak.

Under this new law, the New York State Department of Labor (NYS DOL), in cooperation with the NYS Department of Health (DOH), has developed a new standard, a model plan or general industry template, and 11 industry-specific model plans for the prevention of airborne infectious disease. Employers can choose to adopt the applicable policy template/plan provided by NYS DOL or establish an alternative plan that meets or exceeds the standard's minimum requirements.

This plan must go into effect when an airborne infectious disease is designated by the New York State Commissioner of Health as a highly contagious communicable disease that presents a serious risk of harm to the public health. The standard is subject to any additional or greater requirements arising from a declaration of a state of emergency due to an airborne infectious disease, as well as any applicable federal standards.

ⁱ https://dol.ny.gov/system/files/documents/2022/02/ia318.12_0.pdf

ⁱⁱ <https://dol.ny.gov/unemployment-insurance-rate-information>

ⁱⁱⁱ <https://taxnews.ey.com/news/2022-0033-preliminary-state-unemployment-insurance-tax-facts-for-2022-as-of-january-6-2022#:~:text=Under%20the%20Federal%20Unemployment%20Insurance,FUTA%20deposit%20rate%20of%200.6%25.>

^{iv} www.workerscompensationshop.com/insurance-states/new-york/rates

^v <https://www.metlife.com/insurance/disability-insurance/paid-family-medical-leave/states/new-york/#:~:text=2022%3A,pay%20up%20to%20%24%20%241%2C068.36%2Fweek>

^{vi} <https://www.metlife.com/insurance/disability-insurance/paid-family-medical-leave/states/new-york/#:~:text=2022%3A,pay%20up%20to%20%24%20%241%2C068.36%2Fweek>