



December 6, 2017

Managed Care Minimum Wage Guidance

The purpose of this document is to affirm that directives from previously released minimum wage guidance for SFY 2016-17 apply for SFY 2017-18 and reiterate that pursuant to statute, Minimum Wage funding may be utilized only to pay providers to meet their Minimum Wage obligation.

The Department of Health has added increased funding for minimum wage compliance uniformly to MCO regional rates for SFY 2017-18. This funding includes CY2017 and CY2018 minimum wage increases and addresses minimum wage changes in all regions in New York State. Additionally, MCOs have received Schedule F information detailing the projected amount of funding provided for each MCO in each region that the MCO serves. The Department's objective in providing this funding is to ensure that providers have sufficient funding to meet statutory Minimum Wage requirements. Toward that end, the aggregate additional funds paid to MCOs shall be paid out entirely to providers and subsequently to workers for appropriate statutory wage obligations (including the direct salary costs and related fringe benefits of minimum wage and wage parity amounts).

MCOs and providers are directed to finalize contract amendments at least one week prior to the effective date of December 31, 2017. To ensure that the deadline for contract agreements is met, the Division of Long Term Care (DLTC) is issuing weekly MCO surveys to track the progress of contract development between MCOs and providers.

MCOs and providers are encouraged to commence contract negotiations as soon as possible. Delaying these discussions will disrupt successful implementation of the Minimum Wage and potentially the delivery of services. Furthermore, as stated in previous guidance, 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 MCO cost report data submissions.

All submissions and questions should be directed to HCWorkerParity@health.ny.gov.