

Supplemental MLTC Minimum Wage Guidance

- The purpose of this document is to provide MCOs with their Minimum Wage allocation amount and reiterate that Minimum Wage funding can only be utilized pursuant to statute to pay providers to meet their Minimum Wage obligation.
- Plans and providers are directed to finalize contract amendments sufficiently in advance of January 1, 2017. Therefore, 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, service delivery. MCOs must submit to the Department a list of providers with which agreements have not yet been reached by December 7, 2016.
- If an MCO does not fully allocate the Minimum Wage funding it receives, unused funds must be refunded to the State.
- DOH will be conducting reviews where indicated to determine that funding was used as reported by plans and providers solely for minimum wage purposes.
- DOH will be convening the third and final Stakeholder Workgroup to develop MCO and provider cost reporting changes to account for these dollars and discuss audit protocols developed by DOH, DOL and OMIG. It is the Department's expectation that these audit protocols will provide greater clarity as to how MCOs and providers will account for Minimum Wage funds.
- The Department's guidance issued 3/11/16 clearly states that MCOs must also distribute funds to providers to meet FLSA needs. In instances where additional resources are available after meeting FLSA funding requirements, these remaining funds must also be distributed to the provider to benefit the worker. MCOs are not permitted to retain any of these funds.