

**NEW YORK**  
*state department of*  
**HEALTH**

Howard A. Zucker, M.D., J.D.  
Acting Commissioner of Health

Sue Kelly  
Executive Deputy Commissioner

OCT 03 2014

RE: NYC Wage Parity Rates Effective March 1, 2014  
for Certified Home Health Agencies

Dear Administrator:

This letter is to inform you of revisions to the Medicaid rates for Certified Home Health Agencies (CHHAs) located in New York City effective March 1, 2014 in accordance with Section 3614.14 of the Public Health Law (PHL). These rates provide an adjustment to address cost increases resulting from wage increases required by implementation of the provisions of the wage parity law in PHL 3614-c.

In accordance with PHL 3614.14, the Department has determined an adjustment to the pediatric fee-for-service rates for New York City CHHA providers to establish a total minimum rate for home health aide services of \$20.95 per hour, retroactive to March 1, 2014. Episodic payment rates for New York City agencies have been increased by 11.52% to reflect the estimated increase in home health aide wages under the wage parity provisions compared to the 2009 base year. Calculation of the episodic adjustment is attached.

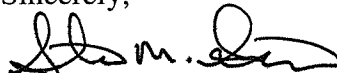
These revised rates have been transmitted to the Department's eMedNY system for payment processing. A copy of the revised Medicaid rate computation sheets, reflecting the increase, if applicable, of your bottom-line Medicaid home health aide rate to \$20.95 effective March 1, 2014 through December 31, 2014, is now available on the HCS website. Revised episodic rates for New York City providers also are available on the HCS site.

For information on the NYC wage parity requirements, in accordance with PHL 3614-c, providers are referred to the NYS DOH public website at:

[http://www.health.ny.gov/health\\_care/medicaid/redesign/mrt\\_61.htm](http://www.health.ny.gov/health_care/medicaid/redesign/mrt_61.htm)

If you have any questions relating to the methodology utilized in the calculation of your NYC wage parity Medicaid rates, please contact Tim Casey or Charles Tobey at (518) 473-4421.

Sincerely,



Steven M. Simmons  
Director  
Managed Long Term Care/FFS  
Office of Health Insurance Programs

Attachments

**New York City Wage Parity Adjustments  
 Episodic Payment System (EPS) for CHHAs  
 Effective March 1, 2014**

Episodic rates are based on Calendar Year 2009 claims.

Average HHA rate in CY 2009: \$18.53

LUPA and Outlier Excess Reimbursement are based

on latest approved FFS rates when EPS was implemented (HHA): \$17.92

Percentage of CHHA EPS "service cost" which was for HHA during CY 2013\*:  
 (NYC agencies only, age 18 and older):

86.36%

Percentage increases needed to increase HHA to \$20.95/hour:

\$18.53 to \$20.95 13.06%  
 \$17.92 to \$20.95 16.91%

Total episodic reimbursement, 1/1/13 through 12/31/13* (NYC agencies only):		Est'd HHA portion (86.36%)	Increase Needed	Dollar Increase
Episode rates	\$244,302,315	\$210,979,479	13.06%	\$27,553,715
LUPA reimbursement	\$1,485,062	\$1,282,500	16.91%	\$216,851
Outlier excess	\$2,568,562	\$2,218,210	16.91%	\$375,066
<b>TOTAL</b>	<b>\$248,355,939</b>	<b>\$214,480,189</b>		<b>\$28,145,632</b>

(11.33% overall increase)

\* Based on Start Date of episodes; End Dates range from 1/2/13 through 2/28/14.

**METHODOLOGY:**

Increase Episode Rates Only  
 (LUPA and outlier payments cannot be changed retroactively and are based on  
 statewide formulas).

\$28,145,632 divided by \$244,302,315 equals **11.52% increase**