



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

August 29, 2019

Dear Administrator:

This letter provides you with information regarding your Pediatric Certified Home Health Agencies Medicaid reimbursement rates effective January 1, 2019. The formula on which these rates are based was promulgated in accordance with Article 36 of the Public Health Law and Title 10, Part 86-1 of the Commissioner's Administrative Rules and Regulations.

The all-inclusive rates provided include funding for Worker Recruitment and Retention, Recruitment Training and Retention, Wage Parity and Minimum Wage (rate details are included in Attachment A). These rates will be used to reimburse claims for patients under 18 years of age, and for patients served by a pilot program which provides services to a special needs population of medically complex and fragile children, adolescents and young disabled adults. All other CHHA services are reimbursed on the basis of 60-day episodes of care.

The Department will allow rate appeals to be filed within **30 days** from the date of this letter (see Attachment B). The payment for the January 1, 2019 initial rates will be made in cycle 2195, check release date October 2, 2019. If you have any questions regarding the above information, please send an email to CHHA-Rates@health.ny.gov and Russ Smith or Rob Yankowski will respond to your inquiry.

Sincerely,

Laura Rosenthal, Director
Bureau of Residential Health Care Reimbursement
Division of Finance and Rate Setting
Office of Health Insurance Programs

Attachments

ATTACHMENT A RATE COMPONENTS

Trend Factor

The rates effective January 1, 2019 reflect the application of a 0.0% roll factor adjustment. The 2018 and 2019 trend factor components have been reduced to 0% in accordance with the adopted New York State budgets.

Regional Ceilings and Administrative & General Cap

These rates reflect the 2019 peer group regional ceilings based on 2017 costs for each of the service rates, in accordance with Part 86-1.13(a) of the Commissioner's Administrative Rules and Regulations. The statewide average cap on administrative and general costs of **26.71%** is based on 2017 costs and applied to the 2019 rate pursuant to Section 3614 of the Public Health Law. Both the regional ceilings and statewide A&G calculation will be finalized based on the latest available 2017 cost report data after the rate appeal process is completed.

Worker Recruitment and Retention Adjustment

Chapter 82 of the Laws of 2002 added subdivision 8 to Section 3614 of the Public Health Law to provide payment to CHHAs for purposes of improving recruitment and retention of non-supervisory home care services workers or any worker with direct patient care responsibility. These rates include an three percent increase for worker recruitment and retention.

Recruitment, Training and Retention Adjustment

In accordance with PHL Section 3614.9, the Department is authorized to adjust Medicaid rates of payment for certified home health agencies to provide funding for purposes of improving recruitment, training and retention (RT&R) of home health aides or other personnel with direct patient care responsibility.

In accordance with PHL Section 3614.10, the rate adjustments are allocated proportionally based on each certified home health agencies home health aide or other direct care services total annual hours of service provided to Medicaid patients. In accordance with this statutory authority, the 2019 CHHA Medicaid rates have been determined to reimburse the appropriate agency-specific allocation of the total RT&R, based on the CHHA proportion of services to the total proportion of services for all of the eligible home care provider programs, as determined from Medicaid service utilization. The adjustments are based on a uniform allocation percentage add-on of 4.70% for the 2019 rate.

In accordance with PHL Section 3614.10 (b), programs which have their rates adjusted pursuant to this subdivision shall use such funds solely for the purposes of recruitment, training and retention of non-supervisory home care services workers or other personnel with direct patient care responsibility. Such purposes shall include the recruitment, training and retention of non-supervisory home care services workers or any worker with direct patient care responsibility employed in licensed home care services agencies under contract with such agencies. Agencies are prohibited from using such funds for any other purpose.

Minimum Wage Adjustment

Effective January 1, 2019, the minimum payment rate for NYC, Long Island and Westchester, and Rest of State CHHAs has been increased as per the chart below.

Region	Minimum Wage Increase
New York City	\$2.35
Westchester/Long Island	\$1.18
Rest of State	\$.82

NOTE: The Minimum wage adjustments, if applicable, have been applied to the bottom-line "Revised 2019 Rates," on page 3 of the rate sheet, through an adjustment to the Misc adjustment line.

**ATTACHMENT B
RATE APPEALS PROCESS**

Should the facility wish to file an appeal, it must be sent to this office no later than thirty days after the posting of this attachment's accompanying letter, via the Bureau mail log at: **chha-rates@health.ny.gov**.

The following information should be provided:

1. A signed by the Operator or Chief Executive Officer, containing a detailed summary of the items of appeal and the Declaration Control Number (DCN) of any revised cost report submission.
2. Supporting schedules or any other pertinent data not related to the annual cost report may be attached to the e-mail submission.
3. Any item of appeal that alters the cost data for the 2017 annual cost report requires that the revised report be filed electronically on the Health Commerce System. The revised report must have a **new** DCN and must be recertified by both the operator and the independent accountant, if applicable.