

## **Table of Contents**

**State/Territory Name: NY**

**State Plan Amendment (SPA): NY-23-0012**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Page

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

June 15, 2023

Amir Bassiri  
New York State  
Department of Health (DOH)  
Acting Medicaid Director  
99 Washington Ave-One Commerce Plaza Suite 1432  
Albany, NY 12210

**RE: New York Plan Amendment (SPA) Transmittal Number 23-0012**

Dear Director Bassiri:

We have reviewed the proposed New York State Plan Amendment (SPA) to Attachment 4.19-B submitted under TN-23-0012, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 30<sup>th</sup>, 2023. This plan implements a continuation of minimum wage adjustments for freestanding Federally Qualified Health Centers.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1<sup>st</sup>, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Jerica Bennett at 1-410-786-1167 or [jerica.bennett@cms.hhs.gov](mailto:jerica.bennett@cms.hhs.gov).

Sincerely,



Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 2 3 — 0 0 1 2 2. STATE NY

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT  XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**January 1, 2023**

5. FEDERAL STATUTE/REGULATION CITATION  
**§ 1905(a)(9) Clinic Services**

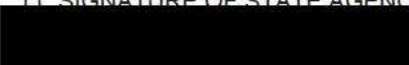
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 01/01/23-09/30/23 \$ 936  
b. FFY 10/01/23-09/30/24 \$ 1,248

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
**Attachment 4.19-B: Page 2(c)(iv)(c)**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
**Attachment 4.19-B: Page 2(c)(iv)(c)**

9. SUBJECT OF AMENDMENT  
**Minimum Wage for Article 28 Freestanding FQHC**

10. GOVERNOR'S REVIEW (Check One)  
 GOVERNOR'S OFFICE REPORTED NO COMMENT  OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL  


12. TYPED NAME  
**Amir Bassiri**

13. TITLE  
**Medicaid Director**

14. DATE SUBMITTED  
**March 30, 2023**

15. RETURN TO  
New York State Department of Health  
Division of Finance and Rate Setting  
99 Washington Ave – One Commerce Plaza  
Suite 1432  
Albany, NY 12210

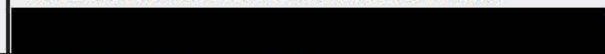
**FOR CMS USE ONLY**

16. DATE RECEIVED  
**03/30/23**

17. DATE APPROVED  
**June 15, 2023**

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
**01/01/23**

19. SIGNATURE OF APPROVING OFFICIAL  


20. TYPED NAME OF APPROVING OFFICIAL  
**Todd McMillion**

21. TITLE OF APPROVING OFFICIAL  
**Director, Division of Reimbursement Review**

22. REMARKS

**New York  
2(c)(iv)(c)**

**1905(a)(9) Clinic Services****Minimum Wage – Article 28 FQHCs**

**Adjustment for Minimum Wage Increases.** Effective January 1, 2017, and every January 1, thereafter until the minimum wage reaches the state statutorily described per hour wage as shown below, a minimum wage add-on will be developed and applied to adjust Article 28 freestanding FQHC rate as an alternative payment method (APM) rate.

Minimum Wage (MW) Region	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
New York City (Large employers)	\$11.00	\$13.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
New York City (Small employers)	\$10.50	\$12.00	\$13.50	\$15.00	\$15.00	\$15.00	\$15.00
Nassau, Suffolk, & Westchester counties	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00	\$15.00
Remainder of the State	\$9.70	\$10.40	\$11.10	\$11.80	\$12.50	\$13.20*	\$14.20**

\*Effective January 1, 2022, the minimum wage value for the Remainder of the State will be \$13.20.

\*\*Effective January 1, 2023, the minimum wage value for the Remainder of the State will be \$14.20.

The minimum wage add-on and the APM rate will be posted to Health Commerce System (HCS: [https://commerce.health.state.ny.us/public/hcs\\_login.html](https://commerce.health.state.ny.us/public/hcs_login.html)). An Article 28 FQHC's PPS threshold rate will be adjusted by a minimum wage add-on based on the following:

- a. Minimum wage costs will mean the additional costs incurred beginning January 1, 2017, and thereafter, as a result of New York state statutory increases to minimum wage until all regions of the state reach \$15.00 per hour.
  - i. Minimum wage cost development based on survey data collected.
    1. Survey data will be collected for Article 28 FQHC specific wage data.
    2. Article 28 FQHCs will report by specified wage bands, the total count of FTEs and total hours paid to employees earning less than the statutory minimum wage applicable for each MW Region.
    3. Article 28 FQHCs will report an average fringe benefit percentage for the employees directly affected by the minimum wage increase.
    4. The minimum wage costs are calculated by multiplying the total hours paid by the difference between the statutory minimum wage and the midpoint of each wage band where the Article 28 FQHC has reported total hours paid. To this result, the Article 28 FQHC's average fringe benefit percentage is applied and added to the costs.
  - ii. Minimum wage cost development based on the AHCF cost report data.
    1. The average hourly wages of employees in occupational titles where the reported average hourly wage is below the regional statutory minimum wage are identified.
    2. The total payroll hours of the titles identified are then multiplied by the regional statutory minimum wage resulting in a projected payroll. The actual payroll as reported in the AHCF cost report is then subtracted from the projected payroll resulting in the expected wage costs increase.

TN   #23-0012  

Approval Date   June 15, 2023  

Supersedes TN   #22-0020  

Effective Date   January 1, 2023