

# Home Care Worker Wage Parity FAQ Letter

January 20, 2012

## **Subject: Home Care Worker Wage Parity FAQ**

Dear Administrator:

The enclosed is a frequently asked questions (FAQs) document that has been developed in response to questions received regarding the Home Care Worker Wage Parity law.

If you have any questions regarding the information, please email to the following address:  
[HCWorkerParity@health.state.ny.us](mailto:HCWorkerParity@health.state.ny.us).

Sincerely,

Jason A. Helgeson  
Medicaid Director  
Deputy Commissioner  
Office of Health Insurance Programs

## Home Care Worker Wage Parity Frequently Asked Questions (FAQs) January 2012

These FAQs respond to questions that are not addressed in other Home Care Worker Wage Parity materials posted on the HCS, such as Dear Administrator Letters (DALs). Please consult these materials in conjunction with the following FAQs.

### General Questions

#### **Q1. When do the terms of a collective bargaining agreement (CBA) supersede the requirements of the wage parity law?**

A1. The CBA must meet the following conditions:

- It must have been in effect on January 1, 2011 or be a successor to an agreement that was in effect on that date.
- It must provide for the provision of health benefits through payments to a jointly-administered labor management fund.

#### **Q2. Will the Medicaid reimbursement rates also be increased for the Certified Home Health Agencies (CHHAs), Long Term Home Health Care Programs (LTHHCPs) and Managed Care Organizations (MCOs) to compensate for the increase in wage rates for home health aides?**

A2. No. Not at this time.

### **Q3. What is the minimum wage for home care aides in 2012?**

A3. For workers who are not subject to local living wage law, the minimum wage will rise from \$7.25 to \$10.35 starting on March 1, 2012, for workers that are subject to the Worker Parity Law.

**Q4. The living wage law of New York City states: "(d) In the case of city service contractors or subcontractors providing homecare services, the health benefits requirements of this section may be waived by the terms of a bona fide collective bargaining agreement with respect to employees who have never worked a minimum of eighty (80) hours per month for two consecutive months for that covered employer, but such provision may not be waived for any employees once they have achieved a minimum of eighty (80) hours for two consecutive months and no other provisions of this section may be so waived."**

**Does this apply and does this mean that we do not have to pay the \$1.35 for any employee that does not meet these criteria?**

A4. As long as the impacted providers are in compliance with their respective local living wage law, then they are also in compliance with the state law.

**Q5. Do employers have a reporting responsibility to the State for employees who refused health benefits because they are currently receiving State-based health benefits?**

A5.No.

**Q6. Are Nursing Home Transition and Diversion (NHTD) and Traumatic Brain Injury (TBI) waiver providers included under the wage parity law or are they only covered once they transition to managed care?**

A6. If workers, employed by NHTD or TBI providers, are providing assistance with activities of daily living (ADLs), instrumental activities of daily living (IADLs) or health-related tasks; as defined in section 3614-c(1)(d), and the provider is under contract with a CHHA, LTHHCP, or MCO, those individuals are covered under the law.

**Q7. Our reading of the living wage parity law is that it only applies to services provided by MCOs, CHHAs or LTHHCPs, or to services provided by their subcontractors. We don't see anything that would apply to LHCSAs that do not provide services through a CHHA, LTHHCP or MCO. Does this mean LHCSAs who are not a subcontractor of a CHHA, LTHHCP or MCO are exempt?**

A7. Yes. Entities that do not contract with a CHHA, LTHHCP or MCO for Medicaid reimbursed episodes are not required to comply with the living wage law. For further guidance, refer to section 3614-c(5) in conjunction with 3614-c(2) and (7).

**Q8. How should the certifications from Certified Home Health Agencies, Long Term Home Health Care Programs and Managed Care Organizations be submitted and when is this effective?**

A8. On an annual basis, CHHAs, LTHHCPs and MCOs must provide the Commissioner of the Department of Health written certification that all services provided are in full compliance with the terms of the Home Care Worker Wage Parity Law; the certification must include CBA status and identification of the entities the CBAs are with. Submissions for New York City providers are required beginning on March 1, 2012.

**Q9. How should the certifications from contracted entities be submitted and when is this effective?**

A9. On at least a quarterly basis, CHHAs, LTHHCPs and MCOs are required to obtain certifications from their vendors attesting that the contracted entity is in compliance with this provision. All providers must maintain records of compliance for at least 10 years and such records are to be made available to the Department upon request. CHHAs, LTHHCPs and MCOs are required to obtain these certifications beginning on March 1, 2012.

**Q10. Is it true that the requirement to pay the supplemental benefit rate of \$1.35 per hour in NYC for the period March 1, 2012 through February 28, 2013 only applies when the employer does not provide health benefits?**

A10. Yes.

**Q11. On "split-bill" cases, where the agency bills both Medicaid and Medicare, the Worker Parity law does not apply to a home care aide's time devoted to providing Medicare, not Medicaid services, right?**

A11. Correct. As indicated in the previous FAQ document, the home care worker wage parity law applies to cases that are Medicaid reimbursed either in whole or in part.

**Q12. Does the worker wage parity law apply to those providing services to individuals in the Consumer Directed Personal Assistance Program (CDPAP)?**

A12. The worker wage parity law does not apply to the CDPAP.

**Q13. Is it correct to assume that the types of information that LHCSAs must submit quarterly to CHHAs, LTHHCPs, and MCOs to verify that the LHCSA is in compliance with the Worker Parity law is to be determined by the providers?**

A13. As indicated in the Department's October 28, 2011 FAQ document, the Department created a form for CHHAs, LTHHCPs and MCOs to provide to LHCSAs with which they contract. CHHAs, LTHHCPs and MCOs can also create their own form as long as it includes the same critical elements captured in the attached document. However, additional requirements may be added to meet the needs of your agency.

**Q14. With regards to the "Schedule of Implementation": You indicate that for NYC, 3/1/2012 – 2/28/2013 – total compensation must be no less than 90% of the total compensation mandated by the living wage law of NYC. Does this mean that only 90% ( $\$9.00 + \$1.35 = \$10.35 \times .9 = \$9.31$ ) or \$9.31 has to be paid out**

**between 3/1/2012 & 2/28/2013? Would a minimum hourly wage of \$9.00 be in compliance with the law? Please clarify.**

A14. The NYC living wage law currently provides for wage + benefit supplement (\$10.00 + \$1.50) totaling \$11.50 and 90% of that is \$10.35. Section 3614-c(3)(a)(i) provides that for the period 3/1/12 to 2/28/13 NYC providers are required to pay at least 90% of the local living wage standard. Therefore, 90% of the total compensation required by the living wage law includes an hourly wage of \$9.00 plus health benefits or a benefit supplement rate of \$1.35.

**Q15. Is there a requirement to provide benefits?**

A15. No, employers are not required to provide benefits in order to comply with the minimum wage, but starting March 1, 2012, they may be entitled to receive credit for benefits that they choose to provide to workers subject to the Worker Parity Law.

**Q16. Is there a limit on the amount of credit that can be received for benefits?**

A16. Yes. The credit for benefits cannot be used to reduce the "cash" portion of the minimum rate of wages. Under state and federal minimum wage laws, benefits can never be used to reduce the requirement to pay at least \$7.25 per hour in cash wages. Under the New York City Living Wage Law, benefits cannot be used to reduce the requirement to pay at least \$10 per hour in cash wages. Under the Worker Parity Law, which sets the minimum wage by reference to 90% of the New York City Living Wage, the minimum cash wage is \$9.00 per hour (90% of \$10).

**Q17. What benefits can be credited against the Worker Parity Law minimum wage?**

A17. Credit can be given for health, education or pension and supplements in lieu of benefits and compensated time off, without regard to whether such benefits are provided directly by the employer or through a plan or program. Credit can also be given for any other employee benefits that employers may choose to provide through a plan or program. No credit may be given for employer taxes or the employer portion of statutory benefits including but not limited to FICA, disability insurance and workers compensation.

**Q18. What is the minimum overtime rate for home care aides?**

A18. There is no limit on the number of hours a home care aide can work under the Wage Parity Law. While most home health care workers covered by the Wage Parity Law are exempt from overtime under the federal law, they may still be entitled to overtime under the New York State Labor Law. (See, [FLSA Fact Sheet No. 25](#); See also, [NYS DOL Overtime FAQ](#).) While these occupations must be paid overtime, the New York State Labor Law requires an overtime rate not less than 1.5 times the state minimum wage for hours over 40, regardless of the amount of their regular rate of pay. For example, a FLSA exempt employee paid \$9 per hour must be paid at least \$10.875 per hour for all overtime hours worked.

**Q19. Is there a minimum amount of hours that a Home Care Worker must work to be eligible to receive the \$9 per hour living wage and \$1.35 an hour Health**

**Benefit, or does it apply to any Home Care Worker on an agency's payroll working on a Medicaid-reimbursed case.**

A19. There are no set minimum hours, though 3614-c(1)(d) does exempt aides "working on a casual basis" from compliance with its provisions.

**Q20. Can you provide guidance on what is meant by "working on a casual basis" in connection with the exclusion from the definition of home care aide of an individual "working on a casual basis"?**

A20. Section 3614-c(d) defines home care aide to mean "a home health aide, personal care aide, home attendant or other licensed or unlicensed person whose primary responsibility includes the provision of in-home assistance with activities of daily living, instrumental activities of daily living or health-related tasks; provided, however, that home care aide does not include any individual (i) working on a casual basis..." The department interprets "working on a casual basis" to mean any worker who is working on an incidental, irregular, and or intermittent basis.

**Q21. What is the deadline for filing the first certifications relating to CHHAs, LTHHCPs and MCOs compliance with the terms of the Home Care Worker Wage Parity Law?**

A21. The law takes effect with regard to services provided on and after March 1, 2012 in NYC. Pursuant to 3614-c(6), no payments may be made for such services to any provider unless the provider has filed the required certifications.

**Q22. Is there a guideline on what constitutes \$1.35 in health benefits? How is it determined?**

A22. There is no sliding scale for benefits. In determining the value of health benefits for purposes of enforcing its living wage law, NYC looks to the per hour per employee premium cost of the coverage. Therefore, under 3614-c qualifying health coverage should cost the employers no less than \$1.35 per hour per employee in premiums.

**Q23. Does a CBA which meets the requirements supersede the wage and health insurance/ health supplement requirements of the wage parity law?**

A23. No.