

STATE OF NEW YORK

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IN ASSEMBLY

January 14, 2025

Introduced by M. of A. PAULIN, ROSENTHAL, BORES, SEAWRIGHT, BURDICK, BRABENEC, HEVESI, LUPARDO, DE LOS SANTOS, MEEKS, FORREST, SANTABARBARA, MITAYNES, DAVILA, SHRESTHA, COLTON, McDONOUGH, RAGA, SIMON -- read once and referred to the Committee on Health

AN ACT to amend the public health law, in relation to enacting the "fair pay for home care act"

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Short title. This act shall be known and may be cited as
2 the "fair pay for home care act".
- 3 § 2. Subdivision 2 of section 3614-f of the public health law, as
4 amended by section 3 of part NN of chapter 57 of the laws of 2023, is
5 amended to read as follows:
- 6 2. (a) Beginning October first, two thousand twenty-two, in addition
7 to the otherwise applicable minimum wage under section six hundred
8 fifty-two of the labor law, or any otherwise applicable wage rule or
9 order under article nineteen of the labor law, the minimum wage for a
10 home care aide shall be increased by an amount of two dollars and zero
11 cents.
- 12 (b) [~~for~~] **For** the period January first, two thousand twenty-four
13 through December thirty-first, two thousand twenty-four, the minimum
14 wage for a home care aide shall be as follows:
- 15 (i) for each hour worked in downstate, eighteen dollars and fifty-five
16 cents; and
- 17 (ii) for each hour worked in remainder of state, seventeen dollars and
18 fifty-five cents;
- 19 (c) [~~for~~] **For** the period January first, two thousand twenty-five
20 through [~~December thirty-first~~] **April first**, two thousand twenty-five,
21 the minimum wage for a home care aide shall be as follows:
- 22 (i) for each hour worked in downstate, nineteen dollars and ten cents;
23 and

EXPLANATION--Matter in **italics** (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (ii) for each hour worked in remainder of state, eighteen dollars and
2 ten cents;

3 (d) [~~for~~] For the period [~~January first, two thousand twenty-six~~
4 ~~through December thirty-first, two thousand twenty-six, the minimum wage~~
5 ~~for a home care aide shall be as follows:~~

6 ~~(i) for each hour worked in downstate, nineteen dollars and sixty-five~~
7 ~~cents, and~~

8 ~~(ii) for each hour worked in remainder of state, eighteen dollars and~~
9 ~~sixty-five cents;~~

10 ~~(e) beginning January first, two thousand twenty-seven, and each January~~
11 ~~first thereafter, the minimum wage for a home care aide shall be the~~
12 ~~sum of the minimum wage for a home care aide from the prior calendar~~
13 ~~year and the home care worker wage adjustment.~~

14 ~~(f) (i) Notwithstanding any provision of law to the contrary, in no~~
15 ~~event shall the minimum wage for a home care aide in downstate exceed~~
16 ~~the sum of the wage set by the commissioner of labor pursuant to para-~~
17 ~~graph (a) of subdivision one b of section six hundred fifty-two of the~~
18 ~~labor law plus three dollars and zero cents.~~

19 ~~(ii) Notwithstanding any provision of law to the contrary, in no event~~
20 ~~shall the minimum wage for a home care aide in remainder of state exceed~~
21 ~~the sum of the wage set by the commissioner of labor pursuant to para-~~
22 ~~graph (b) of subdivision one b of section six hundred fifty-two of the~~
23 ~~labor law plus three dollars and zero cents]~~ on and after April second,
24 two thousand twenty-seven, the minimum wage for a home care aide shall
25 be no less than one hundred fifty percent of the applicable statewide
26 minimum wage or applicable regional minimum wage pursuant to section six
27 hundred fifty-two of the labor law.

28 § 3. Section 3614-f of the public health law is amended by adding five
29 new subdivisions 5, 6, 7, 8 and 9 to read as follows:

30 5. (a) The commissioner shall establish a regional minimum hourly base
31 reimbursement rate for all providers employing workers subject to the
32 minimum wage provisions established in subdivision two of this section.
33 The regional minimum hourly base reimbursement rate shall be based on
34 regions established by the commissioner, provided that for areas subject
35 to section thirty-six hundred fourteen-c of this article, each area with
36 a different prevailing rate of total compensation, as defined in such
37 section, shall be its own region.

38 (b) For the purposes of this section, "regional minimum hourly base
39 reimbursement rate" means a reimbursement rate that reflects the average
40 combined costs associated with the provision of direct service inclusive
41 of, but not limited to:

42 (i) overtime costs;

43 (ii) transportation costs;

44 (iii) all benefits;

45 (iv) all payroll taxes, including but not limited to the federal
46 insurance contributions act, medicare, the federal unemployment tax act,
47 state unemployment insurance, disability insurance, workers' compen-
48 sation, and the metropolitan transportation authority tax;

49 (v) related increases tied to base wages such as compression;

50 (vi) reasonable administrative costs as defined by the commissioner;

51 (vii) allowances for capital costs;

52 (viii) the development of profit or reserves as allowable by law or
53 regulations of the commissioner; and

54 (ix) any additional supplemental payments.

55 (c) Following the initial established regional minimum hourly base
56 reimbursement rate established under this section, the commissioner

1 shall annually adjust the regional minimum hourly base reimbursement
2 rate for each region by a trend factor to reflect and accommodate any
3 additional labor law increases, changes or mandates. Updated rates shall
4 be made publicly available the first day of each October thereafter for
5 use on the first day of January of the following year.

6 6. (a) No payment made to a provider who employs home care aides
7 subject to this section that is less than the regional minimum hourly
8 base reimbursement rate established pursuant to subdivision five of this
9 section for services provided under authorization by a local department
10 of social services, a managed care provider under section three hundred
11 sixty-four-j of the social services law, or a managed long-term care
12 provider under section forty-four hundred three-f of this chapter shall
13 be deemed adequate.

14 (b) The commissioner shall submit any and all necessary applications
15 for approvals and/or waivers to the federal centers for medicare and
16 medicaid services to secure approval to establish regional minimum hour-
17 ly base reimbursement rates and make state-directed payments to provid-
18 ers for the purposes of supporting wage increases.

19 (i) If approved, directed payments shall be made to such providers of
20 medicaid services through contracts with managed care organizations
21 where applicable, provided that the commissioner ensures that such
22 directed payments are in accordance with the terms of this section.

23 (ii) If the state directed payment is not approved, the department
24 shall require plans to justify deviations apart from the regional mini-
25 um hourly base reimbursement rates.

26 (c) The commissioner shall ensure that managed care capitation is
27 adjusted to ensure rate adequacy for the managed care organizations in
28 order to comply with this section.

29 7. Nothing in this section shall preclude providers employing home
30 care aides covered under this section or payers from paying or contract-
31 ing for services at rates higher than the regional minimum hourly base
32 reimbursement rate if the parties agree to such terms.

33 8. The commissioner shall publish and post regional minimum hourly
34 base reimbursement rates annually and shall take all necessary steps to
35 advise commercial and government programs payers of home care services
36 of the regional minimum hourly base reimbursement rates and require
37 other state authorized payers to reimburse providers of home care
38 services at the regional minimum hourly base reimbursement rate.

39 9. For years in which rate adjustments to the regional minimum hourly
40 base reimbursement rate have not been calculated prior to the start of
41 the calendar year, the previous year's rate shall remain in place until
42 the new rate is calculated, plus the annual average consumer price
43 index-urban or consumer price index-rural, as applicable. If it is
44 determined that retroactive rate adjustments are necessary, payment
45 adjustments will be made as a direct pass through to providers within
46 sixty days of the adjusted rate.

47 § 4. To ensure compliance with this minimum wage increase, the comp-
48 troller shall have the authority to review the contracts entered into
49 between a managed care organization and a licensed home care services
50 agency, fiscal intermediary, or any agency subject to the provisions of
51 section 3614-f of the public health law to ensure that rates being
52 offered are adequate and meet the department of health's actuarial stan-
53 dards. The comptroller, in consultation with the medicaid fraud control
54 unit, may develop and promulgate a process to ensure such audits comply
55 with state and federal law to protect proprietary information and
56 contracts. In the event that the comptroller finds evidence that managed

1 care organizations are not paying sufficient adequate rates, they will
2 refer such instances to the department of health and the medicaid fraud
3 control unit for enforcement. If the department of health or the medi-
4 caid fraud control unit chooses not to pursue action related to this
5 referral, it shall inform, in writing, the comptroller's office as to
6 the reasoning. Such reports, and the department of health's responses,
7 shall be public information and made available on the comptroller's
8 website. For the purposes of this section, the term "managed care organ-
9 ization" shall mean an entity operating pursuant to section 364-j of the
10 social services law or article 44 of the public health law.

11 § 5. 1. The commissioners of the departments of taxation and finance,
12 health and labor, in consultation with the office of temporary and disa-
13 bility assistance, shall undertake a study regarding the use of an
14 expanded state earned income tax credit as a strategy to improve the
15 home care aide workforce. Such study shall include an evaluation of
16 issues, including but not limited to:

- 17 a. the range of increase needed to increase total compensation to the
18 median compensation by county and/or region;
- 19 b. implementation challenges related to a specific sector enhanced
20 earned income credit;
- 21 c. possible effects on worker recruitment and retention;
- 22 d. fiscal impact on the state; and
- 23 e. any other issues as determined by the commissioners and depart-
24 ments.

25 2. The study shall include a public hearing and/or other processes to
26 gather information from all interested parties. The commissioner of
27 taxation and finance shall report the findings of the study no later
28 than nine months after the effective date of this act or December 31,
29 2026, whichever is sooner.

30 § 6. Severability. If any provision of this act, or any application
31 of any provision of this act, is held to be invalid, or to violate or be
32 inconsistent with any federal law or regulation, that shall not affect
33 the validity or effectiveness of any other provision of this act, or any
34 other application of any provision of this act which can be given effect
35 without that provision or application; and to that end, the provisions
36 and applications of this act are severable.

37 § 7. This act shall take effect immediately; provided, however, that
38 section two of this act shall take effect January 1, 2027.