Revised Attachment A

2% Funding Increase for Salary and Salary-Related Fringe Benefit Costs of Certain Staff at Not-for-Profit Providers (Budget Bulletin H-1033)

General Information:

Salary Data Source Used: 2011/12 NYC and 2012 rest of state Consolidated Fiscal Report (CFR)
Medicaid Data Source Used: 4/1/13 – 3/31/14 Medicaid Data Warehouse paid claims data
CFR Titles Codes Used: 100 CFR Job Title Series – Direct Support, 200 CFR Job Title Series – Direct Care, 300 CFR Job Title Series – Clinical
Fringe Rate Used: As CFR salary data do not include program-specific fringe benefit costs, an average rate of 27.15% was used, as calculated from CFR agency-level information.

Program Specific Information:

- **Supported Housing and Single Room Occupancy (SRO):**
  - Effective January 1, 2015, Supported Housing and SRO beds will receive a per-bed increase.
  - The value of Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries were aggregated, by Supported Housing or SRO rate region, increased by 27.15% to account for fringe, and a 2% value of that total was calculated.
  - The regional 2% increase value was then divided by the total number of Supported Housing or SRO beds in that rate region to determine a per-bed value. Each provider will receive an increase equal to the per-bed value multiplied by the number of Supported Housing or SRO beds operated by the agency.
  - Effective April 1, 2015, an additional 2% increase will be added for Direct Support (CFR 100 series) and Direct Care (CFR 200 series). This calculation will compound the January 1, 2015 increase, and will be calculated in the same manner as described above.
  - Effective April 1, 2015 Clinical staff salaries (CFR 300 series) will also be used to calculate a 2% funding increase, which will be implemented in the same fashion as the January 1, 2015 increase, detailed above.
  - For Supported Housing or SRO beds on direct contract, the January 1, 2015 – June 30, 2015 value of a provider's increases will be paid via State Aid voucher. Effective July 1, 2015, Supported Housing direct contracts will be amended to reflect these increases.
  - For Supported Housing or SRO beds on State Aid Letter, the increases will be added to the appropriate county State Aid Letter, effective January 1, 2015.

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- **Community Residence:**
  - Effective January 1, 2015, Community Residence beds will receive a per-bed increase.
  - The value of Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries were increased by 27.15% to account for fringe, by provider.
  - The salary plus fringe figure was then multiplied by 2% to calculate the amount of the funding increase.
  - The full value of the increase was then divided by twelve to determine the monthly amount of increase to the provider specific rate.
  - Each provider's Community Residence monthly Medicaid rate is increased the calculated per-month value, and the total increase is reflected in the provider's GIN. For those providers that do not receive a Medicaid rate, their State aid will be increased in the same manner.
  - Effective April 1, 2015, an additional 2% increase will be added for Direct Support (CFR 100 series) and Direct Care (CFR 200 series). This calculation will compound the January 1, 2015 increase.
  - Effective April 1, 2015 Clinical staff salaries (CFR 300 series) will also be used to calculate a 2% funding increase, which will be implemented in the same fashion as the January 1, 2015 increase, detailed above.

- **State Aid funded programs (i.e. Community Support, SPOA, Vocational, Emergency):**
  - Effective January 1, 2015, providers of State Aid funded programs will receive increases equal to 2% of their Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries plus 27.15% fringe.
  - Effective April 1, 2015 providers of State Aid funded programs will receive increases equal to 2% of their Direct Support (CFR 100 series) and Direct Care (CFR 200 series) plus 27.15% fringe post-January 1, 2015 increase.
  - Effective April 1, 2015, providers of State Aid funded programs will receive increases equal to 2% of their Clinical (CFR 300 series) salaries plus 27.15% fringe.
  - For such State Aid funded programs on direct contract, the January 1, 2015 – June 30, 2015 value of a provider's increases will be paid via State Aid voucher. Effective July 1, 2015, the contracts will be amended to reflect these increases.
  - For such State Aid funded programs on State Aid Letter, the increases will be added to the appropriate county State Aid Letter, effective January 1, 2015 and April 1, 2015.

- **Residential Treatment Facility (RTF) Coordinators for Children and Youth :**
  - Due to the nature of the staffing in these types of programs with a primary emphasis on clinical titles, the calculated January 1, 2015 funding increases for these programs produced State aid changes which were not material. OMH has concluded that it would be onerous to providers to go through the process of attestation to receive such small increase, and therefore plans to include any nominal benefit of the calculated January 1, 2015 fee increases in the April 1, 2015 State aid increases.
  - Effective April 1, 2015 the State aid amounts will receive an increase calculated as follows:
    - State aid amounts will be increased to reflect the 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, originally slated for January 1, 2015 implementation.

        - Further, State aid amounts will then be increased to reflect the second 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, effective April 1, 2015. This increase will compound the 2% increase in the step above. The April 1, 2015 increase will also reflect an increase to reflect the 2% increase for Clinical staff (CFR 300 series).
    - For each of the increases listed above, the calculation steps will be similar, as follows.
        - The salaries for each affected title series will be increased by 27.15% to account for fringe.
            - The funding increase for Direct Support and Direct Care salaries, including fringe, will be calculated by multiplying this amount by 2% (for the January 1, 2015 increase) and then by an additional 2% (for the April 1, 2015 increase).
            - The funding increase for Clinical staff salaries, including fringe, will be calculated by multiplying this amount by 2% (for the April 1, 2015 increase).

- **Clinic, Continuing Day Treatment (CDT), Comprehensive Psychiatric Emergency Program (CPEP), Day Treatment, Intensive Psychiatric Rehabilitation Treatment(IPRT), Partial Hospitalization, Personalized Recovery Oriented Services (PROS):**
    - Due to the nature of the staffing in these types of programs with a primary emphasis on clinical titles, the calculated January 1, 2015 funding increases for these programs produced Medicaid fee changes which were not material. OMH has concluded that it would be onerous to providers to go through the process of attestation to receive such small increase, and therefore plans to include any nominal benefit of the calculated January 1, 2015 fee increases in the April 1, 2015 fee increases.
    - Effective April 1, 2015 the Medicaid reimbursement amounts for the above listed programs will receive an increase calculated as follows:
        - Base Medicaid fees will be increased to reflect the 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, originally slated for January 1, 2015 implementation.
        - Base Medicaid fees will then be increased to reflect the second 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, effective April 1, 2015. This increase will compound the 2% increase in the step above. The April 1, 2015 increase will also reflect the 2% increase for Clinical staff (CFR 300 series).
    - For each of the increases listed above, the calculation steps (performed on a program type specific basis) will be similar, as follows:
        - The salaries for each affected title series will be increased by 27.15% to account for fringe.
            - The funding increase for Direct Support and Direct Care salaries, including fringe, will be calculated by multiplying this amount by 2% (for the January 1, 2015 increase) and then by an additional 2% (for the April 1, 2015 increase).
            - The funding increase for Clinical staff salaries, including fringe, will be calculated by multiplying this amount by 2% (for the April 1, 2015 increase).

        - The total funding increase, by program, will then be multiplied by the percentage of Medicaid and Medicaid Managed Care revenues to total revenues in the particular program type.
        - The resultant program-specific funding increase, calculated in the previous step, will be aggregated by region, in accordance with the fee schedule for each program type.
        - The total for each region will then be divided by the total paid Medicaid paid visits for the 4/1/13 – 3/31/14 period for all providers in that region. This result will be the percentage by which the Medicaid fees will be increase for that program/region.

- **Targeted Case Management (TCM)/Health Home Care Management (HHCM) Adult:**
    - Due to the nature of the staffing in these types of programs with a primary emphasis on clinical titles, the calculated January 1, 2015 funding increases for these programs produced Medicaid fee changes which were not material. OMH has concluded that it would be onerous to providers to go through the process of attestation to receive such small increase, and therefore plans to include any nominal benefit of the calculated January 1, 2015 fee increases in the April 1, 2015 fee increases.
    - Effective April 1, 2015 the Medicaid reimbursement amounts will receive an increase calculated as follows:
        - Base Medicaid fees will be increased to reflect the 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, originally slated for January 1, 2015 implementation.
        - Base Medicaid fees will then be increased to reflect the second 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, effective April 1, 2015. This increase will compound the 2% increase in the step above. The April 1, 2015 increase will also reflect an increase to reflect the 2% increase for Clinical staff (CFR 300 series).
    - For each of the increases listed above, the calculation steps will be similar, as follows:
        - The salaries for each affected title series will be increased by 27.15% to account for fringe.
            - The funding increase for Direct Support and Direct Care salaries, including fringe, will be calculated by multiplying this amount by 2% (for the January 1, 2015 increase) and then by an additional 2% (for the April 1, 2015 increase).
            - The funding increase for Clinical staff salaries, including fringe, will be calculated by multiplying this amount by 2% (for the April 1, 2015 increase).
        - The resultant funding increase, calculated in the previous step, will be aggregated by region, in accordance with the fee schedule.
        - The total for each region will then be divided by the total Medicaid-paid visits for the 4/1/13 – 3/31/14 period for all providers in that region. This result will be the percentage by which the Medicaid fees will be increased for that region.

- **Targeted Case Management (TCM)/Health Home Care Management (HHCM) Children:**
    - Due to the nature of the staffing in these types of programs with a primary emphasis on clinical titles, the calculated January 1, 2015 funding increases for

these programs produced Medicaid fee changes which were not material. OMH has concluded that it would be onerous to providers to go through the process of attestation to receive such small increase, and therefore plans to include any nominal benefit of the calculated January 1, 2015 fee increases in the April 1, 2015 fee increases.

- Effective April 1, 2015 the Medicaid reimbursement amounts will receive an increase calculated as follows:
  - Base Medicaid fees will be increased to reflect the 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, originally slated for January 1, 2015 implementation.
  - Base Medicaid fees will then be increased to reflect the second 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, effective April 1, 2015. This increase will compound the 2% increase in the step above. The April 1, 2015 increase will also reflect an increase to reflect the 2% increase for Clinical staff (CFR 300 series).
- For each of the increases listed above, the calculation steps will be similar, as follows:
  - The salaries for each affected title series will be increased by 27.15% to account for fringe.
    - The funding increase for Direct Support and Direct Care salaries, including fringe, will be calculated by multiplying this amount by 2% (for the January 1, 2015 increase) and then by an additional 2% (for the April 1, 2015 increase).
    - The funding increase for Clinical staff salaries, including fringe, will be calculated by multiplying this amount by 2% (for the April 1, 2015 increase).
  - The resultant funding increase, calculated in the previous step, will be aggregated by region, in accordance with the fee schedule.
  - The total for each region will then be divided by the total paid Medicaid paid visits for the 4/1/13 – 3/31/14 period for all providers in that region. This result will be the percentage by which the Medicaid fees will be increase for that region.

- **Home and Community Based Services (HCBS):**
  - As OMH and the NYS Department of Health are currently in discussions with the Centers for Medicare and Medicaid Services (CMS) regarding the unbundling of rates and development of a new reimbursement methodology for HCBS waiver services, effective January 1, 2015, no application of the funding increases will take place.

- **Assertive Community Treatment (ACT):**
  - Due to the nature of the staffing in these types of programs with a primary emphasis on clinical titles, the calculated January 1, 2015 funding increases for these programs produced Medicaid fee changes which were not material. OMH has concluded that it would be onerous to providers to go through the process of attestation to receive such small increase, and therefore plans to include any nominal benefit of the calculated January 1, 2015 fee increases in the April 1, 2015 fee increases.
  - Effective April 1, 2015 the Medicaid reimbursement amounts will receive an increase calculated as follows:

        - Base Medicaid fees will be increased to reflect the 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, originally slated for January 1, 2015 implementation.
        - Base Medicaid fees will then be increased to reflect the second 2% increase for Direct Support (CFR 100 series) and Direct Care (CFR 200 series) salaries, effective April 1, 2015. This increase will compound the 2% increase in the step above. The April 1, 2015 increase will also reflect an increase to reflect the 2% increase for Clinical staff (CFR 300 series).
    - For each of the increases listed above, the calculation steps will be similar, as follows:
        - The salaries for each affected title series will be increased by 27.15% to account for fringe.
            - The funding increase for Direct Support and Direct Care salaries, including fringe, will be calculated by multiplying this amount by 2% (for the January 1, 2015 increase) and then by an additional 2% (for the April 1, 2015 increase).
            - The funding increase for Clinical staff salaries, including fringe, will be calculated by multiplying this amount by 2% (for the April 1, 2015 increase).
        - The resultant funding increase, calculated in the previous step, will be aggregated by region, in accordance with the fee schedule.
        - The total for each region will then be divided by the total Medicaid-paid visits for the 4/1/13 – 3/31/14 period for all providers in that region. This result will be the percentage by which the Medicaid fees will be increase for that region.

- **Medicaid Rates for Residential Treatment Facilities (RTFs) and Article 31 Inpatient Psychiatric Hospitals**
    - The OMH is working with the Department of Health to ensure the Medicaid rates for the Residential Treatment Facilities and Article 31 Inpatient Psychiatric Hospitals receive a trend factor that would be close to an equivalent value of the funding increases called for in this statute. OMH will be providing further details on the action that will be taken with regards to the rates for these programs in the near future.