

# Home Care Developments

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## NY Budget Update

The New York State Budget is late this year, but it is expected to be finalized on Thursday, April 7. The Budget will contain several bills relevant to home care, however, in this article we will focus on two potentially major home care changes coming out of the Budget: the CDPAP RFO and Fair Pay for Home Care. (The LHCSA RFO is unlikely to be repealed in the Budget, which is itself significant. However, to the extent CDPAP RFO repeal (or a mini-repeal) is effectuated in the Budget, then it is likely that the LHCSA RFO will face the same fate down the line).

Late last week, as the Legislators were attempting to finalize the Budget, we understand that the Executive initiated discussions about reforming the CDPAP RFO. Based on reports we received, the Executive is in support of some CDPAP RFO reform that would allow an unspecified number of fiscal intermediaries that had not “won” the RFO to continue operating. The SEIU1199 did not appear to oppose these efforts at reforming the CDPAP RFO. As we understand, the Governor’s office wishes to put the CDPAP RFO issue to rest so that the Governor can focus on other matters. We subsequently heard that the CDPAP RFO might be taken up after the Budget. With so many issues that erupted somewhat late in the Budget season (e.g., the Bills Stadium, bail reform), it would not be unusual for the State to push off an issue like the CDPAP RFO until after the Budget is finalized. However, there seemed to be a strong consensus building to do something to reform the RFO and several sources have reported that the final Budget will contain a RFO revision bill. With so much last-minute activity on a subject that had grown dormant, we are eager to see what the final Budget will actually say (if anything) on the CDPAP RFO.

The other issue that will be significant for home care providers and fiscal intermediaries is the Fair Pay for Home Care proposal, which calls for a significant increase in the base wages of home care workers. This is not the first time that Fair Pay for Home Care has been introduced in the Legislature. However, unlike prior efforts, there is likely to be some increase in workers’ base pay this time around. We heard last week that the Governor had agreed to raising wages of home care workers, however, there was disagreement with the Legislature about how much of an increase to impose. Thus, the final Budget is likely to contain a base wage increase for home care workers, but we do not know how much of an increase.

Of concern for providers is ensuring that reimbursement increases follow any base wage increases. We understand from various sources that a statutory minimum on reimbursement has been rejected and, thus, will not be in the Budget. As readers of our alert will recall, the one-house budget proposals had included a minimum reimbursement amount that plans and payors would have to guarantee to providers, and that reimbursement amount would have satisfied the proposed base wage increase under Fair Pay for Home Care. It is our understanding that the Executive rejected the idea of binding plans to a specific reimbursement amount, preferring instead to allow market forces to set the reimbursement rates.

There are of course other issues on the table in the Budget; the independent assessor, the MLTC RFO, proposals to increase wage parity total compensation amounts, among others. We should know more about all of these issues in the next few days as the

Budget is published. In the meantime, if you have any questions about the Budget, please contact us.

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[emina@poricaninlaw.com](mailto:emina@poricaninlaw.com)

315.269.1125

518.676.0192



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Poricanin Law P.C. | 90 State Street, Suite 700, Albany, NY 12207

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