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New York State Budget Increases Minimum Wage for Home Care Workers

Date Apr 20, 2022

On April 9, 2022, New York passed a \$20 billion, multi-year healthcare investment in the FY 2023 State Budget. According to Governor Kathy Hochul, the budget includes “historic investments that will rebuild the health care economy by raising health care workers’ pay, improving their workplace infrastructure and providing incentives that will attract more people to the workforce.”

Notably, the budget includes a \$7.7 billion component to increase the home care worker hourly minimum wage by \$3 over a two-year period. The current hourly minimum wage for home care aides is \$15 in New York City, Long Island and Westchester and \$13.20 in other parts of New York State. Effective on October 1, 2022, the hourly minimum wage for home care aides will increase by \$2. Beginning on October 1, 2023, the hourly minimum wage will increase an additional dollar. At this time, it is unclear whether or how the budget provides reimbursement to home care providers and managed care plans for the increase in the minimum wage.

The budget also dedicates \$1.2 billion to bonuses for frontline healthcare workers employed in health and mental health settings. Medicaid providers are eligible for the incentive if they employ at least one employee and bill for services under the state plan or a home and community-based services waiver or have a provider agreement to bill for services provided or arranged through a managed care provider. The bonuses are commensurate with the number of hours each employee worked during a vesting period that will be set by the Commissioner of Health. Frontline healthcare workers can earn up to \$3,000 in bonuses depending upon their average hours worked during the vesting period.

If you have any questions regarding this Alert, please contact the authors, Philip Davidoff, pdavidoff@fordharrison.com, partner, and Timothy Barbetta, tbarbetta@fordharrison.com, senior associate, in our New York City office. Of course, you can also contact the FordHarrison attorney with whom you usually work.



PHILIP K. DAVIDOFF

Partner



TIMOTHY M. BARBETTA

Senior Associate

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