



Home Care Association of Florida
RESOURCES, EDUCATION, ADVOCACY

June 1, 2022

[HEALTH PLAN]
[MAILING ADDRESS]
[CITY, ST ZIP CODE]

Dear [HEALTH PLAN CONTACT]:

The Florida Legislature's move to establish a minimum wage of \$15 an hour for Medicaid workers is a positive and dramatic response to the labor shortages and wage crisis adversely affecting Medicaid providers and patients throughout the state. All parties must work together now that Governor DeSantis has approved the budget so that this provision can be implemented fully and faithfully to achieve its intended purpose.

In accordance with the state budget for 2022-23, Statewide Medicaid Managed Care (SMMC) health plans are responsible for ensuring that funds appropriated by the legislature are used to increase the wages of direct care employees under contract with the managed care plan. It is noteworthy, however, that the budget calls for Medicaid providers to pay their employees \$15 an hour starting October 1, 2022, while health plans are not required to amend contract rates until January 1, 2023. As a result, providers will be subjected to a three-month period during which they would have to increase wages without being compensated for the additional payroll costs. There are currently many health plans which offer rates as low as \$15, which clearly cannot accommodate a \$15 hourly wage plus a margin to cover normal operating costs. The reality is that health plans often take longer than 60 days to implement contract amendments, and this is without a statewide provider rate increase mandate, such as those included in the budget. In addition to adding extra costs to a provider community that is already strapped, delaying the amendment of contracts can have negative consequences such as health plans delaying rate changes and even delaying transfers of Medicaid recipients among providers. Such actions are unacceptable.

We respectfully request that [HEALTH PLAN] begin amending provider contracts as soon as possible and schedule reimbursement changes by October 1, 2022, so that the funds can be distributed to providers by that date. Additionally, please tell us whom our members should contact within your organization to obtain more information regarding contract amendments.

If you have any questions or if we can assist you in any way during this process, please do not hesitate to contact me at (850) 222-8967 or blolley@homecarefla.org.

Sincerely,

Bobby Lolley, RN
Executive Director

CC: Tom Wallace, Deputy Secretary. Division of Medicaid, Florida Agency for Health Care Administration