

STUDY OF IMPACT OF MINIMUM WAGE INCREASES ON VIRGINIA MEDICAID PROVIDERS' COSTS

PROVIDER SURVEY FREQUENTLY ASKED QUESTIONS

Pursuant to legislative direction, the Department of Medical Assistance Services (DMAS) is conducting a study to estimate the impact of Virginia' increasing minimum wage on providers' costs and to consider potential changes to payment rates. DMAS has contracted with Health Management Associates (HMA) to assist with this study.

A key component of this study is a provider survey to gather information regarding wages paid to provider staff. The survey can be completed at https://healthmanagement.qualtrics.com/jfe/form/SV_2lcGxJe9JGKYTrw. Following is a list of frequently asked questions that have been received. For further information, or to submit additional questions please contact Steven Abele at either sabele@healthmanagement.com or (602) 466-9840.

When is the survey due?

HMA is asking that the survey be submitted by May 21st, 2021.

What types of providers are included in this study?

DMAS is interested in evaluating the potential impact of the increasing minimum wage on all categories of Medicaid providers. In order to expedite the analysis on providers that will experience the most significant impacts, the provider survey was released in two phases. The first phase included those provider types most likely to employ lower-wage staff in direct care positions, including waiver service providers, home health agencies, nursing facilities, and others.

The second phase of the survey is now underway and includes the following:

- Hospitals, including mental hospitals, long-stay hospitals, and rehabilitation hospitals
- Clinics, including, dental clinics, FQHCs, rural health clinics, and substance abuse clinics
- Other Facility-Based Providers, including intermediate care facilities-mental health, ambulatory surgical centers, renal units, and rehabilitation agencies
- Practitioners, including physicians, dentists, therapists, licensed social workers, etc.

If you are a different type of provider, you do not need to complete the survey.

Is participation in the survey mandatory?

No. The completion of the survey is voluntary, but DMAS is strongly encouraging all Medicaid providers to participate. The information collected from the provider survey will be one of primary sources of data used to estimate the cost impact of the increasing minimum wage so broad participation will help to ensure the accuracy and representativeness of this data.

I received the survey, but no longer serve individuals enrolled in Medicaid. Should I complete the survey?

No. In the interests of distributing the survey as widely as possible, it may have been sent to providers who do not serve individuals enrolled in Medicaid. This study is only considering impacts to the Medicaid system so providers that do not serve Medicaid enrollees should not complete the survey.

Is the survey anonymous?

No. Providers are asked to report their organization’s name, FEIN, and NPIs so that responses can be associated with Medicaid claims and encounters data, which HMA is analyzing to estimate the cost to the state if payment rates are adjusted. However, for reporting purposes, data will be aggregated by provider type and/or service category, and no provider-specific information will be publicly reported.

Where do I report additional FEINs and/ or NPIs?

If your organization provides services under multiple FEINs or has more than ten NPIs, report as many as you can. After submitting the survey, send an email to Steven Abele with HMA that lists *all* of your organization’s FEINs and NPIs, including those that were listed on the survey, so that HMA is able to associate your organization with Medicaid claims and encounters data.

What do I select if my organization provides services in Northern Virginia and in other parts of the state?

To reduce the complexity of the survey, providers can select only Northern Virginia or Rest of State. If you serve both areas, select the region in which the greatest amount of service is provided.

Why is information being requested for calendar year 2019?

It is recognized that the Covid-19 pandemic has significantly impacted provider costs and revenues. Given that this study covers each step of the increasing minimum wage through 2026, the survey seeks to reflect a period of ‘normal’ operations.

Are providers asked to report information regarding wages or payroll?

As noted on the screen where the first wage-related question appears, the survey is asking for paid wages. Subsequent screens use the term “payroll” to describe what was previously listed as wages, but providers should continue to consider only wage costs. HMA will add estimate payroll tax and workers’ compensation costs as part of its analysis.

Where do I report wage information for staff who are located at a facility (such as an ICF) but that do not provide direct care?

The survey differentiates between direct care staff – who are reported by service category – and all other staff, who are labeled “Administrative and support staff across the organization”. All staff who do not primarily provide direct care should be included in this group, regardless of whether they work onsite at a facility or at an administrative location.

Where do I report contractors who provide direct care?

The survey does not collect information regarding payments to contractors. Such payments should *not* be reported as wages.

Why are there wage bands in the survey for employees above final minimum wage of \$15.00 per hour?

In HMA’s prior research on the impacts of an increasing minimum wage, it is clear that a rising minimum wage will affect the wages of some workers who already earn above the minimum wage. For example, if a supervisor is currently earning \$15 per hour to supervise staff earning \$10 per hour, there will not be a legal requirement to increase the supervisor’s wages, but there will almost certainly be a practical necessity in order to maintain a motivated workforce. The survey therefore includes wage bands beyond \$15 per hour.

How should overtime or shift differentials be considered when assigning wages to a wage band?

Wages for a given employee should reflect their base wage. For example, if an individual earns \$10 per hour and works 50 hours in a week, 10 of those hours would be paid at \$15 per hour (time-and-a-half), but all wages paid to this employee (\$550 in this example) should be reported in the \$10.00 to \$10.99 wage band.

How should I report wages for an employee who received a pay raise during the period?

Ideally, all wages should be reported according to the base wage for the employee at any given point in time. So, if an employee received a pay raise during the year that moved them into a different wage band, their wages would be divided between the wage bands reflecting their earnings at each different base wage. If this is impractical, providers should report wages based on the employee's ending wage during the reporting period.