2 Reasons New York Home Healthcare Agencies Need HCM

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No two payrolls are alike for New York State Home Healthcare agencies. I'm sure you've heard HCM providers profess to one or all of the following. "W e *customize payroll to meet your needs*," " *simplify your payroll today*," " *flexible payroll to suit your business*." New York HHAs today know better than anyone else that it's just not that simple. And here's why...

PSA: the following two HHA headaches are specific to New York State!

Wage Parity:

To help ensure that caregivers are being compensated fairly, the New York Department of Health introduced home care worker wage parity. Don't get me wrong, I love the concept of fairly compensating our caregivers. However, it is just another reason you might have spent some late nights and early mornings working out complicated calculations. Wage parity basically requires, for Medicaid cases, a 3-tiered pay structure consisting of the base, additional and supplemental wages. And to make matters worse – the rules are different in New York City than they are in Nassau, Suffolk, and Westchester counties! It doesn't matter where the employer is located. It depends where the work is done – so if you send a caregiver to a client in Kew Gardens Hills one day and to Lawrence the next day, your wage parity requirements differ. Thought you might like to see what I'm really talking about here, so here's a breakdown of the different regions and their wage parity pay. New York City:

		Large Employers (11 or more)		Small Employers (10 or less)	
	As of 12/31/17	**As of 12/31/18**	**As of 12/31/17**	**As of 12/31/18**	**As of 12/31/19**
Base Wage	$13.00	$15.00	$12.00	$13.50	$15.00
Additional Wages	$1.69	$1.69	$1.69	$1.69	$1.69
Supplemental Wages	$2.40	$2.40	$2.40	$2.40	$2.40
Total Compensation	$17.09	$19.09	$16.09	$17.59	$19.09
Overtime					
FLSA (1.5 times the regular rate if regular rate equals Base Wage)	$19.50	$22.50	$18.00	$20.25	$22.50

Nassau, Suffolk and Westchester Counties (no Additional Wage requirement, no large/small distinction):

	As of 12/31/17	**As of 12/31/18**	**As of 12/31/19**	**As of 12/31/20**	**As of 12/31/21**
Base Wage	$11.00	$12.00	$13.00	$14.00	$15.00

Supplemental Wages	$3.22	$3.22	$3.22	$3.22	$3.22
Total Compensation	$14.22	$15.22	$16.22	$17.22	$18.22
Overtime					
FLSA (1.5 times the regular rate if regular rate equals Base Wage)	$16.50	$18.00	$19.50	$21.00	$22.50

The HCM Fix:

Empower your employees with the freedom to choose his or her blend of benefits. Empower yourself to choose which benefits to reduce first for a higher cash wage. Here's an example. Let's assume you are a large employer and a particular employee chooses to distribute his hourly wage parity benefits as follows...

Transit = $ 1.00

Health = $ 2.50

PTO = $ 0.59

Let's also assume, if the base wage on a job exceeds the minimum, your company policy is to reduce benefits in the same order. Here's what HCM can do for you ... **automatically**. Note that a smart HCM application also knows to pay wage parity ONLY for Medicaid cases and ONLY in NYC and the applicable counties.

Date of Service	Location of Service	Type of Service	Rate	Transit	Health	PTO
3/6/18	Bronx	Medicaid	$13	$1.00	$2.50	$0.59
3/7/18	Queens	Medicaid	$14	$0.00	$2.50	$0.59
3/8/18	Brooklyn	Medicaid	$15	$0.00	$1.50	$0.59
3/9/18	Rochester	Medicaid	$13	$0.00	$0.00	$0.00
3/10/18	Manhattan	Medicare	$13	$0.00	$0.00	$0.00

And all of this is system driven – you just upload your dates, locations, and types of service from your time and attendance system, and HCM does the rest.

Spread of Hours:

As if calculating pay isn't complicated enough, employers throughout New York State have one more rule to follow - and that rule is Spread of Hours. Basically, the rule states that if you have employees whose begin work time and end work time for a day span more than ten hours, they may need to be paid for an extra hour at minimum wage, depending on their weekly total pay. This can become significant for HHAs who often have early morning and late-night shifts on the same day. For example, if you have a caregiver who is covering a client from 9-11am and then again from 7-9pm, this caregiver may be eligible for a spread of hours pay because his or her work spread exceeds 10 hours (9 am – 9 pm), even though she worked only 4 hours that day! And it's not just the rule that makes it complicated, it's the accounting for and calculating pay for each employee who qualifies for a spread of hours–especially in an industry where employees tend to submit retroactive hours long after the end of their workweek. So, you might have thought that you owed no spread of hours pay, but those retro hours that your employee **just** submitted for three weeks ago **just** triggered a spread of hour liability for you. As with any rule, without software support, many HHAs have taken the route of calculating this manually. And like any manual process, time is bound to be lost and errors are sure to be made. That's where we come in!

The HCM Fix:

An automatic spread of hours pay calculations, even weeks later when retro hours come in. Compliant pay stubs that clearly show employees their spread of hours pay and nip potential complaints in the bud. Smart software that protects you from the Department of Labor violations and litigious attorneys. These are just the most obvious *Home Healthcare headaches* specific to New York.
We know you still have to deal with all the other compliance and accuracy requirements facing companies your size, as well. Things like **multi-rate overtime, retroactive pay, and high turnover. Want to see some HCM fixes for those issues?**

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