

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Senior Deputy Director/
Medicaid Director

Transmittal # 20-43

TO: All DC Medicaid Fee for Service Providers

FROM: Melisa Byrd
Senior Deputy Director and State Medicaid Director

DATE: December 9, 2020

SUBJECT: 2021 Living Wage Notice and Impact on Reimbursement Rates

Purpose

The purpose of this transmittal is to provide notification of the District living wage amount and its impact on Medicaid Fee for Service providers.

Pursuant to the Living Wage Act of 2006, effective June 8, 2006 (D.C. Law 16-118; D.C. Official Code 2-220.01 et seq. (2012 Repl.)), the Department of Employment Services (DOES) annually publishes the living wage rate in the month preceding the effective date. In calendar year 2020, the living wage rate was updated effective January 1, 2020 to \$14.65 per hour, and again increased to \$15.00 per hour in July when the minimum wage was increased.

On December 1, 2020, DOES issued notification of the living wage rate effective January 1, 2021. A copy of the DOES notice is attached to this transmittal. Following publication of the effective living wage rate, the Department of Health Care Finance (DHCF) also updates the applicable Medicaid reimbursement rates for services impacted by the living wage rates per the outlined payment methodology. Per the DOES notice, the current \$15.00 per hour living wage rate will remain in place, hence DHCF will not make any changes to the Medicaid reimbursement rates impacted by the living wage.

The following are Medicaid FFS services that because of no change to the living wage will remain the same effective January 1, 2021:

- Personal Care Aides (PCA)
- Respite
- Participant Directed Community Support
- Homemaker
- Chore Aide
- Assisted Living Facilities
- Individual with Development Disabilities Waiver (IDD) providers
- Intermediate Care Facilities for Individuals with Intellectual Disabilities

Contact

DHCF will provide updates to this information as appropriate. Providers receiving enhanced rates during the Public Health Emergency (PHE) will continue to receive the PHE enhanced rate through the end of the PHE. If you have questions, please contact Bidemi Isiaq, Associate Director, Office of Rates Reimbursements & Financial Analysis, DHCF at Bidemi.Isiaq@dc.gov or 202-442-9202.

Attachment: Notice of Living Wage Increase to Employers

Cc: DC Behavioral Health Association
DC Hospital Association
DC Primary Care Association
DC Health Care Association
DC Home Health Association
DC Coalition of Disability Service Providers