



Home Care Association of Florida
RESOURCES, EDUCATION, ADVOCACY

Protect Access to Medicaid Home Care for Floridians

- 📍 SAVINGS FOR TAXPAYERS & FAMILIES
 - 📍 INDEPENDENT LIVING WITH DIGNITY
 - 📍 SAFETY, COMFORT, CONVENIENCE
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During the 2022 Florida Legislative Session, lawmakers increased the minimum wage for Medicaid direct care workers to \$15 per hour, which took effect on October 1, 2022. The state's actuarial services vendor, Milliman, estimated the impact a \$15 minimum wage for direct care workers would have on costs for health care providers. This study was used by the legislature to allocate funds for Medicaid reimbursement rate increases to cover the \$15 minimum wage.

Based on feedback from Medicaid home health providers, it has been determined that the updated Medicaid fee-for-service fee schedules and revised reimbursement rates provided by Statewide Medicaid Managed Care (SMMC) health plans are not adequate to cover the higher minimum wage for employers.

Supporting Information

- The state increased Medicaid fee-for-service rates increased by 3.3% for Home Health Services and Private Duty Nursing Services, and 15.45% for Personal Care Services due to the appropriation in the 2022-23 budget.
- Without taking into account increased taxes, benefits, and other business costs, the \$15 minimum wage represents a 29.3% increase in wages for employers.
- According to the Florida Department of Economic Opportunity, the average direct care worker in Florida earned \$11.60 per hour prior to the Medicaid minimum wage increase. The sweeping minimum wage increase has had the unintended consequence of some home health agencies being forced to discharge patients, and others opting out of serving those on Medicaid.
- The state is expected to save \$745 million in fiscal savings annually by prioritizing the provision of care in the home rather than in a nursing home, according to a 2022 report from Florida TaxWatch.

Solution

Florida lawmakers should continue investing annually in Medicaid home- and community-based services (HCBS) if they wish to ensure that cost-effective in-home care is available (rather than facility-based care). It is inevitable that the state minimum wage will increase until it reaches \$15 in 2026, which will further compound the challenges that the \$15 mandate presents.