

May 30, 2023

James V. McDonald, M.D., M.P.H.
Acting Commissioner
New York State Department of Health
Corning Tower
Empire State Plaza
Albany, NY 12237

Via e-Mail

Re: Release of Nursing Home Medicaid Funding

Dear Commissioner McDonald:

On behalf of the non-profit and government-sponsored nursing homes and medical model adult day health care programs that belong to LeadingAge New York, I am writing to urge the state to ensure that funding that was included in the FY23 and FY24 State Budgets is paid to nursing homes as quickly as possible. Specifically, we ask the Department of Health (DOH) to adjust April 1, 2023, nursing home and adult day health care Medicaid rates to reflect the state portion of the 7.5 percent increase enacted this year, while CMS approval of the federal matching share is pending. Additionally, we ask that you do all that you can to ensure that the state works diligently with the Centers for Medicare and Medicaid Services (CMS) to expedite approval of State Plan Amendment #22-0007 (as amended to reflect the distribution formula utilized) to allow for payment of the federal share of the \$187 million in FY23 staffing funding that was appropriated in last year's Budget.

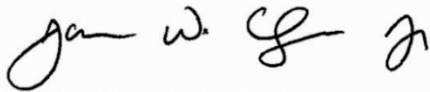
The immediate adjustment of rates to reflect the state share of the 7.5 percent increase is critical in light of the fragile financial position of most of our nursing home members and the prolonged delays in CMS approval of State Plan Amendments. We appreciated the state's decision, last year, to incorporate the one percent increase enacted in the FY23 Budget into April 2022 nursing home Medicaid rates, resulting in payment of the increase in the summer of 2022, while CMS approval was pending. CMS approval of that increase was not formally provided until April 10, 2023 (TN 22-0057) – a year after enactment. Given the lengthy delays in CMS approval of most of New York's Medicaid State Plan Amendments (SPAs) impacting long term care services (e.g., 7 of the 8 SPAs filed in June 2022 remain pending), the state should incorporate its share of the 7.5 percent into rates now. In addition, DOH should make every effort to obtain quick approval to facilitate the release of the federal share. Once CMS approval is received, the federal portion can be used to pay the full, all-funds increase amount.

Nursing home providers, especially those in the non-profit sector, continue to struggle mightily with rising costs and inadequate rates. Immediate release of the new funding is essential to preserve high quality resident care and efficient hospital discharges. It will support adequate capacity of well-staffed beds, allow homes to meet the timeframes of labor agreements, and help quality providers recover from the

extreme financial stress of the pandemic without needing to resort to sale, reduction of services, or closure. As you are aware, the absence of inflation adjustments to nursing home Medicaid rates for the past 15 years, a period during which consumer price indices rose by 40 percent and staffing costs escalated even more, is causing significant financial stress to many homes. Quality providers with a history of investing in robust staffing are the very providers that are often at greatest risk. It is critical that the lifeline funding finalized in the Budget Agreement, along with safe staffing funding from the prior years, reach them as quickly as possible.

We are eager to partner with you as needed to advance this request that will better the lives of those who rely on timely and high-quality nursing home and hospital services in the state.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James W. Clyne, Jr.", written in a cursive style.

James W. Clyne, Jr.
President and CEO

Cc: Megan Baldwin
Amir Bassiri
Angela Profeta
Jillian Kirby
Michael Ogborn
Adam Herbst