



## **LONG-TERM CARE SUFFERS THE UNKINDEST CUTS OF ALL**

### **LeadingAge® New York Presents the Facts**

65% of New York's non-profit and county nursing homes had a negative operating margin going into the pandemic **because...**

- Medicaid funds 72% of the care in New York nursing homes and **New York's Medicaid rate** for nursing homes is the **worst in the country** when the cost of care is compared to payment; **and**
- There has been no cost-of-living increase for nursing homes in 12 years, even though costs have soared; **and**
- Over the last 3 years, New York has **cut more than \$1 billion from long term care providers**, twice the amount cut from any other health care sector<sup>i</sup>. ([Click here](#) for a graph of cumulative Medicaid cuts since 2019).

### **Quality**

Even with the lack of state financial support New York's nursing homes still score **12% higher on federal quality scores** than the national average and **16% higher on overall CMS 5 Star rating** than the national average.<sup>ii</sup>

### **COVID-19 Pandemic**

During the pandemic, the cost of caring for nursing home and assisted living residents sky-rocketed because of state mandated staff testing, shortages of personnel protective equipment (PPE) and inflated prices, and hazard pay and other supports for staff.

Home care and housing providers also faced increased costs for PPE and staffing.

**What did the Governor and State Legislature do?** Starting April 1, 2020, they cut \$190 million from long term care providers.

**What did other states do?** Other states have added funding to nursing homes and other long-term care providers to meet the increased costs of pandemic response.<sup>iii</sup>

**What did the federal government do?** Enacted the CARES Act that provided some financial relief for nursing homes and other providers. But, on average, the CARES Act covered only 32% of the financial impact of COVID-19 for nursing homes, and even less for other LTC providers<sup>iv</sup>.

**What needs to happen?** **THE STATE NEEDS TO INVEST IN LONG-TERM CARE.** Over the next 10 years, the 2 fast growing segments of the population are the over 65 and over 85 populations. Nursing homes, home care, assisted living, senior housing and community services for seniors need state support to meet the growing need.

---

<sup>i</sup> Medicaid percentages and operating margin data based on LeadingAge NY analysis of 2018 RHCFC Medicaid Cost Reports (most current available). Medicaid cut data from state Final Budget Agreement scorecards. Information on the state's Medicaid rate shortfall for nursing homes is from Hansen Hunter & Company, "Report on Shortfalls in Medicaid Funding for Nursing Center Care," Nov. 2018. New York's \$64 per day shortfall represents the largest shortfall of the 28 states the report analyzes.

<sup>ii</sup> 5-Star data from Centers for Medicare and Medicaid Services (CMS) calculations reflecting Jan. 2021 data refresh of CMS Care Compare (<https://www.medicare.gov/care-compare/>)

<sup>iii</sup> As of mid June, 23 states and the District of Columbia had raised Medicaid rates for nursing homes in response to COVID or created supplemental funding pools to cover COVID-related expenses. They are: Alabama, California, Connecticut, Colorado, District of Columbia, Indiana, Georgia, Kansas, Kentucky, Massachusetts, Louisiana, Minnesota, Maine, Montana, New Mexico, North Carolina, Ohio, Oregon, South Carolina, Tennessee, Rhode Island, Virginia, Washington. (LeadingAge, "States Leverage Medicaid to Provide Nursing Homes a Lifeline through COVID-19," <https://www.leadingage.org/node/63186>.) Of 43 State Medicaid Directors responding to a Kaiser Family Foundation survey by August, 2020, 37 indicated their state was implementing an increase to nursing home Medicaid rates while 33 indicated a boost to HCBS rates (<https://www.kff.org/medicaid/report/state-medicare-programs-respond-to-meet-covid-19-challenges/>).

<sup>iv</sup> LeadingAge analyzed the federal CARES Act Provider Relief Act distributions which were based on 2 percent of annual patient revenue for most providers, with some additional targeted funding for nursing homes. We compare the relief to the financial impacts of long-term care providers measured through surveys conducted in partnership with other provider associations.