

Cutting Payments to Long-Term Care Providers Will Not Solve NY's Medicaid Crisis

What You Need To Know

Long-term care is unfairly targeted

Providers of long-term care (LTC) suffer greater Medicaid cuts than any other sector. Additionally, LTCs share of Delivery Reform Incentive Payment and/or the Statewide Healthcare Facility Transformation Grants are substantially less than other health sectors.

Reimbursement rates do not meet costs

Long-term care providers rely on Medicaid revenues to operate. However, reimbursement rates for LTC providers have been frozen for 12 years, while direct caregiver compensation, food, utilities, supplies, and insurance costs continue to rise. In New York State, most nursing homes, adult day health, Assisted Living Program (ALP), and home care rates fail to cover costs of services.

Many LTC providers incur operational deficits

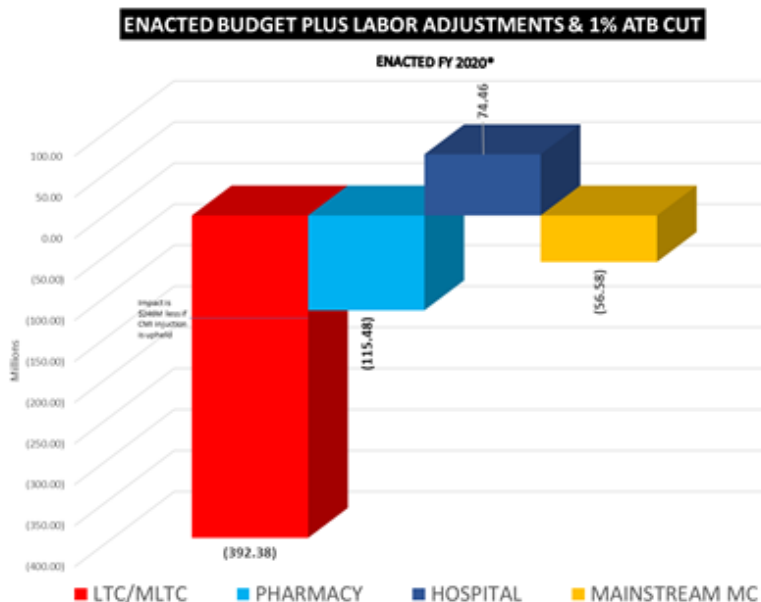
Sixty percent of not-for-profit and 86 percent of public nursing homes suffered losses in 2018. Nearly 80 percent of Certified Home Health, 65 percent of Licensed Home Care Service, and 50 percent of hospice agencies are threatened by financial losses.

LTC providers are approaching capacity and many have closed

Since 2014, 12 nursing homes have closed, and nearly 50 public and not-for-profit residences have been sold. Since 2017, 16 Adult Day Health Care programs and 25 adult care facilities no longer exist. On a statewide basis, many other facilities and programs are questioning the long-term viability of their services.

New York's Medicaid-eligible population is among the largest in the nation

LTC providers are serving a growing and aging population, most who are on Medicaid due to New York's generous benefits and lenient eligibility standards. New York's Medicaid crisis is due to the size of its elderly population and robust package of services.



A \$5 billion cut to Medicaid long-term care rates, which are already inadequate, will force more providers to close and will ultimately hurt elderly and disabled New Yorkers.