***Subject: State Must Reimburse Nursing Homes and ACFs for Costly Testing Mandate***

Dear Governor/Commissioner/Senator/Assembly Member,

Over the last several months, long-term care providers and the vulnerable populations they serve have been severely impacted by the coronavirus pandemic. Nursing homes and adult care facilities (ACFs) specifically have faced numerous operational and regulatory challenges around testing, patient protective equipment (PPE), staffing, and more. These regulatory and logistical challenges have been accompanied by significant financial burdens.

As a nursing home/ ACF provider, we are doing all that we can to keep our residents safe and protect and maintain our staff. When the Governor issued Executive Order 202.30, we worked urgently to arrange the required twice weekly testing for staff on a very aggressive timeframe. Now, however, the State must find a way to reimburse providers for the cost of this testing. At an average cost of $120 per test, a typical nursing home with 200 beds spends over $60,000 each week to meet the testing mandate. This amount is equivalent to the weekly reimbursement for 40 Medicaid residents and is absolutely not sustainable. For an ACF serving SSI residents, the cost of testing a single staff member represents 80 percent of weekly revenue received for an SSI resident. At my facility, we are spending $\_\_\_\_ weekly to meet the testing requirement alone.

This new testing expense is in addition to the catastrophic COVID-related financial impacts providers already face. Please mention here any specific expenses (besides testing) you are seeing due to COVID-19. Unlike neighboring states like Massachusetts and Connecticut that enhanced Medicaid rates to help providers deal with the emergency, New York has not provided additional funding for nursing homes or ACFs during the crisis. In fact, nursing homes in the state are facing new cuts. The State is in the process of implementing an additional .5 percent Medicaid cut, meaning providers will have their Medicaid payments reduced by 1.5 percent, with an additional cut to capital reimbursement still looming.

Even before the cuts and financial impact of the pandemic, the statewide average operating margin for nursing homes was 0.3, with nearly 40 percent of the homes in the state operating at a loss. This stems from a Medicaid rate that is based on 2007 costs and the elimination of annual inflation adjustments since 2008. Staff compensation represents over 75% of all expenditures in most nursing homes.

New York’s nursing homes and ACFs are under significant pressure as we do our very best to protect residents and staff from COVID-19. As a mission-driven organization, we are also doing our best to maintain a positive and comfortable quality of life for our residents during this stressful time. We are operating with fewer staff and more costs than ever. **We urge the State to provide reimbursement to nursing homes and ACFs to cover the costs of the Executive’s testing mandate, as well as financial relief from the mounting costs of the pandemic.**

Thank you for your time,

Name

Organization

Contact