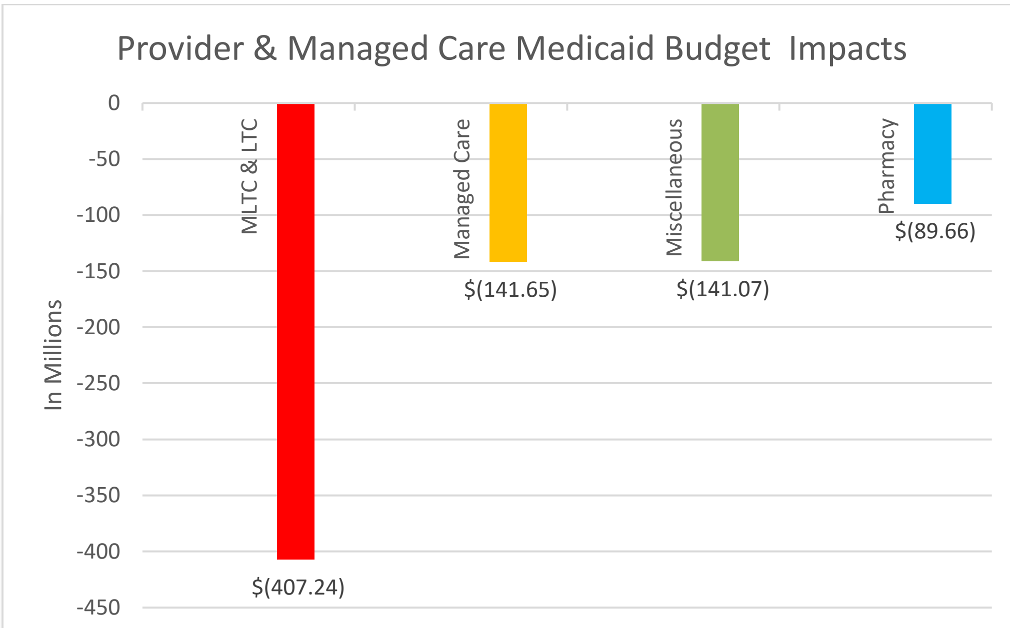
2018-19 Executive Budget Hurts Elderly and Disabled the Most

Long-Term and Post-Acute Care (LTPAC) providers and the people they care for continue to shoulder a disproportionate share of budget cuts and to be left behind in many of the reforms and investments that are being provided by the State. New York's population over age 65 is expanding, and consumers are already facing gaps in care and services. The Executive Budget proposals will exacerbate the problem with a $407 million reduction in spending on services and supports for seniors.

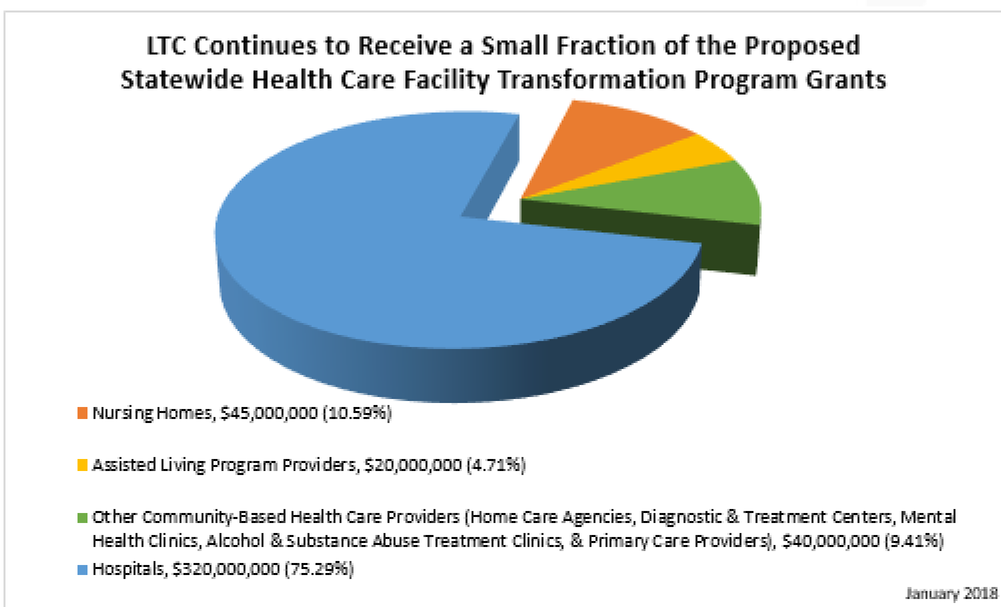


The vast majority of funds made available through the Delivery System Reform Incentive Payment (DSRIP) program and other state and federal infrastructure programs have continued to shortchange the LTC sector. In fact, the LTPAC sector received less than 10% of the more than $1.1 billion in DSRIP waiver funds distributed since 2015.

2017 Transformation Grants

LTPAC providers received only a tiny sliver (less than 5%) of the $491 million in Statewide Health Care Facility Transformation Program grants awarded in 2017.

Without your help, quality providers will struggle to maintain staff and services, and seniors and the disabled will struggle to find services in their communities.



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Invest in LTPAC Capital Improvements

Though LTPAC makes up over 30% of Medicaid global cap spending, the sector has received only a small fraction of state financial support for the critical infrastructure needed to survive in today's changing health care environment. The Legislature should therefore dedicate $150 million of the governor's $425 million Statewide Health Care Transformation Program funding for LTPAC infrastructure. Furthermore, the Legislature should include language to ensure that the funding is available to *all* LTPAC providers, including hospice programs.

Restore MLTC Cuts and Reverse LHCSA Contract Limit and Marketing and Referral Ban

With the enrollment of nursing home residents, expansion of benefits, and new wage and administrative mandates, the costs of care have outpaced Managed Long Term Care (MLTC) premium revenue. The insufficiency of MLTC rates has threatened the viability of providers, many of which rely on plans for most of their revenue. Nevertheless, the Executive proposes $325 million in MLTC-related reductions, which will further exacerbate the problem. Furthermore, restrictions on provider marketing and referrals, as well as plan-wide caps on the number of Licensed Home Care Services Agency (LHCSA) contracts, will disrupt continuity of care for frail seniors and people with disabilities.

Restore Nursing Home Cuts and Reject Case-Mix Cap and Capital Rate Reduction

The Executive Budget proposes several Medicaid savings provisions that would reduce nursing home funding by an estimated $42.6 million annually. Chief among the cuts are proposals to cap case-mix rate increases and reduce capital rates. Nursing home case-mix is rising as consumer preferences, Medicaid policy, and new models of care drive lower-acuity consumers to community-based settings. Facilities that serve residents with greater needs require more, not less, funding to support the added costs; and facilities and lenders rely on adequate capital reimbursement to ensure repayment of existing debt and for underwriting new loans.

Invest in Workforce Recruitment and Retention

LTPAC providers are experiencing workforce shortages that have led to thousands of authorized home care hours going unfilled and ongoing recruitment and retention challenges for nursing homes, assisted living and adult care facilities. These shortages result in long waiting lists for community-based services, avoidable emergency room visits and hospitalizations, and reliance on overtime and staffing agencies. The Legislature should ensure that the DSRIP and MLTC Workforce funding is distributed to *all* LTPAC sectors; that other available workforce recruitment and retention funds are made available for LTPAC services; and that a comprehensive plan is developed to meet the demand for LTPAC services.

Allow Assisted Living Program (ALP) Residents to Access Hospice Services

Current Medicaid regulations and payment policy prevent terminally ill ALP residents from accessing hospice services. As a result, many are forced to transfer to a nursing home in their last weeks of life. If ALP residents were permitted to access hospice services, they would be able to remain in their homes at the end of life, and the Medicaid program would save an estimated $1.3 million.

Invest in Assisted Living Services and Restore Enriched Housing Funding

Assisted living and Enriched Housing (EH) offer Medicaid and SSI recipients an alternative to nursing home care, providing services at a lower cost. The Legislature should restore funding for the EH Subsidy and increase the Level 3 SSI rate by $20 per resident day and institute an annual cost-of-living adjustment to the State portion of the rate thereafter. These cost-effective investments will save Medicaid dollars by maintaining these facilities as financially-viable alternatives to nursing home placement and enabling frail elderly beneficiaries to remain in community-based settings.

Fund a Senior Housing Resident Advisor Program

Investing in affordable housing with support services will provide low-income seniors with access to safe places to live and basic supports in the community, allowing them to age-in-place and delaying or preventing the need for high-cost Medicaid services. Following up on last year's historic $125 million for senior housing capital, the Legislature should appropriate $10 million for the Resident Service Advisor Program, to help senior housing providers offer an array of services that assist residents to remain independent by emphasizing wellness and healthy aging as long as those additional services do not trigger the need for an adult care facility or assisted living license.