



For Immediate Release:

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NEW YORK'S HEALTH CARE SYSTEM REMAINS TROUBLED DESPITE MEDICAID INCREASE

The New York State budget for fiscal year 2023-24 approved in Albany this week provides desperately needed Medicaid rate increases to hospitals, nursing homes and assisted living programs. However, due to 15 years of inaction, increases in cost of care, regulatory requirements, and a statewide health care workforce crisis, the 7.5 percent Medicaid increase provided to nursing homes is not enough to ensure access to care. Unfortunately, New York's nursing homes will continue to struggle to recruit and retain the robust workforce that is needed, which will continue to impact the availability of care for older adults who need long-term services, as well as people seeking hospital services.

During this year's budget cycle, nursing homes, hospitals and labor unions joined together to call for the state to provide a 20 percent Medicaid increase to nursing homes. The unanimous request was driven by the strains being felt throughout the health care system and the acknowledgement that nursing homes had not received an inflationary adjustment to Medicaid reimbursement since 2007. Even without considering the added costs of the pandemic, inflation alone has driven up costs by 42 percent since 2007, as measured by the Consumer Price Index for Urban Consumers (CPI-U).

Despite resounding cries for support and overdue investment, Governor Hochul proposed only a 5 percent Medicaid increase in the Executive Budget proposal. Both houses of the Legislature then proposed a 10 percent increase for nursing homes.

"With a 7.5 percent rate increase being the final number, it is critical that the State work to get these increases out to providers as expeditiously as possible" said Jim Clyne, President and CEO of LeadingAge New York, a state association representing not-for-profit and public long-term care and aging services providers.

Today, there are approximately 6,000 fewer nursing home beds in operation than there were in 2019. Meanwhile, older adults seeking nursing home placement are experiencing delayed discharges from hospitals and are being referred to facilities hours away from home due to lack of local availability. Further, these delayed hospital discharges have led to backups in hospital and emergency services for the general public.

The majority of residents residing in nursing homes depend on Medicaid to pay for their care, making it the main payer and source of revenue for these long-term care facilities. With inadequate and outdated reimbursement for the care being provided, it has become impossible for homes to compete for the staff they need, particularly amidst the health care workforce crisis.

As the State concludes its budget work for fiscal year 2023-24, it is critical that elected officials and regulators establish a mechanism for the more consistent updating of nursing home Medicaid rates to reflect current costs. Quickly enacting the Governor's proposal to authorize the use of medication aides

in the nursing home would have an immediate impact in bolstering our nursing home workforce career ladder.

Without these immediate actions, New York State's health care system will remain under-staffed and unable to serve the needs of state residents.

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For more than 60 years, LeadingAge New York has set an advocacy agenda for not-for-profit, and government sponsored nursing homes, senior housing, adult care facilities and retirement communities. Since the onset of the public health emergency in March 2020, LeadingAge New York has been an outspoken voice for long-term care providers, caregivers, and residents.