

Dear LeadingAge NY Members:

Yesterday, Governor Kathy Hochul presented her State Fiscal Year (SFY) 2024-2025 Executive Budget Proposal. LeadingAge New York issued an initial message to members about what was revealed during the Governor and Division of Budget presentations, but budget bills were not yet in print when we provided last night's update. While we continue to conduct in-depth analysis of the Executive Budget bills, **LeadingAge NY is providing this update as an addendum to last night's message**, providing additional details.

The Executive Budget not only fails to make critically needed investments in our sector, but also imposes cuts and Medicaid savings targets, the details of which are to be determined with stakeholder input. We strongly encourage members to join us in Albany for our [2024 Advocacy Day](#) on January 30th to let lawmakers know how harmful these proposals are. ***Your voice and involvement in budget advocacy this year will be absolutely critical!***

Below is an addendum to the high-level summary of proposals provided yesterday. The two summaries together highlight proposed budget measures impacting LeadingAge NY Members as we understand them so far:

Unallocated Medicaid Cost Savings

The budget proposes to save \$200M (state share) in Medicaid spending on long-term care services through unspecified measures to be identified by working with stakeholders. In addition, the budget proposes another \$200M (state share) in savings, on services other than community-based long-term care, to be achieved through measures identified in consultation with stakeholders.

Nursing Homes

- The executive proposes to cut nursing home capital reimbursement by ten percent, in addition to the current 5 percent reduction enacted in 2020. This would represent a \$57M cut and generate \$28.5M in state-share savings. Hospital capital would also be cut by 10 percent.
- The executive proposes to continue the nursing home Vital Access Provider Assurance Program (VAPAP) but reduce annual funding from \$100 to \$25 million.
- The proposal would codify into law the state's announced intention to freeze acuity adjustments by specifying that the operating component of nursing home rates would remain unchanged from the Jan. 2024 rate until such time as a new case mix methodology is fully implemented.
- Nursing home Medicaid funding would likely be negatively impacted by \$400 million (state share) in proposed but unspecified Medicaid cuts. The state would engage stakeholders to identify at least \$200 million in recurring state-share savings from long-term care programs and an additional \$200 million in unspecified state-share Medicaid savings that could be realized through provisions impacting health care sectors other than home care.

- The proposal would also permanently authorize public nursing home Intergovernmental Transfer Payments (IGT) while shifting the basis of payment calculations from a state fiscal year to a calendar year and shorten the in-state residency requirement for admission to a state veteran's home from one year to six months.

Adult Care Facilities (ACFs) and Assisted Living

The Executive Budget:

- eliminates the EQUAL program and funding, which was funded last year at \$6.5M;
- eliminates the Enriched Housing Operating Assistance Program (Enriched Housing Subsidy), which was funded last year at \$380,000.
- does not include an increase to the State Supplement Program (SSP) for ACF residents, aside from passing through federal cost of living adjustment to the federal portion of the Supplemental Security Income (SSI) benefit.
- includes \$7.2 M allocated to DOH to allow high-need family caregivers respite in ACFs.

While there is no apparent specific cut for the Medicaid assisted living program (ALP) rate, the budget establishes a Medicaid savings target that will be achieved through consultation with stakeholders.

As was proposed last year, the Executive Budget proposes to establish quality reporting on measures to be determined by DOH for assisted living residences (including enhanced and special needs). Reporting would be annual, with the first report due by Jan. 31, 2025. The results would be made public, and used to determine frequency of survey. National accreditation could exempt an ALR from inspection. ALRs would also have to post on their website information regarding monthly rates and summary of all service fees, staffing, and their approved admission/residency agreement.

Managed Long-Term Care (MLTC)

- Proposes to require a competitive procurement of MLTC and mainstream managed care plans and a moratorium on the certification of new Medicaid managed care organizations. At least 2 plans MLTC would be selected per region based on a variety of factors, including the plan's participation in other public managed programs such as mainstream managed care, Child Health Plus, and the Essential Plan. (\$150M state share savings in FY 2025-26). The moratorium does not apply to PACE programs or MAP plans, "based on the need for such plans and the experience of the applicants . . ."
- Eliminates the 1 percent increase in plans rates adopted in FY 2022-23.
- Eliminates the MLTC and mainstream managed care plan Quality Pools (\$51.8M state share savings in FY 2024-25 for MLTC pool elimination).
- Eliminates the MLTC enrollment cap.
- Penalize MLTC plans for EVV non-compliance (\$20M state share savings in FY 2025-26)
- Requires DSNPs (in MAP products) to cover dental benefits through Medicare (\$3M state share savings in FY 2024-25)
- Provides for liquidated damages for MLTC and mainstream plan failure to comply with managed care plan model contract, ranging from \$250 to \$25,000.

Housing

The Executive Budget continues and adds \$20M to the \$25B, five-year housing plan first enacted in 2022 to create or preserve 100,000 affordable units, including 10,000 units with supportive services for vulnerable populations, and to electrify an additional 50,000 homes. Among other initiatives, the housing plan includes \$300M in capital for affordable housing targeted to low-income seniors. The Executive Budget fails to fund the Affordable Independent Senior Housing Resident Assistant proposal to establish a statewide grant program to connect low-income, aging residents living in affordable senior housing with community resources that foster healthy, independent living and help older adults avoid more costly levels of care.

HCBS, Aging & Human Services

Discontinue Wage Parity for the Consumer Directed Personal Assistance Program

The Executive Budget proposes to exempt consumer directed personal assistants from home care worker Wage Parity requirements, effective October 1, 2024. In addition, provisions would also return the minimum wage for consumer directed personal assistants to the amount required under the State's general minimum wage law.

EMS and Hospital at Home

The Executive Budget proposes to expand hospital services outside of a healthcare facility, by expanding existing home care collaboration models involving multiple types of licensed entities. The proposal would authorize general hospitals to provide care in patient's homes without obtaining a license as a home care agency. Participating hospitals would be required to submit operating cost data to the Department of Health annually. The proposal requires that at a minimum application for collaborative initiatives must identify the service gap and or community need that the collaboration seeks to address and further outline a projected timeline for implementation and deliverable data.

The Executive Budget also proposes to enhance and modernize EMS services by approving up to 200 new or expanded mobile integrated and community paramedicine programs, allow for nonpatient specific standing orders for vaccinations by EMS, license emergency medical technicians and establish specialized credentials to elevate their professional status, authorize paramedic urgent cares, and expansion into telehealth while complying with licensing and practice standards.

Workforce and Labor

- Allows COVID-19 Sick Leave Law to expire on July 31, 2024.

Next Steps

LeadingAge NY is working to prepare testimony for the [Health & Medicaid Budget Hearing](#) scheduled for Jan. 23rd, and thereafter will also issue a comprehensive executive budget summary as we have done in years past.

The lack of LTC investment reflected in the Executive Budget Proposal thus far highlights the need for as many LeadingAge NY members as possible to join us for our in-person Advocacy Day Jan. 30th! Please [CLICK HERE TO REGISTER](#) for LeadingAge NY's 2024 Advocacy Day to ensure you receive all relevant updates, meeting materials, preparation details and day-of support.

Lastly, to help members prepare for budget advocacy, LeadingAge NY is hosting an **Advocacy Day Prep Call on Friday, Jan. 26th at 11 AM**. During this member-focused prep call, LeadingAge NY policy staff will review the Executive Budget Proposal's potential impact on members, related legislative handouts, and answer any questions members may have. Information for joining the Advocacy Day Prep Call will be sent directly to Advocacy Day Registrants.

The Final SFY 2024-25 Budget, as negotiated and agreed upon by the Executive, State Senate, and Assembly, will be due by April 1, 2024. From now until then, we will need your help in our advocacy with state legislators and legislative leaders if we hope to accomplish our budgetary goals. Thank you in advance for your continued participation in advocacy, and for all you are doing for the individuals in your care.

As always, please contact the policy team if you have any questions.

Diane Darbyshire, LCSW

Vice President of Advocacy and Public Policy
LeadingAge New York
13 British American Blvd., Ste. 2
Latham, NY 12110
P 518.867.8828
F 518.867.8384
www.leadingageny.org