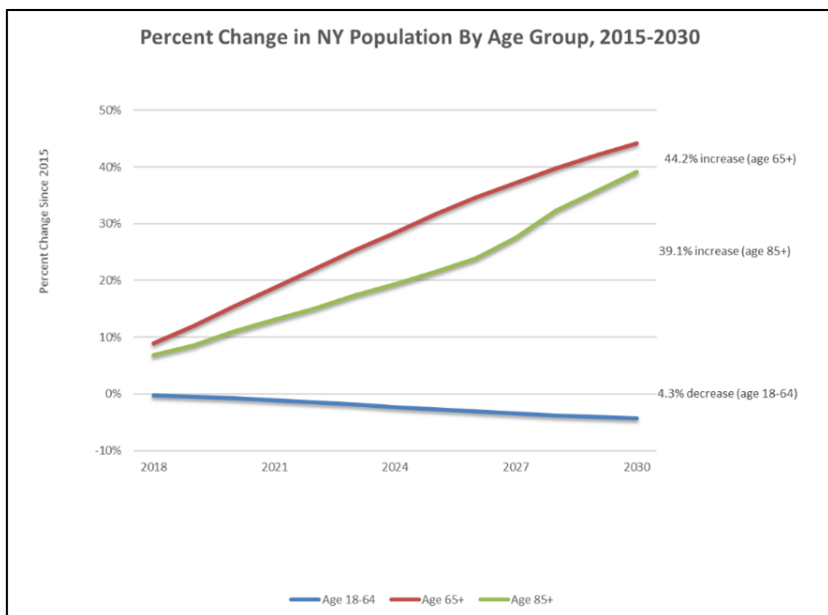


Be Ready for Demographic Change: Don't Slash Medicaid Funding for Services for Low-Income Seniors



Who will take care of our parents and grandparents? Who will take care of us?

•Demographic change has arrived in New York State. Between 2015 and 2040, the number of adults age 65 and over will increase by 50 percent, and the number of adults over 85 will double. *70% of those over 65 will need long-term care (LTC) at some point in their lives.*

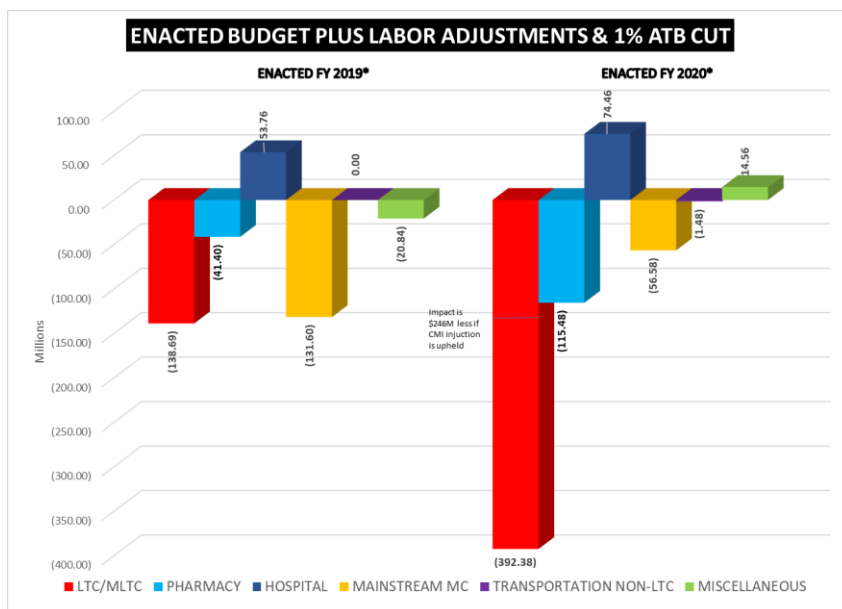
•At the same time, the population between ages 18 and 64 is shrinking. LTC providers are already struggling to fill needed direct care positions statewide. *New York needs to build its LTC delivery system, not cripple it with crushing cuts.*

A \$5 Billion cut in already inadequate Medicaid LTC rates will inevitably hurt consumers.

Long-term care Medicaid rates have been cut more than any other sector year after year, leading to negative margins and closures.

We urge the Legislature to reduce the proposed \$5 billion Medicaid cut and avoid further cuts in LTC rates.

No high-quality, well-managed provider or MLTC plan should be forced to close due to inadequate rates.



LeadingAge New York proposes a **Five-Point Plan as a critical first step to help slow spending growth and ensure the availability of services to New York's seniors.**

To ensure access to high-quality care for a growing number of older adults, New York must innovate and target funding in smarter ways to expand efficient models, use scarce staff more effectively, slow the growth in spending, build capacity, and secure resources for the future.

I. Dedicate \$50M in Workforce Development Funding to LTC Workforce Programs and Adopt Reforms that Enable Optimal Use of a Limited Workforce – #WIN4Seniors

Severe workforce shortages in LTC statewide are causing long waiting lists for community-based services, delays in discharges and admissions to more costly levels of care, and reliance on overtime and staffing agencies at a higher cost to the system. To ensure sufficient caregivers as the Baby Boomers age, we must implement a proactive plan to build the long-term care workforce. **#WIN4Seniors** would dedicate \$50M of the workforce development funds to LTC workforce and proposes no-cost reforms, including the allocation of \$8M in unspent civil money penalties funds, authority for medication technicians, and permitting nurses to practice nursing in adult care facilities (ACFs).

II. Support the Delivery of Services in the Most Appropriate Levels of Care, Including Lower Intensity Settings that Enable Older Adults to Live Longer and Healthier in the Community

Affordable senior housing developments and adult care facilities (ACFs) provide lower-cost solutions to some of the most pressing challenges in caring for seniors. These settings can delay or prevent the need for more costly nursing home care, thereby reducing Medicaid spending. New York should Invest \$10 million over 5 years to create an Affordable Independent Senior Housing Assistance Program that would generate an annual **net Medicaid savings of \$1.5 million**. Additional Statewide Health Care Facility Capital Transformation funding should be allocated to the development of ACF and Assisted Living Program (ALP) units, while updating ACF and ALP rates to avert further closures and transfers of residents to nursing homes. The State **saves \$1M** on every 44 residents served in an ACF instead of a nursing home.

III. Improve Efficiencies and Encourage the Use of the Most Appropriate Levels of Care Through Investment in Infrastructure, Specialized Services, and Technology

LTC providers, whether home-based or nursing homes, generate health care savings by serving consumers in lower intensity settings and reducing hospital use. Nursing homes and home care agencies are increasingly serving individuals with complex needs who would otherwise be hospitalized. They need infrastructure funding for physical plant upgrades, service restructuring, new services to address complex needs, health information technology, and telehealth technology. Yet, they have been awarded only a minuscule portion of the Capital Transformation Grants and DSRIP funds. Additional Capital Transformation Grant funds and additional sources of operating support should be dedicated to LTC providers to enable the delivery of optimal care in a cost-effective manner.

IV. Implement Regulatory Reforms and Eliminate Unnecessary and Costly Mandates, Fees, and New Penalties

LTC providers are subject to extensive federal and State (and sometimes local) laws and regulations. While well-intentioned, these regulations are sometimes duplicative but not identical, sometimes inconsistent, and sometimes unnecessary. They add to administrative and operational costs at a time when resources are already stretched. LeadingAge New York has advanced a package of regulatory reforms to the Executive Branch that would ease the administrative burden on long-term care providers. In addition, the proposed CON surcharge should be rejected.

V. Support Provider-Sponsored Managed Care Programs That Integrate Medicare and Medicaid

LeadingAge New York's members have been active participants in integrated managed care models that incorporate Medicare services with Medicaid long-term care services, including FIDA, Medicaid Advantage Plus, and Programs of All-Inclusive Care for the Elderly (PACE). These programs present promising strategies to deliver financially- and clinically-integrated and person-centered care for beneficiaries with complex medical conditions and/or functional limitations. Programs led by LTC providers have specialized expertise in managing care for older adults and breaking down the siloes between Medicare and Medicaid. Efforts to expand these programs should support the role of LTC provider-led programs and ensure adequate, acuity-based rates for plans.

