LeadingAge New York

ISSUE BRIEF

SENIOR HOUSING | ASSISTED LIVING | ADULT CARE FACILITIES | HOME CARE | RETIREMENT COMMUNITIES
ADULT DAY HEALTH CARE | PACE/MLTC | NURSING HOMES

Crisis in Care: Inadequate Long-Term Care Rates and Persistent Staffing Shortages Force Closures and Create Hospital Bottlenecks

Did you know…

New York's long-term care system is at a breaking point. As the state's older adult population grows, capacity is shrinking across the long-term care continuum—especially among not-for-profit providers. Chronic underfunding and severe staffing shortages are driving closures, sales, and limits on admissions, creating dangerous bottlenecks in hospitals and threatening access to care for all New Yorkers. Long-term care and aging services providers support vulnerable New Yorkers with complex needs -- they help older adults to remain safely in their homes, provide a home to those who need 24/7 residential care, and provide a community for those who would otherwise be alone.

The Long-Term Care Closure and Access Crisis:

- Since 2024, **10 nursing homes have closed statewide**, eliminating **1100 nursing home beds** – another home will close in the coming weeks. 72,000 nursing home beds are in financial distress due to persistent Medicaid funding gaps, frozen case-mix rates, and reduced capital reimbursement.
- Since 2010, **114 Adult Care Facilities (ACFs) have closed (**according to 2025 DOH data), **13 in 2025 alone,** eliminating **5,168 beds.** In the past two years, **9** facilities that operated Medicaid Assisted Living Program (ALP) beds have closed, an alarming new trend.
- Access to Adult Day Health Care (ADHC) is also shrinking **– only 23 counties have an open ADHC program**; the Bronx, with approximately 200,000 residents over age 65, has just two operating programs, with three still closed post-pandemic.
- Since 2019, **approximately 18 Certified Home Health Agencies (CHHAs) have closed**.

Inadequate access to long-term and post-acute care options causes delays in hospital discharges which, in turn, lead to long ER wait times. Given the growing number of older adults that will need services, this is an alarming trajectory.

The Executive Budget acknowledges this demographic trend and takes welcome steps to address chronic under-funding and cuts to Medicaid reimbursement of nursing homes. We appreciate the proposed investment of $1.5 billion for nursing homes and hospitals. However, more action is needed to stabilize the long-term care continuum and preserve access to quality care now and in the years to come. Older adults and their families can't wait – immediate action is needed. Protect access to long-term care by advancing the following budget actions:

RECOMMENDATIONS FOR SFY 2026-27 BUDGET

Nursing Homes:

- Ensure the final budget includes the Executive's $1.5B for nursing homes and hospitals; and
  - Allocate one-half of the $1.5B -- $750M in new funds -- to nursing homes, in addition to the $385M allocated to nursing homes in last year's budget;
  - Distribute the funding equitably to mitigate regional disparities;
  - Ensure that previously enacted funding continues and is distributed without delay; and
  - Promote financial stability of the healthcare system by making this funding permanent and not subject to the uncertainties of annual funding availability.
- Accept the Governor's restoration of the 10% capital cut and restore the remaining 5 percent.
- Accept the Governor's proposal to authorize medication aides in nursing homes.

Adult Care Facilities and Assisted Living:

- Increase the ALP Medicaid rate by at least 10% and update the base year upon which the rate is calculated *(A.1406(Paulin)/S.3329 (Cooney)*.
- Double the funding for the SNALR Voucher program to $15M.
- Reinstate and restore full funding for EQUAL at $6.5M for ACFs that serve low-income residents.
- Reinstate and restore funding for the Enriched Housing Subsidy program at $380,000 for ACFs that serve low-income residents.

Managed Long Term Care and PACE:

- Restore the MLTC Quality Pool for Partial Cap and MAP Plans.
- Raise PACE Rates to Reflect 100% of the "AWOP".
- Preserve Partial Cap MLTC and the Access It Has Created -- Reject *A.2018-A (Paulin)/S.2332-A (Rivera)*.

Home and Community-Based Services:

- Ensure adequate funding for CHHAs and Hospice agencies as supported by the Senate.
- Invest in Adult Day Health Care programs and fully restore the nursing home capital rate cut.
- Ensure that the Hospital at Home program requires home care collaborations and does not divert funds from long-term/post-acute care services.
- Restore the FFS personal care administrative reimbursement rate cut at $7.5M

Affordable Senior Housing Resident Assistants:

- Accept Senate's proposal to invest $10 million over five years – just $2 million in SFY27 – to support Resident Assistant positions in subsidized and income-restricted independent rental housing for low-income older adults to assist them in navigating health and social supports and facilitate social and wellness activities.
- Accept Senate's proposal to commit $40M in capital to developing and preserving affordable housing properties designed to meet the needs of older adults.

Workforce:

- Invest in the LTC workforce by funding training and financial incentives for direct care staff, aide training programs, and nurse residency programs and nursing school collaborations in LTC settings.
- Prioritize long term care and post-acute care settings and services in workforce development initiatives.

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