

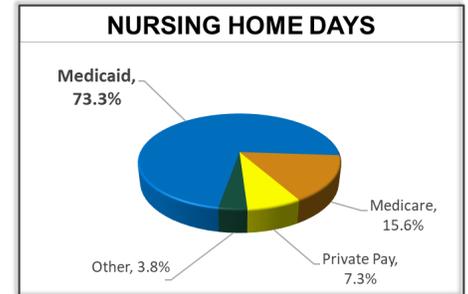
## 2023-24 BUDGET MUST PROVIDE A 20% INCREASE IN NURSING HOME MEDICAID RATES

The Executive Budget's 5% increase in nursing home rates is not adequate – a 20% increase is needed to maintain the viability of nursing homes, enable them to recruit and retain staff, and deliver high-quality care to residents.

### NY HAS SHORTCHANGED ITS MOST VULNERABLE RESIDENTS

Medicaid rates for nursing home care in NY are based on **2007 costs (discounted by 9%)** and have not been updated or increased for inflation in over 15 years. Since nursing home Medicaid rates were last adjusted for inflation, **the costs of delivering care have risen by more than 40%**.

Medicaid pays for 75% of NY's nursing home days. Medicaid is responsible for access to high-quality care for the state's nursing home residents. Inadequate Medicaid rates make it impossible for homes to recruit and retain staff.



A recent [issue brief](#) from the federal Medicaid and CHIP Payment and Access Commission concluded that the shortfall between NY's 2019 nursing home Medicaid rate and 2019 costs was **among the worst in the nation**. This gap has only widened as a result of COVID-related expenses and rising staffing costs.

The five states that competed with NY for the largest shortfall have all increased rates materially since 2019: [Nebraska](#) (15% increase); [South Dakota](#) (20.3% one-year increase with 6% continuing); [Florida](#) (7.8% increase); [New Jersey](#) (10% increase); and [Wisconsin](#) (12% increase and a commitment to increase rates to [cover 91% of costs starting in 2023](#), up from 77% in 2022). Although not in the bottom five of the analysis, [Pennsylvania](#) increased nursing home Medicaid rates by 17.5% in 2022.

### NY HAS FAILED TO DISTRIBUTE FUNDS APPROPRIATED TO SUPPORT NURSING HOME STAFFING

NY has not distributed **any** of the nursing home staffing funds appropriated by the Legislature: \$187M (all funds, appropriated for each of 2022-23 and 2023-24) or \$128M (all funds appropriated for 2021-22 and reappropriated in 2022-23). Instead, it seeks to eliminate this funding going forward, reducing the net impact of the proposed 5% rate increase.

### NY'S NEGLIGENCE HAS CREATED HEALTH CARE ACCESS BARRIERS FOR ALL NEW YORKERS

- More than 10,000 nurses and aides are needed in order for nursing homes to comply with staff hour mandates.
- As a result of staffing shortages, there are 6,700 fewer nursing home beds open today than there were in 2019.
- Hospitals cannot discharge patients who need post-acute care because of insufficient nursing home capacity.

## A 5% INCREASE TO RATES IS **NOT ENOUGH** TO IMPROVE ACCESS FOR OLDER ADULTS SEEKING QUALITY CARE OR REDUCE BACKUPS IN HOSPITALS



**SUPPORT MEDICATION AIDES IN THE NURSING HOME – A NO-COST STRATEGY TO COMBAT STAFFING CRISIS:**

The Executive Budget would authorize specially trained certified nurse aides (CNAs) to work as medication aides in nursing homes, administering routine medications to residents under the supervision of a registered nurse. This proposal would provide a career ladder for CNAs, while enabling nurses to focus on higher-level tasks. Approximately 25 states already authorize medication aides to perform these tasks in nursing homes. In NY, the Office for People with Developmental Disabilities allows unlicensed direct care staff to administer medications.

**EARMARK PERCENTAGE OF CAPITAL TRANSFORMATION GRANTS FOR LTC:** Capital investment in long-term care (LTC) is needed and overdue. However, LTC has been underrepresented in awards under prior Transformation rounds, and Rounds III and IV have yet to be disbursed. Deadlines must be imposed for awards of grants, and a percentage of Round V should be dedicated by statute as follows:

- Technology/Telehealth capital pool: a minimum of **25%** for LTC, including nursing homes, adult day health care programs (ADHCs), adult care facilities (ACFs), home care, hospice, and Programs of All-Inclusive Care for the Elderly (PACE programs);
- Other capital pool: a minimum of **30%** for nursing homes, ADHCs, ACFs, PACE programs, home care, and hospice.

**ELIMINATE BARRIERS TO CAPITAL IMPROVEMENTS IMPOSED BY DIRECT CARE SPENDING REQUIREMENTS:**

As currently structured, nursing home minimum spending requirements penalize facilities that make capital investments. Yet these are exactly the types of investments that are needed to address infection prevention and improve quality of life for residents. While last year’s enacted budget excluded capital reimbursement under limited circumstances, most capital reimbursement for most facilities will continue to be included in the minimum spending calculation. These provisions must be amended to exclude capital reimbursement to encourage, rather than thwart, innovation and badly needed capital improvements.

**INCLUDE ADDITIONAL DIRECT CARE STAFF IN MINIMUM STAFFING REQUIREMENTS:** Current State minimum staffing requirements are based solely on nurses and aides, thereby excluding other hands-on staff who are part of the multi-faceted teams that serve the overall care needs of nursing home residents on a daily basis. Failing to recognize the time provided by these caregivers, or requiring that it be replaced by aide hours, does little to improve the quality of life for residents. The staffing requirements should be amended to include staff time of:

- Aide trainees and temporary nurse aides (which the legislation includes only in 2022)
- Nurse practitioners
- Feeding assistants
- Rehabilitation therapy staff
- Activities and recreation therapy staff
- Directors of nursing and nurse managers (to align with the Centers for Medicare and Medicaid Services (CMS) staffing quality measures)

**SUPPORT STAFFING AGENCY REGISTRATION, STANDARDS, AND TRANSPARENCY:** The Governor’s Budget includes registration, reporting, and operating standards for temporary health care services agencies. These agencies are playing a growing role in health care delivery, are receiving an increasing share of health care reimbursement, and are virtually unregulated. The enforcement of registration requirements, operating standards, and data reporting will help to ensure the quality and reliability of services provided and the sound stewardship of health care dollars.