

Assisted Living and ACF Services Need More Support to Recover and Bolster Workforce

Assisted Living (AL) and Adult Care Facilities (ACFs) offer support and assistance in a home-like setting for approximately 54,000 New Yorkers statewide. The average resident is 85 years of age, requires assistance with at least three activities of daily living, and has multiple co-morbidities. Over the past three years, ACF/AL providers have faced extraordinary challenges, including the strain of COVID, workforce shortages, rapidly increasing costs, and growing administrative requirements. The Executive Budget includes some positive steps with a modest Medicaid rate increase and workforce initiatives, but after years of increasing mandates and no investments, it is insufficient. Given the growing aging population and the consumer preference for this model, the State must do more to ensure access to needed services.

Increase the ALP Medicaid Rate by 20 Percent, and Update the Base Year to Address the Longstanding

Underinvestment and Rapidly Growing Costs: The Assisted Living Program (ALP) Medicaid rate has not had a standard trend factor increase since 2007, and in the middle of the pandemic, when other states *increased* provider Medicaid rates, the rate was cut by 1.5 percent. The restoration of that cut and the 1 percent rate increase last year was appreciated but has done nothing to address 15 years of increased costs, COVID-related costs, workforce shortages, and skyrocketing inflation. The ALP is the only Medicaid AL option in New York. It serves seniors who are at a nursing home level of care but do not need ongoing skilled services, at approximately half of the nursing home Medicaid rate. The State can benefit from the Enhanced Federal Medical Assistance Percentage (eFMAP) to support the cost of such an increase. Moving forward, we must update the base year for the ALP Medicaid rate to ensure it reflects current costs.

Modify the Assisted Living Residence Quality Reporting Initiative to Require Provider Association Input and More

Time to Ensure Meaningful Information for the Consumer: The Executive Budget Proposal includes an ambitious proposal to develop quality measures for Assisted Living Residences (ALRs), Enhanced Assisted Living Residences (EALRs), and Special Needs Assisted Living Residences (SNALRs) and begin reporting by January 2024. The proposal would also require public posting of information including the monthly service rates, fees, and staffing information. With significant variation in the services offered, acuity of residents, and subsequent staffing of the different models, this is a complex task. The State must dedicate adequate time and commit to work with provider representatives such as LeadingAge NY on the development of quality measures and parameters for public reporting. Providers will then need time to develop data collection methods before reporting begins. Careful thought is necessary to ensure meaningful information is available to the consumer, reported in a way that enables comparison.

Consolidate EQUAL Funding: The Enhancing the Quality of Adult Living (EQUAL) program supports quality of life initiatives for low-income residents of ACFs. Changes to the program in 2020 to split it into two separate components (capital and aid to localities) have made it difficult to utilize the funds in the most impactful ways. We recommend consolidating the funding as it was prior to 2020 and ensuring it is distributed through an objective methodology so funds can be directed as the program intended and used.

Modify Respite Care in ACFs Proposal: We support the Executive’s initiative to appropriate \$7.2M to relieve high-need family caregivers through respite care in ACFs; however, we recommend a modification in the language of this proposal to allow for flexibility in allocating 120 days of respite per person. Allowing variation in usage for shorter stays would enable the State to extend the benefit to more than 300 individuals.

Earmark Percentage of Capital Transformation Grants for Long-Term Care: 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 percent** for LTC, including nursing homes, Adult Day Health Care programs (ADHCs), ACFs, home care, hospice, and Programs of All-Inclusive Care for the Elderly (PACE programs);
- Other capital pool: a minimum of **30 percent** for LTC, including nursing homes, ADHCs, ACFs, home care, hospice, and PACE programs.

Increase the State Portion of the Supplemental Security Income (SSI) Rate for ACF Residents by at Least \$20 Per Day, and Build in an Annual Cost of Living Adjustment Thereafter: SSI, together with the State Supplement Program (SSP), pays ACFs \$44.94 per day, which is entirely inadequate for ACFs to provide residents with regulatorily required services including housing, meals, personal care, case management, and more. Approximately 12,000 ACF residents rely on SSI statewide. There has not been an increase to the SSP since 2007. LeadingAge NY’s analysis of 2017 pre-pandemic ACF Financial Report data demonstrated that it costs ACFs *twice* the daily reimbursement per resident to provide their services – and the gap between costs and reimbursement has grown significantly since then. Since 2017, there have been *48 ACFs that have closed* voluntarily, and others are in the process. If SSI/Medicaid-eligible seniors cannot access ACFs in their communities, they will go to nursing homes at a significantly higher cost to the State.

Ensure Workforce Development Initiatives Prioritize LTC and Aging Services: The Executive Budget provides investments and policy proposals to address workforce shortages. We urge the Legislature to ensure ACFs and other LTC providers are prioritized in every applicable initiative. The workforce shortages are most pronounced in LTC, given the inability to compete with primary and acute care settings that can pay higher wages. With a growing older population, we must ensure we can care for New York’s older adults.

Allow Nurses to Provide Nursing in ACFs: Nurses work in ACF/AL settings across the state, but most are not permitted to provide nursing services directly given restrictions on the duties nurses can perform in these settings. The EALR is the only ACF/AL setting that permits these professionals to provide nursing services. During this time of workforce shortages, nurses working in ACFs should be able to provide periodic services that would result in better health outcomes and save Medicaid dollars. This can be done at no cost to the State.

Urge the Department of Health (DOH) and the Governor to Reduce Daily Health Emergency Response Data System (HERDS) Reporting and Eliminate Other Administrative Burdens: ACFs have been required by DOH to conduct a daily HERDS survey since March 2020. Only during the past year did DOH stop requiring it on holidays and weekends. This and other administrative burdens take away from the provision of care and contribute to worker burnout. The necessary data can be collected in a more streamlined manner.