

## Support High Quality Nursing Home Care for Vulnerable New Yorkers

- Capital Rate Cut:** This Executive Budget proposal would arbitrarily cut nursing home and hospital annual capital funding by one percent. The Department of Health (DOH) would convene a workgroup to recommend ways to “streamline” Medicaid capital reimbursement to produce savings. DOH would be authorized to implement a \$13.4 million annual cut, even if the workgroup does not come up with recommendations. The provision would take effect April 1, 2018, and result in an estimated \$7.6 million cut to nursing home funding. ***Our request: Reject this proposal. Facilities and lenders rely on adequate capital reimbursement to ensure repayment of existing debt and for underwriting new loans.***
- Case-Mix Rationalization:** This administrative proposal would reduce Medicaid patient acuity adjustments by \$15 million annually. DOH and providers would revisit the current case-mix data collection and calculation process to promote accurate reporting and reduce audit findings. In advancing the proposal, DOH expressed concern about continuing acuity growth as well as an increase in case-mix audit findings. This provision would be effective April 1, 2018, and reduce Medicaid reimbursement by \$15 million annually. ***Our request: Reject this proposal. Facilities that serve residents with greater needs require more, not less, funding to support the added costs.***
- Low Quality Score Penalty:** This budget proposal would cut Medicaid reimbursement by two percent for homes with DOH quality scores in the lowest quintile in the most recent year and bottom two quintiles in the prior year. This would affect nearly 100 homes, but DOH could waive the cut in cases of financial distress. The provision would take effect April 1, 2018, and cut Medicaid reimbursement to impacted homes by \$20 million annually. ***Our request: Reject this proposal, which will only make improvement more difficult for homes whose scores are related to financial distress.***
- One Percent Rate Supplement:** This administrative proposal would stretch out payment over the next four fiscal years of retroactive Medicaid rate supplements already owed to nursing homes. The rate supplement would make nursing homes whole for an unreimbursed 0.8 percent tax they paid during the period 2014-17, which was implemented in lieu of a two percent across-the-board cut imposed on most Medicaid providers. For other provider types, that two percent cut was eliminated April 1, 2014, but nursing homes have continued to pay the tax. If this proposal is adopted and approved by the Centers for Medicare and Medicaid Services (CMS), the state would pay one year of the the retroactive funding increase in each of the next four years. ***Our request: Support but modify this proposal to include an agreement that DOH develop regulations and pursue CMS approval in a timely way.***
- Fee-For-Service Medicaid for Long-Stay Nursing Home Residents:** This Executive Budget proposal would exclude nursing home residents from Managed Long Term Care (MLTC) plan enrollment after six months of nursing home care, returning these residents to fee-for-service Medicaid. The provision would be effective April 1, 2018 and is expected to save \$147 million (all funds) in the 2018-19 SFY and \$245 million in SFY 2019-20. ***Our request: Support but modify this proposal to exclude long-stay residents from MLTC. Administering the nursing home benefit through MLTC has been a challenge for DOH, plans and providers, and has increased costs with little to no benefit for permanent residents.***
- Reject Nurse Staffing Ratios:** A.1532 (Gunther)/S.3330 (Hannon) would create specific staffing ratios for nurses and other direct-care staff in nursing homes and hospitals. Academic research has not supported that specific staffing levels produce higher quality of care or quality of life. In fact, the only outcome of this legislation will be higher Medicaid costs and less quality of life programming for nursing home residents. The staffing standards proposed in this legislation would conservatively cost \$1 billion annually to implement in nursing homes. ***Our request: Reject staffing ratios legislation.***