

November 10, 2021

The Honorable Kathy Hochul
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Dear Governor Hochul:

I am writing to you on behalf of LeadingAge New York and our not-for-profit, mission-driven members to urge you to provide an immediate Medicaid rate increase to New York's nursing homes to enable them to staff their facilities appropriately and deliver high-quality care to their residents. Older adults, people with disabilities, and the long-term care providers that serve them are counting on your administration to take bold action to support a long-term care system battered by the pandemic and by years of under-funding. Furthermore, an *immediate* Medicaid rate increase would allow the State to leverage Covid-related enhanced Federal Medical Assistance Percentage dollars for the benefit of vulnerable New Yorkers.

As the primary payer for nursing home care in New York, with 72 percent of nursing home resident days covered by Medicaid, the State bears significant responsibility for ensuring access to high-quality skilled nursing facility services. For too long, policymakers in New York have focused on how to cut spending on long-term care and not on how to build a high-performing long-term care system. Even in 2020, a year dominated by the pandemic when most states were pouring money into their long-term care systems, New York cut nursing home rates by \$168 million annually. While federal support has been helpful, it has covered less than half of the financial impact of the pandemic on nursing homes.

Years of inadequate State reimbursement (with no inflation adjustment to rates in 14 years) and the ballooning costs of COVID have led our long-term care system to a precipice. Providers are struggling to deliver care while grappling with the worst staffing shortages in memory. With existing Medicaid rates, nursing homes simply cannot offer competitive compensation to their personnel, who perform skilled, sensitive, and highly demanding jobs.

As a result of the prior administration's decisions, we now find ourselves in a place where high-quality long term care providers are forced to turn away new admissions, knowing that they cannot meet the needs of more residents without more staff. The crisis is creating a ripple effect in other health care sectors -- hospitals are unable to discharge patients who need home health care or skilled nursing facility care, and hospital beds are not available for patients who need acute care.

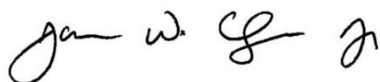
Unfortunately, the failed policies of the previous administration are also leading to an accelerating rate of non-profit and public nursing home closures and sales. Since 2020, we've seen at least 4 closures among our members alone, and 9 non-profit and public facilities have been, or are in the process of being, sold or leased to for-profit operators. While the position of nursing home providers is particularly dire, these significant financial and workforce challenges are shared by many assisted living and home care providers across the

State. The issues facing assisted living and home care will need to be addressed in the 2022-2023 Budget in order to ensure the financial viability of the long-term care continuum.

Weakened by years of underfunding, our members are bearing the exorbitant costs fighting COVID with no financial relief from the State. Many of our non-profit and public nursing homes are at a breaking point. Nursing homes and the residents in their care cannot wait until April 1 for financial support. We urge you to make the care of older adults and people with disabilities a top priority by directing an immediate emergency Medicaid rate increase to New York's nursing homes.

We are available to meet you or your staff at any time to discuss options. Thank you for your attention to these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. Clyne, Jr.", with a stylized flourish at the end.

James W. Clyne, Jr.
President and CEO
LeadingAge New York

Cc: Howard Zucker, Commissioner, Dept. of Health
Robert Mujica, Director, Division of Budget
Karen Persichilli Keogh, Secretary to the Governor
Elizabeth Fine, Counsel to the Governor
Brett Friedman, Medicaid Director
Angela Profeta, Deputy Secretary for Health
Kristin Proud, Acting Executive Deputy Commissioner, Dept. of Health