LeadingAge New York

HOME AND COMMUNITY-BASED SERVICES

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

Be Ready for Demographic Change: Don't Slash Medicaid Funding for Services for Low-Income Seniors

A $5 Billion Cut in Already Inadequate Medicaid LTC Rates will Inevitably Hurt Consumers

The Executive Budget's proposal to reduce Medicaid spending by $5 billion through unspecified cuts in provider and managed care rates appears poised to target home and community-based services. Cuts of this magnitude would devastate both providers of care and consumers. Medicaid pays for approximately 87% of the home care provided in New York State. Unlike hospitals and physicians, home and community-based service providers would have little, if any, ability to shift costs to other payers, if they were forced to once again bear deep Medicaid cuts.

New York's population of older adults is rising steeply, while the working age population is shrinking.
Staffing shortages are already resulting in unfilled hours of authorized home care and waiting lists throughout the state. Agencies must turn away cases due to a lack of available registered nurses to assess and admit patients and supervise aides. Home care agencies have difficulty both with recruitment and retention. Turnover rates statewide average around 25 percent, but can be as high as 80 percent for RNs, and average 29 percent for home health aides. The time and expense of repeatedly recruiting and training staff is significant in relation to overall budgets.

Build the long-term care delivery system; don't cripple it with crushing cuts.
In the context of demographic change, New York needs to build the long-term care (LTC) delivery system and its workforce, not deplete it. For the past two years, LTC providers have borne greater Medicaid cuts than any other sector and have not received an equitable share of state investments through DSRIP or the Statewide Healthcare Facility Transformation Grants. Further, it has been 12 years since home care providers have received a COLA or trend factor adjustment. As a result, the finances of home care and hospice providers are already precarious. **Nearly 80% of CHHAs, 65% of LHCSAs and 50% of hospices operate with negative margins.** They cannot absorb additional cuts.

Home and community-based care reduces hospitalizations and nursing home use.
We ask the State to address the challenges of demographic change, while delivering on its commitment to creating an "Age-Friendly State." This entails investing in workforce and models of care that enable older adults to remain in their homes and their communities for as long as possible, using home and community-based services to address social determinants of health, preventing avoidable hospital use, and delaying or avoiding higher-cost nursing home services. LeadingAge New York's proposed Five-Point Plan (attached) is a critical first step in slowing spending growth and ensuring the availability of services to New York's seniors.

In addition, the State Budget should sustain high-quality home care services with the following actions:

Workforce: To ensure sufficient caregivers as the Baby Boomers age, we must implement a proactive plan to build the LTC workforce. ***Our Request: Implement #WIN4Seniors (attached); dedicate $50 million of the workforce development funds appropriated in the Executive Budget to LTC workforce along with an array of no-cost regulatory and statutory***

reforms to maximize access to certificate training programs, enable aides to obtain and maintain multiple certificates, eliminate duplicative and unnecessary requirements, and allow direct care staff to practice at the top of their scope.

Medicaid Reimbursement for Home Care: Medicaid cuts, whether imposed directly or through MLTC, will further destabilize home care agencies and compromise access to necessary care. The Medicaid program should provide adequate funding to cover the cost of high-quality accessible services. ***Our request: With so many home care and hospice providers exhibiting negative margins, the Legislature should reject additional cuts to home care and should encourage the MRT to examine the adequacy of reimbursement rates and to identify ways to improve efficiencies and reduce spending without cutting rates.***

Consumer Directed Personal Assistance Program: The Executive Budget cites significant growth in the Consumer Directed Personal Assistance (CDPAP) as a source of excess Medicaid spending. CDPAP is a valuable resource for self-directing individuals and in areas of the state experiencing rapid growth in the population of older adults along with a dwindling workforce. It is important to recognize that particularly in some upstate communities the CDPAP program may be the only avenue to expand access to home care services. ***Our request: Ensure that any changes in this program recognize regional variation and workforce challenges.***

Expanded In-Home Services for the Elderly Program (EISEP) - LeadingAge New York fully supports the Executive's second year of a $65 million investment in EISEP, which funds non-medical, in-home services; case management; non-institutional respite care; and ancillary services for functionally impaired older adults. EISEP services help to delay the spend-down to Medicaid eligibility and prevent or delay nursing home placement. These services are critical to the aging in place of New Yorkers. ***Our request: Support EISEP funding at proposed levels.***

NORCs/NNORCs: Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs (NNORCs) are multi-age housing developments or neighborhoods not originally built for seniors but now home to a significant number of older persons. This program helps older residents to age in place, by offering preventive health and wellness activities, identifying health risks, and improving the NORC community's health status. Historically, home care agencies offered pro bono nursing services to help serve NORC residents. As home care agencies' financial challenges have grown, they have withdrawn from these services. ***Our request: Add $1M to the N/NORC program to support continued nursing services.***

Electronic Visit Verification: The 21st Century Cures Act requires New York to implement an EVV system to track delivery of Medicaid funded care of personal care aides by 2021, and home health aides by 2023. We support adequate funding of EVV for providers, as they will be required to implement, train, and operationalize this requirement. We have not identified funding for EVV in the budget. ***Our request: Provide agencies with funding to implement EVV.***

Transformation Grants: The Executive Budget would reauthorize $225 million for the Statewide Health Care Facility Transformation Program Phase III for capital projects, debt retirement, technology, including telehealth, and other transformational projects. LTC providers have received only a fraction of the funding in prior phases, and the State has not yet solicited applications for Phase III. ***Our request: Dedicate additional Capital Transformation funds to LTC and set deadlines for the State to issue a request for applications and award the Phase III funds.***

Hospice for Assisted Living Program (ALP) Residents: Department of Health (DOH) interpretations of regulations prevent terminally-ill, Medicaid-eligible ALP residents from accessing hospice services. As a result, many are forced to transfer to a nursing home in their last weeks of life, creating distress for residents and families and driving higher costs. If DOH authorized access hospice services in the ALP, the state could achieve approximately $1.3 million in Medicaid savings. ***Our request: Direct DOH to authorize access to hospice for Medicaid beneficiaries in ALPs.***

Affordable Independent Senior Housing Assistance Program: Investing in affordable housing with support services will enable low-income seniors to age-in-place and delay or prevent the need for more costly nursing home care. Robust controlled studies have shown that affordable senior housing with services reduces Medicare and Medicaid spending. ***Our request: Add $10M over 5 years for this program, which*** **would generate a net annual Medicaid savings (after accounting for the investment) of $1.5 million.**