

Ensure All Seniors Have Access to ACF and Assisted Living Services

Assisted Living (AL) and Adult Care Facilities (ACFs) serve individuals who cannot or do not want to remain at home and do not need continuous nursing care as would be provided in a nursing home. These facilities offer assistance in a “home-like” setting, emphasizing the resident’s autonomy and independence, and are less expensive than most alternatives.

Unfortunately, the cost of providing these services continually rises, and the State has failed to make needed investments to maintain this popular and economical option. As a result, ACF/AL options for seniors who can pay privately are becoming more expensive, options for middle-income seniors are scarce, and low-income seniors are struggling to find ACF/AL services because those facilities that serve low-income seniors are in financial distress.

Below are recommendations to ensure access to ACF/AL for all seniors, regardless of income level:

Increase the Supplemental Security Income (SSI) Rate for ACF Residents

SSI pays just over \$41 per day for ACFs to provide residents with housing, meals, personal care, case management, assistance with medication administration, housekeeping, activities, and more. Analysis of 2015 data for facilities that predominantly serve the SSI population showed that, on average, it costs ACFs *twice* the daily reimbursement per resident to provide their services. The gap between costs and the SSI rate has grown even larger since 2015 as the minimum wage mandate is phased in and other new mandates and costs increase. In the past 25 years, there has been *one* increase, in 2007, to the State portion of the SSI rate. In the past two years, 19 ACFs have closed, and more ACFs are on the brink of closure if there is no financial relief soon. If SSI/Medicaid-eligible seniors cannot access ACFs in their communities, many of these individuals will be placed in nursing homes at a significantly higher cost to the State.

Our request: Increase the Level 3 SSI rate by at least \$20 per day per resident, and institute an annual cost of living adjustment to the State portion of the rate thereafter.

Reject Medicaid Cut to the Assisted Living Program (ALP) and Other Long Term Care Providers

Long term care and aging services have had to absorb a disproportionate share of cuts over the past few years. The assisted living program (ALP) is the only Medicaid assisted living option in New York, serving seniors who are at a nursing home level of care but don’t need the ongoing skilled services of a nursing home. The services are reimbursed at approximately half of the nursing home Medicaid rate. The ALP hasn’t seen a standard trend factor increase since 2007, while the costs of providing care go up each year. Additionally, changes to the Medicaid payment processes for durable medical equipment and supplies have resulted in the ALP having to absorb the cost for items that were not contemplated when the program was established. The ALP cannot sustain a Medicaid cut; rather, the ALP rate should be updated to a more recent base year to reflect more current costs.

Our request: The Legislature should reject the Medicaid cut for the ALP in the Governor’s 30-day amendments.

Ensure ACFs and ALPs Have Sufficient Access to Statewide Health Care Facility Transformation Program Funding

We appreciated that last year's budget included a set-aside for new ALPs in Phase III of the Statewide Health Care Facility Transformation Program. The Executive Budget seeks to move \$300 million from Phase III to award additional Phase II applicants, diminishing the remaining funding available to newly eligible ACFs and ALPs. These facilities are in desperate need of capital funds to update aging infrastructure, support aging in place and dementia care, and provide better integrated care. These investments, in tandem with funding for the development of new ALPs where need is identified, could save Medicaid dollars by preventing nursing home placement. In addition, providers need these funds as soon as possible and have been awaiting the Phase III application for nearly a year.

Our request: Modify the Executive proposal to require that a minimum of (rather than "up to") \$20 million of Phase III funds be awarded to the development of new ALPs in areas where need is identified as well as already licensed and operational ACFs and ALPs. Create a reasonable timeframe by which these much-needed awards will be made. This modification does not result in any new costs.

Invest in Workforce Recruitment and Retention

ACF/AL and other long-term/post-acute care providers are experiencing workforce shortages that have led to ongoing recruitment and retention issues for providers across the state. These shortages have resulted in lack of access to needed services, overreliance on higher levels of care due to lack of access to home care, use of overtime and staffing agencies, and higher costs that are not sufficiently reimbursed. ACF/AL providers have not had access to any recruitment and retention funding from the State.

Our request: The Legislature should appropriate \$50 million in funding to expand the long-term/post-acute care workforce and develop a comprehensive plan to meet the growing demand for services, to ensure seniors have access to services in the most integrated setting possible.

Allow Nurses to Perform Nursing Services in ACF and Assisted Living Settings

Many ACFs in the state currently employ nurses, but their residents are not able to fully benefit given restrictions on the duties the nurses can perform. Currently, these professionals are permitted to provide nursing services only to residents of Enhanced Assisted Living Residences (EALRs). This means that capable nurses working in non-EALR settings can't provide services to residents; instead, a third party must be brought in to serve the resident, often at cost to the resident. Ultimately, this limitation prevents nurses from providing services that would result in better health outcomes for the resident and support end of life care. The Legislature could enact a no-cost workforce solution to provide better, more efficient care in ACF/AL settings.

Our request: Include language from S.1788 (Rivera), which would allow ACFs to directly employ LPNs or RNs to provide nursing services, in the final budget.

Maintain Level Funding for EQUAL and the Enriched Housing Subsidy

The Executive Budget maintains level funding of \$6.5 million for a quality funding program for ACFs, the Enhancing the Quality of Adult Living (EQUAL) program. EQUAL supports quality of life initiatives for ACFs with SSI/Medicaid-eligible residents. The Executive Budget also level-funds the Enriched Housing Program (EHP) Subsidy at \$380,000. The subsidy supports not-for-profit EHPs that serve SSI/Medicaid-eligible residents. Both programs are critical, particularly given the chronic underfunding of ACFs that serve low-income seniors.

Our request: Accept the Governor's proposals to level-fund EQUAL and the Enriched Housing Subsidy.