

## Act Now to Curb Nursing Home Closures and Safeguard Access to Care

Nursing homes play a critical role in the state’s health care system, providing long-term and post-acute care for more than 300,000 vulnerable individuals annually. New Yorkers depend on quality nursing homes in their communities to provide short term rehabilitation after illness or injury, as well as long term care for those needing around-the-clock care. Unfortunately, closures are accelerating, forcing residents and families to travel further to access quality care and exacerbating hospital back-ups. This is because homes are staggering under the stresses of depleted resources, rising costs, inadequate Medicaid rates and unrelenting staffing shortages. **Now is the time to act to preserve access to care.**

### NURSING HOME CLOSURES CREATE BARRIERS TO HEALTHCARE FOR ALL NEW YORKERS

Despite waiting lists in most markets, the State has lost **10 nursing homes due to closures since 2024 –and another closure was announced this month.** Due to staffing shortages, quality homes are forced to limit their capacity – **7,200** certified nursing home beds are not staffed, meaning that they are unavailable even when there is demand for them. This is causing alarming **backups at hospitals** – hospital patients who need post-acute care cannot find a nursing home bed, and patients needing hospital care face **increased wait times.**

### NURSING HOMES ARE CLOSING DUE TO FINANCIAL PRESSURE

- Medicaid pays for **73 percent** of the nursing home days in New York State; it is the payer most responsible for the quality and accessibility of nursing home care.
- Despite modest increases since 2023, the gap between Medicaid rates and cost of care remains unaddressed. It is the result of 15 years of flat funding and rates based on **2007 costs.**
- The average nursing home **loses \$90 per Medicaid resident per day**, a figure that is even higher for non-profit homes, due to outdated rates. That means that New York State is asking nursing homes to provide a **\$1.6 billion subsidy to the State** by providing free care for one out of every four Medicaid residents.



Most concerning, it is the high quality, well-staffed homes that are being forced to close or sell. **Of the 47 homes recognized by the State as top performing homes based on State-selected quality measures, 15% have closed, been sold, or are in the sale process (all non-profits).** New Yorkers are not only losing access to nursing home care, they are losing access to quality nursing home care. Homes that staff better and pay higher wages are generally in more severe financial straits than others and tend to be not-for-profit and public organizations.

*We cannot abandon older adults who require 24/7 care, skilled nursing, continuous medical oversight, and/or extensive assistance with activities of daily living. Nursing home residents deserve access to the best possible quality of care and quality of life in close proximity to their loved ones. A meaningful investment is overdue—act now to preserve access to quality care.*

***We ask that you:***

**Ensure the final budget includes the Executive's \$1.5B for nursing homes and hospitals and that \$750M in new funding is allocated to nursing homes.** The Executive Budget proposes \$1.5B (all funds) in new funding to nursing homes and hospitals, \$1B of which would continue annually. We commend the Governor for recognizing the critical need for material investment to address years of underfunding in nursing homes. To curb ongoing nursing home closures and preserve access to quality care, we urge the legislature to allocate half of the new funding to nursing homes, and urge the state to distribute the allocated funding without delay to forestall further closures.

***Specifically, we urge the Legislature to:***

- ***Support the Governor's proposal and ensure that \$750M in new funding is allocated to nursing home care, in addition to the \$385M allocated to nursing homes in last year's budget;***
- ***Distribute the funding equitably to mitigate regional disparities;***
- ***Ensure that previously enacted funding continues and is distributed without delay; and***
- ***Promote financial stability of the healthcare system by making this funding permanent and not subject to the uncertainties of annual funding availability.***

A permanent, material rate increase is needed to stabilize the financial condition of nursing homes and to allow them to ensure quality, provide competitive wages and benefits, meet collective bargaining agreement obligations, and modernize care models to address the needs of our aging population. Inadequate and unpredictable funding makes this impossible and negatively impacts residents, their families and staff, and the health system as a whole.

**Accept the Governor's restoration of the 10% capital cut and restore the remaining 5 percent.** We support the Governor's proposal to redirect funding from the nursing home allocation of Vital Access Provider Assistance Program to restore the cut made to nursing home capital reimbursement in 2024. While distressed facility funding is critical, the complexity and delays inherent in the nursing home VAPAP program have limited its effectiveness. We urge the legislature to restore the remaining 5% capital cut. Medicaid reimburses the pre-approved capital expenses incurred by a nursing home, and most financing arrangements are dependent on Medicaid meeting its promise. Any reduction to capital reimbursement not only threatens access to needed capital funding for improvements to make facilities more homelike and strengthen infection control, but also puts providers in danger of defaulting on existing obligations. We urge the Legislature to support the 10% restoration and allocate the required \$16M to restore the remaining 5% cut, an investment that would especially benefit pediatric homes and that would far outweigh the modest cost.

**Authorize medication aides in nursing homes.** We support the Governor's proposal to authorize specially trained certified nurse aides (CNAs) to work in nursing homes as certified medication aides (CMAs) administering routine medications to residents under the supervision of a registered nurse (RN). This proposal, or *A.1272 (Clark)*, would enable nurses to focus on higher level tasks, while providing new career opportunities for CNAs and preserving quality and safety. Approximately 39 states already authorize medication aides in nursing homes. In New York, OPWDD already allows unlicensed direct care staff to administer medications. Unlike many workforce development proposals that require years to provide a measurable impact, this initiative could be implemented and begin to make a difference relatively quickly – without any cost to the State.

**Add titles to minimum staffing level provisions and allow nurses to satisfy aide hours.** The minimum nurse staffing law enacted in 2021 sets inflexible staffing requirements that the vast majority of homes (nearly 70 percent in Quarter 2 of 2025) have found impossible to meet. The requirements are based solely on nurses and aides and require specified minimum hours for each, regardless of resident needs. Denying the hours of care provided by other direct caregivers, or effectively requiring that RN or therapy time be replaced by aide hours, does not improve the quality of care for all residents. The law should be amended to take into consideration the hours worked by rehabilitation therapy staff, nurse practitioners, recreation and activities staff, aide trainees, and feeding assistants. We support *A.600 (Hevesi)*, which would recognize the care provided by therapy staff, and urge the Legislature to enact and expand upon this legislation.

**Contact for Questions:** Sarah Daly, [sdaly@leadingagency.org](mailto:sdaly@leadingagency.org)