

January 16, 2024

Dear LeadingAge NY Members:

This morning, Governor Kathy Hochul presented her State Fiscal Year (SFY) 2024-2025 Executive Budget Proposal and [Budget Briefing Book](#) titled Our New York, Our Future. During her Executive Budget announcement, Governor Hochul emphasized the importance of making New York safer, more affordable, and more livable. The address focused on housing, mental health, childcare and safety. Although the Governor's address and the briefing book recognized the growth in the State's population of older adults, the proposed budget does not appear to invest in services for older adults. Rather than investing in services, the briefing book cites growth in managed long term care enrollment and home care utilization as justifications for budget cuts.

The proposed \$232.7 billion(B) all-funds budget for SFY 2024-25 represents a \$1B (.5%) all-funds spending increase over the current fiscal year and an increase of \$5.9B (4.5%) in state operating fund spending. It includes \$96.4 B in total federal, state and local Medicaid spending, a figure that factors in over \$1B in Medicaid cost containment.

Because the Executive Budget bills were not yet released as of the deadline for this message at 4 pm today, there is limited information available for this summary. We will be closely analyzing the budget bills and documents as they become available and will provide a more detailed analysis in the next few weeks.

Below is a high-level summary of proposals impacting LeadingAge NY Members as we understand them so far. Please also take a moment to review the [Next Steps](#) section of this update, and consider joining us in Albany for our [2024 Advocacy Day](#) if you have not already registered. ***Your voice and involvement in budget advocacy this year will be absolutely critical!***

Medicaid Cost Savings

The budget briefing book notes that State-share Medicaid spending, including administrative costs, is projected to be \$8.6 billion (or 39 percent) higher in FY 2025 than in FY 2022. Noting Medicaid spending that is projected to exceed the global cap beginning in FY 2026, the Executive proposes a Medicaid cut across various provider types. The Briefing Book specifies a proposal to discontinue wage parity for personal assistants working in the Consumer Directed Personal Assistance Program to achieve \$200 million in state savings. Wage parity provisions are in effect in downstate areas and set minimum compensation requirements for home care aides.

The Executive proposes additional unspecified long term care Medicaid state-share savings that would be achieved by working with long term care stakeholders to identify recurring State share savings across long term care programs.

HCBS, Aging & Human Services

To address projected spending increases of 20% due to increasing Medicaid enrollment, the budget proposes to discontinue Wage Parity for CDPAP for a State share savings of \$200m in FY 2025.

In addition, the State will maximize the use of available resources while working with long term care stakeholders to identify at least \$200 million in recurring State share savings across New York’s many long-term care programs, while ensuring services are available for the most vulnerable populations.

The Executive Proposal also:

- Invests an additional annualized \$3.4 million to provide a 1.5 percent Cost-of-Living Adjustment for State Office for the Aging programs.
- Invests \$1.0 million to strengthen the State’s Enhanced Multidisciplinary Teams to better address cases of elder abuse and exploitation.
- Creates an interagency Elder Justice Coordinating Council tasked with developing strategies to defend elders from abuse.

Other Health Care Proposals Pertinent to LANY Members

- Includes \$7.5 billion in funding over the next three years through an amendment to New York’s Medicaid Section 1115 Waiver.
- Makes available capital support and provides regulatory flexibilities to help transform safety net hospitals to achieve sustainability.
- Invests \$42.2 million to increase reimbursement for services provided in DOH-licensed facilities and private practices treating mental health conditions.
- Invests \$10.4 million to increase reimbursement rates for healthcare providers serving individuals with physical, intellectual, or developmental disabilities.
- Streamlines the certificate of need (CON) process.
- Establishes a Paramedic Telemedicine Urgent Care program, to expand care in rural areas and reduce preventable emergency department visits.
- Allows general hospitals to provide care in a patient’s home and permits emergency medical technicians (EMTs) to provide non-emergent care in the community.

Workforce and Labor

Governor Hochul proposes the following investments and statutory changes to promote the creation and retention of an ample health care workforce in New York. Key initiatives include:

- Proposes to join the Interstate Physician Licensure Compact and the Nurse Licensure Compact, enabling physicians and nurses licensed in other states to practice in New York.
- Expands the scope of practice of dentists, dental hygienists, certified medication aides, physician assistants, and medical assistants—allowing more licensed and credential health care workers to provide critical care where patients need it most.
- Reimburses Child Care Providers for Quality Improvements. The State will create an increased differential payment rate for high-quality providers that are accredited by a nationally recognized child care organization and satisfy other standards. The proposed budget would also allow the State's COVID-19 Sick Leave Law to expire, in light of changes in recommended quarantine practices.

SOFA, OPWDD, OMH, and OASAS Providers and Clients:

- Provides a cost-of-living adjustment (COLA) to voluntary-operated providers of services for OPWDD, OMH, OASAS, Office of Children and Family Services (OCFS), Office of Temporary and Disability Assistance (OTDA), and the State Office for the Aging (SOFA). These programs will receive 1.5 percent increases,

- Proposes to invest an additional \$57 million in State funds to support minimum wage increases, including indexing minimum wage to inflation, for staff at programs licensed, certified, or otherwise authorized by OPWDD, OMH, and OASAS.
- Provides for \$6.7m to becoming an Employment First state as it pertains to people with disabilities, offering employment opportunities first before recommending alternative supports and services, through a multi-agency collaboration led by OPWDD.
- Allows greater flexibility for the performance of certain nursing tasks by unlicensed employees of providers certified by OPWDD in non-certified community-based settings, such as a person’s private home or apartment.

Housing

Prohibit Insurance Companies from Refusing to Cover Affordable Housing

Subsidized and income-restricted housing providers often face more difficulty securing reasonably priced property insurance than their market-rate counterparts. The Executive Budget will advance a proposal to prohibit insurance carriers from refusing to cover affordable housing.

Expand Access to Housing

The Executive Budget aims to expand the statewide housing supply by investing in the rehabilitation of identified State-controlled sites for development of up to 15,000 housing units and requiring local governments to achieve a “Pro-Housing” designation to qualify for certain discretionary funds. The Executive Budget would also provide NYC with tools to increase its housing supply by authorizing tax abatements for residential construction and conversion projects that include affordable units; legalization of existing basement units; and more dense residential development, where appropriate.

Adult Care Facilities and Assisted Living

As was noted in our State of the State Summary, the Briefing Book indicates that the Executive Budget will:

- establish quality reporting and accreditation requirements for assisted living residences, which will be published by DOH;
- and, make the Special Needs Assisted Living Residence (SNALR) voucher demonstration program permanent.

We do not have the full details of either proposal yet.

Protect New Yorkers from Extreme Weather

The Executive Budget will invest \$40M in the Resilient and Ready Fund to anticipate and respond to emergencies through rapid home repairs and permanent retrofits and will launch a \$130M Green Resiliency Grant program to fund green infrastructure projects in vulnerable communities. In addition, the Executive Budget proposes providing more than \$25M to improve local emergency preparedness, planning, and training and to deploy generators, pumps, and other ancillary equipment for counties to stockpile to support their residents in the case of an emergency.

Next Steps

The policy team will be thoroughly reviewing the budget bills over the coming days and will provide a comprehensive memo on the Executive Budget Proposal, covering all service lines, as soon as possible. In the meantime, we also will be writing and delivering written and oral testimony at the Joint-Legislative Health Budget Hearing on Jan. 23rd, and preparing 2024 Advocacy Day meeting materials. Written testimony for the housing hearing and others will also be submitted on behalf of LeadingAge NY.

The lack of LTC investment reflected in the Executive Budget Proposal thus far highlights the need for as many LeadingAge NY members as possible to join us for our in-person Advocacy Day Jan. 30th! If you have not already done so, we strongly encourage members to schedule meetings with your legislators in Albany on Jan. 30th! Please [CLICK HERE TO REGISTER](#) for LeadingAge NY's 2024 Advocacy Day to ensure you receive all relevant updates, meeting materials, preparation details and day-of support. Member registration is critical for us to understand how many members are engaged in budget advocacy overall, and to ensure the highest level of advocacy coordination and collaboration. Lastly, to help members prepare for budget advocacy, LeadingAge NY is hosting an **Advocacy Day Prep Call on Friday, Jan. 26th at 11 AM**. During this member-focused prep call, LeadingAge NY policy staff will review the Executive Budget Proposal's potential impact on members, related legislative handouts, and answer any questions members may have. Information for joining the Advocacy Day Prep Call will be sent directly to Advocacy Day Registrants.

The Final SFY 2024-25 Budget, as negotiated and agreed upon by the Executive, State Senate, and Assembly, will be due by April 1, 2024. From now until then, we will need your help in our advocacy with state legislators and legislative leaders if we hope to accomplish our budgetary goals. Thank you in advance for your continued participation in advocacy, and for all you are doing for the individuals in your care.

As always, please contact the policy team if you have any questions.

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