

**For Immediate Release:**

JANUARY 4, 2023

**NEW YORK’S HEALTH CARE SYSTEM ERODING DUE TO MASSIVE INCREASES IN NURSING HOME COSTS AND INADEQUATE MEDICAID REIMBURSEMENT**

***Governor Hochul Urged to Take Immediate Action in 2023-24 Executive Budget to***

***Counter the Mounting Crisis***

New York’s non-profit and public nursing homes are now in crisis and LeadingAge New York and its members are urging Governor Hochul to provide a 20 percent increase to the nursing home Medicaid rate in the 2023-24 Executive Budget Proposal.

It has been 15 years since New York’s nursing home Medicaid rates have been updated to reflect current operating costs. Since then, costs of operating have risen by 42 percent according to the Consumer Price Index for Urban Consumers (CPI-U), the benchmark which would have governed annual Medicaid inflation adjustments had they not been eliminated 15 years ago.

“A 20 percent increase to the nursing home Medicaid rate represents less than half of the actual increase in costs since the rates were last updated in 2007. While it will not make providers whole, a meaningful investment in the nursing home Medicaid rate is critical to ensuring that homes can raise wages, hire more staff, re-open beds, provide high-quality care and stabilize the larger health care delivery system”, says Jim Clyne, CEO of LeadingAge New York.

Many other states have already answered the call of the times. Pennsylvania’s 2022-23 State Budget provided a 17.5 percent Medicaid rate increase to nursing homes. The 2022 Illinois State Budget contained more than $700 million in Medicaid funding dedicated to the nursing home sector. These investments are expected to remain in place for the coming years, and other states, such as Wisconsin, Washington and Texas, continue to put forth investments aimed at addressing nursing home and workforce challenges. Meanwhile, New York watches from the sidelines with a status-quo Medicaid rate that is now 15 years old.

In an environment where nearly 75 percent of nursing home residents depend on Medicaid to pay for their care and the state has been in a declared health care workforce emergency for over a year, access to quality nursing home care is becoming more and more limited. “Already, we are restricting admissions and temporarily closing beds, because we just can’t compete for staff and provide good care with this chronic underfunding,” said Stuart B. Almer, President and CEO of the not-for-profit Gurwin Healthcare System, which operates two nursing homes totaling 580 beds on Long Island. “Closures of good, mission-driven facilities are already happening; there will surely be more without some immediate relief.”

“Those seeking care in New York’s skilled nursing facilities are frail, medically complex and in need of skilled, round-the-clock care,” said Almer. “Paying providers a Medicaid rate that approaches the cost of providing that care in 2023 is critical to enabling higher wages for deserving nurses, aides and other staff and ensuring that non-profits can stay financially viable. Without it, our most vulnerable New Yorkers will pay the price.”

While New York has coasted on paying a medical bill reflecting costs from more than a decade ago, older adults seeking quality nursing home care today are paying the price in a very real way - via delayed discharge from hospitals and a depleted nursing home workforce.

“At Weinberg Campus the current Medicaid reimbursement rate is $100 per day less than the cost to care for our residents. That translates to an annual reimbursement shortfall of $4.5 million. This failed Medicaid reimbursement system has already resulted in a significant number of nursing home beds being taken offline across the state - creating a crisis for the entire health care system. Over the past several months I have received numerous calls from desperate family members trying to find nursing home placement for their loved ones. The people that we serve, and our dedicated staff deserve better,” says Bob Mayer, President and CEO of Weinberg Campus located in Getzville, NY.

Non-profit, public, and mission-driven nursing homes, and the people seeking their care, are looking to Governor Hochul for solutions. A robust investment in the nursing home Medicaid rate in the 2023-24 Executive Budget will ensure high quality care is available for our most vulnerable New Yorkers.

\* \* \*

*For more than 60 years, LeadingAge New York has set an advocacy agenda for not-for-profit, and government sponsored nursing homes, senior housing, adult care facilities and retirement communities. Since the onset of the public health emergency in March 2020, LeadingAge New York has been an outspoken voice for long-term care providers, caregivers, and residents.*