

THE SENATE  
STATE OF NEW YORK



GEORGE M. BORRELLO  
SENATOR  
57TH DISTRICT

**RANKING MINORITY MEMBER**

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BANKS

**COMMITTEES**

COMMERCE, ECONOMIC  
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March 9, 2023

The Honorable Andrea Stewart-Cousins  
Temporary President and Senate Majority Leader  
332 Capitol Building  
Albany, NY 12247

The Honorable Robert G. Ort  
Senate Minority Leader  
Room 909, Legislative Office Building  
Albany, NY 12247

The Honorable J. Gustavo Rivera  
Chair of Senate Health Committee  
502 Capitol Building  
Albany, NY 12247

**Re: 20 Percent Increase in Medicaid Rates for Long-Term Care Facilities**

Dear Legislative Leaders and Chairperson:

I respectfully request that funding be included in the budget to support a 20 percent increase in Medicaid reimbursement rates for long-term care facilities in the SFY 2023-24 Budget.

**Nursing Homes**

After 15 years without any measurable increases in the reimbursement rate, this lack of state support has left our nursing homes struggling financially. There have already been numerous facility closures and beds taken offline, which have not only lessened the availability of skilled nursing care to those in the community but also created problems for our hospitals, which are experiencing discharge backups because of the scarcity of rehabilitative and skilled nursing beds.

These are financial realities: the average shortfall between the actual cost of care in a New York nursing home and the reimbursement rate is an unsustainable \$74 per resident per day. The five percent increase proposed in the Executive Budget is simply not enough to alleviate the gap caused by more than a decade of disinvestment.

This chronic underfunding has already taken a severe toll: there are 6,700 fewer nursing home beds in operation today than there were in 2019. This lack of nursing home bed availability is due to a severe shortage of staff to care for residents. A nursing home's ability to offer higher wages in this competitive environment relies on the reimbursement it receives for these critical skilled nursing services. The primary payer for nursing home care is Medicaid.

## Assisted Living Program Providers

A rate increase of 20 percent is also critically important for Assisted Living Program (ALP) providers who are enrolled in the Medicaid program. This program has saved New York State taxpayers millions of dollars by keeping seniors who can be cared for in the more independent, lower-cost setting of an ALP out of Skilled Nursing Facilities.

In addition, it is requested that the Legislature revise the ALP reimbursement methodology to update the statutory base year from 1992 to 2022 to better reflect the true cost of caring for frail elderly residents. Not only have the cost of supplies and labor increased, but the seniors being admitted to ALP communities now are at a higher acuity level, requiring more care and more caregiver hours.

Those who care for our elderly and most vulnerable residents can only sustain their vitally important operations with the strong partnership and support of the state. To that end, we greatly appreciate your consideration of these priority requests as the budget process moves forward.

Sincerely,



George M. Borrello  
Senator, 57th District



Joseph A. Griffo  
Senator, 53rd District



Andrew J. Lanza  
Senator, 24th District



Mario R. Mattera  
Senator, 2nd District



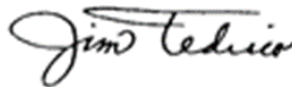
Dean Murray  
Senator, 3rd District



Anthony H. Palumbo  
Senator, 1st District



Daniel G. Stec  
Senator, 45th District



James Tedisco  
Senator, 44th District



Alexis Weik  
Senator, 8th District



Jacob Ashby  
Senator, 43<sup>rd</sup> District



Jack Martins  
Senator, 7<sup>th</sup> District

CC: The Honorable Kathy Hochul, Governor  
Executive Chamber, State Capitol  
Albany, NY 12224