

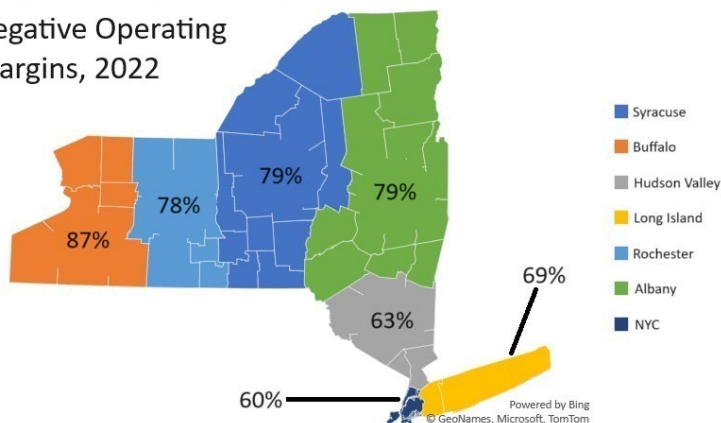
Nursing Home Medicaid Funding Gap Continues to Impact Access to Care for All

Approximately 97,000 older adults receive care in New York nursing homes every day, making homes a critical part of New York’s health care continuum. Furthermore, we have a rapidly growing aging population with the number of adults over 85 in New York expected to **double** between 2015 and 2040. Demand for services is growing as providers struggle to keep their doors open.

THE PROBLEM:

- ❖ There is a **\$1.6 billion gap** between the cost of the nursing home care in New York and Medicaid reimbursement.
- ❖ There are 5,600 fewer nursing home beds available today than there were in 2019. Meanwhile, the number of older New Yorkers who will need services is growing.
- ❖ **In 2022, 70% of nursing homes had a negative operating margin** – a significant jump from 45% in 2021.
- ❖ Negative operating margins significantly hinder nursing homes’ ability to recruit and retain staff.
- ❖ Lack of staff limits a home’s ability to accept patients seeking to be discharged from local hospitals.
- ❖ **Reduced nursing home capacity contributes to overflowing hospitals and overcrowded emergency rooms, limiting access to care for ALL New Yorkers.**

Percent of Facilities With Negative Operating Margins, 2022



A [Times Union article](#) published in July, 2024 examines the growing wait times in New York’s emergency departments, with a close look at Capital Region hospital visits. The article states, “New York residents spend, on average, 3 hours and 22 minutes from the time they arrive until the time they are discharged from the emergency room. **This visit time is the sixth highest in the nation and the District of Columbia.**”



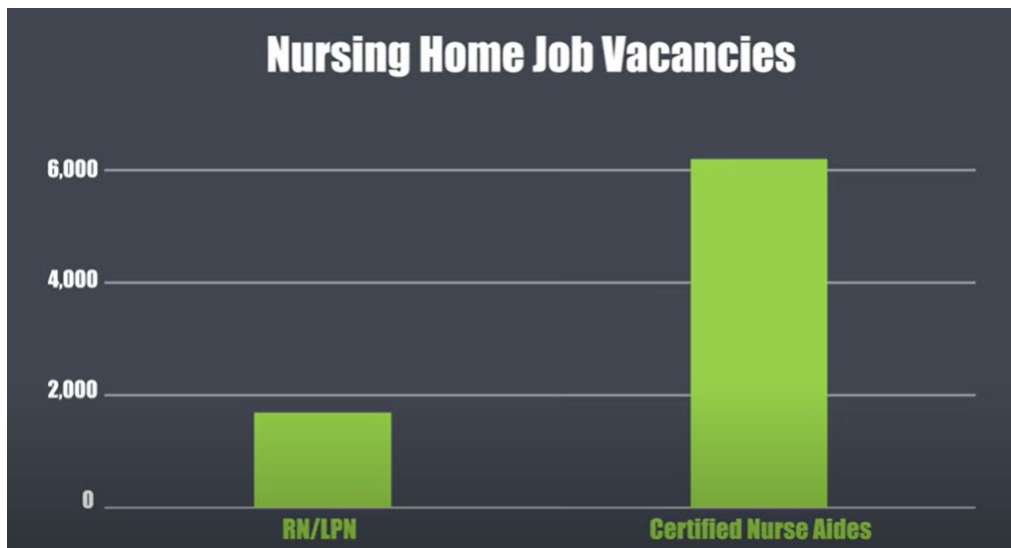
TO HELP IMPROVE HOSPITAL WAIT TIMES AND ENSURE ACCESS TO QUALITY CARE FOR ALL, NEW YORK MUST FINALLY UPDATE NURSING HOME MEDICAID RATES TO REFLECT CURRENT COSTS OF OPERATING

Outdated Medicaid rates for nursing homes are driving these financial and staffing challenges. Today, New York's nursing home rates are calculated using 2007 costs -- a "2007 base year". **Nursing home "rebasings" refers to updating the nursing home Medicaid rate so that it is calculated using costs from a more current year.** Updating the base year to reflect current costs, and ensuring regular updates going forward, will create a nursing home reimbursement system that prioritizes quality care for older adults while also ensuring timely access to care throughout our health care system. [Click here](#) to learn more about nursing home rebasing.

We must prioritize the crucial care that nursing homes provide to older adults and vulnerable individuals. It is time to **reform and rationalize** nursing home reimbursement, with a commitment to fully fund rates in 2025.

Additional Funding Will Support Staffing Needs & Resident Care

Nursing homes are striving to meet State staffing requirements of 3.5 nurse and aide hours per resident, per day. To meet these standards, homes would need to hire and train nearly 2,000 additional registered nurses or licensed practical nurses, and approximately 6,000 certified nurse aides (CNAs). Demographic and job market trends are creating upward pressure on wages for these demanding jobs.



*Estimated FTEs needed to meet staffing requirements on a daily basis at all NY nursing homes (based on Q2 2023 statewide mean occupancy of 86.5%)

Homes that fail to meet the standards face the prospect of daily fines which will only deplete their ability to recruit needed staff. In order to improve their staffing ratios, many are limiting admissions, thereby reducing access to care along with revenue. They have strong financial and operational incentives to dedicate new funding toward staffing.

[Click here](#) for a video that further explains these challenges & points to closures and access to care issues.

REMEMBER...

1. Medicaid is the primary payer of nursing home care in NY. It pays for nearly 75% of all "resident care days".
2. New York's nursing home Medicaid reimbursement is among the worst in the country, according to a Federal [MACPAC report](#).
3. In 2022, 70% of nursing homes had a negative operating margin (see map on pg. 1). The group of 550 nursing homes with complete financial data in 2022 posted an aggregate financial operating loss of \$860 million for that year.

Access to High Quality Care for ALL New Yorkers Depends on Reimbursement that Covers Costs.

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