

Hon. Liz Krueger,
Chair NYS Senate Finance Committee
172 State Street, Capitol Building Room 416
Albany, NY 12247

Hon. Helene Weinstein
Chair NYS Assembly Ways and Means Committee
Room 923 Legislative Office Building
Albany, NY 12248

February 27, 2022

RE: Joint Legislative Budget Hearing on Health NYS FY 2023-24

Dear Senator Krueger and Assemblymember Weinstein:

New York Providers need our state government to support our fragile seniors. Actions speak louder than words. New York State is obligated to pay a Medicaid rate each year that is “reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities”. This is not happening. There has not been a Medicaid rate increase 15 years. During this time providers have incurred over 40% in inflationary costs. As a result, nursing homes lose \$80-120 per patient per day for each Medicaid patient cared for. This has resulted in nursing facilities struggling to meet resident needs and an industry that is becoming insolvent.


The industry is asking for a 20% increase in the Medicaid rate. This request is supported by the entire industry: for profits, non for profits, upstate providers, downstate providers, our hospital systems, commercial payers, labor unions, and a majority of legislators. A 20% increase does not solve the problem but it provides a lifeline to nursing homes until a more systemic fix is found.

The Governor announced a 5% increase in her executive budget, not the 20% minimally needed. To make matters worse the 5% is really smoke and mirrors. Her true increase is \$0. Why? Because she is funding it with Medicaid dollars allocated for legislated mandatory staffing minimums in 2022, but never funded. Nursing Homes are counting on those funds to cover the costs of greater staffing levels. Those dollars should be funded as established in legislation for the intended purpose, in addition to a 20% increase.

New York ranks LAST in the country in terms of the sufficiency of its Medicaid rate. Indeed, all of our neighboring states have granted recent increases of 15-20%. Additionally, our neighboring states have been supportive of nursing homes over the 15 years that New York has financially starved its facilities.

It's time for New York to act on behalf of its seniors that need access to skilled nursing care. The proposed funding increase provides a “feel good” sound bite, but little more. The requested rate increase will ensure nursing care will be available for our seniors when needed.

Sincerely,



Keith Chambery
Executive Director

cc:

Majority Leader Stewart Cousins
Speaker Heastie
Deputy Majority Leader Gianaris
Majority Leader Peoples-Stokes
Senator Rivera
Senator Breslin
Senator Kennedy
Assemblymember Paulin
Assemblymember Weprin