

NYSCAL

New York State Center for Assisted Living

Testimony of:

**NEW YORK STATE CENTER FOR ASSISTED LIVING
(NYSCAL)**

on the

**2017–18 New York State Executive Budget Proposal
Health & Mental Hygiene
Article VII Bill**

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Introduction

Good morning. My name is Shelley Wagar and I am the Executive Director of the New York State Center for Assisted Living, also known as NYSCAL, the assisted living voice of the New York State Health Facilities Association. With me is Mr. Jeffrey Edelman, owner and operator of three adult homes and assisted living communities and also a Board Member of NYSCAL.

NYSCAL represents nearly 100 adult care/assisted living communities across the great state of New York. Our members serve nearly 12,000 residents who are elderly, frail, disabled and mentally ill. Our providers are committed to a high level of quality care and the enhancement of the residents' quality of life.

It is an honor and privilege for me to be here today and to represent the needs of our adult care/assisted living operators. Our testimony today will highlight needs in reimbursement that directly impact service delivery to the residents our members serve.

We appreciate Governor Cuomo for his multiple proposals to enhance the life of many New Yorkers, such as tuition for the middle class, embracing immigrants; public safety and protection from critical events. We also support the proposal to establish a multi-stakeholder Health Care Regulation Modernization Team to provide the State guidance on restructuring and streamlining statutes, regulations and policies affecting health care providers and facilities. The goals of this initiative are commendable and it is critical that long term care providers, including adult care and assisted living providers are represented.

However, not included in these major budget proposals are increases in reimbursement programs to assist the poorest of New Yorkers and those care providers who serve them, all the while meeting the new minimum wage requirements.

SSI Increase

New York State has a substantial number of adult care/assisted living communities that only serve residents who are sustained by Social Security Supplemental Income (SSI). Additionally, there are many adult care and assisted living communities that serve a portion of SSI residents so this is a statewide situation. The current SSI rate is \$1,429 per month for a single individual. Out of that amount, the individual receives \$194 as their personal needs allowance. What remains to pay the adult care/assisted living provider is \$1,235 per month, which translates to \$41.16 per day.

Please take a moment to think about this. \$1,235 per month, \$41.16 per day, to cover all aspects of the resident's care: their rent, their meals (90 meals a month), assistance with personal needs, housekeeping, medication management, transportation and staff in the adult care community 24 hours per day, seven days a week.

Again, think about what you use \$41.16 per day for - a haircut, a lunch out, a new phone case, or cab fare in NYC. But yet, the State of New York expects adult care and assisted living to use this small amount of money to take care of some of the

neediest individuals - those with mental illness, physical frailties, those without family. Now take that woeful amount of reimbursement we currently receive to take care of the neediest individuals and add the burden of the new minimum wage increase. Disaster is imminent.

The current \$41 per day is clearly insufficient to provide unit rent, meals, activities, case management, supervision, and medication assistance for our SSI recipients. Adult care/assisted living communities face yearly increases for food, health insurance, utilities, rent and/or mortgage and now increased minimum wage requirements, all without any increase in funding.

To illustrate this on an operational level, visualize an adult care community that has 100 SSI residents.

- They are paid \$1,200 per month per resident, so their monthly operating budget for the month is \$120,000 dollars, at best, assuming there are no vacancies.
- Their monthly payroll is \$ 84,000. That leaves an operating budget of \$36,000.
- Their monthly cost for food, supplies, and housekeeping is \$12,000, leaving \$24,000 for remaining operations.
- Utilities (\$425 for telephone, \$10,000 for heating fuel; \$6,000 for electric; water and cable bills \$9,000, exterminator \$1,000, laundry \$1,450; dietician consultant \$100; tech support \$475; and insurance for \$2,400.00). Total costs of these items equals \$30,850 dollars, leaving the community \$6,850 in the red.

- These are all necessary costs for the care of each and every resident - no fluff, no frills. These are not imaginary numbers. These are real numbers from an actual adult home. There is no excess for emergencies nor budget for capital repairs.
- And, these numbers do not even address the rent or mortgage payment to the financial institution! A conservative estimate is \$40,000 per month.

Consequently, NYSCAL respectfully requests the Legislature increase the State portion of the Supplemental Security Income rate to help increase the quality of care and services to SSI recipients and prevent continuing closures of SSI facilities.

We are in agreement with our colleague associations, LeadingAge New York and ESAAL, the Empire State Association of Assisted Living, in that an increase of the state supplement of the SSI payment of \$20 per resident, to \$61 per resident is an adequate increase to meet the current costs and needs of the residents.

Our fear is that if the State does not increase the SSI rate, an overwhelming number of adult care/assisted living communities that serve SSI recipients will close their doors. That would be a travesty to the residents. If this scenario plays through, those residents will either go back to being homeless, sent to a hospital or transferred to a nursing home as a Medicaid resident, ultimately costing the State much more money.

Again, it is an honor to be here today and to share our challenges with all of you. I hope that you will give our request its due consideration and we thank you in advance for your cooperation and assistance in helping us serve our residents better through obtaining a very desperately needed SSI increase.

