

Testimony of Morningside Retirement and Health Services (MRHS)

Joint Legislative Budget Hearings

**Fiscal Year 2020-2021 Executive Budget Proposal
Health and Human Services**

**Submitted by Ron Bruno, MRHS
February 3, 2020**

Thank you for the opportunity to provide testimony on the impact of health and human service programs in New York State, particularly those that support older adults in their communities.

My name is Ron Bruno, Executive Director, Morningside Retirement and Health Services (MRHS), and my comments today will focus on the important supportive service programs that Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs¹[1] provide for older New Yorkers, and specifically the need for more funding for health and nursing services in N/NORCs.

First, I would like to thank the legislature for supporting N/NORCs, and especially for the program enhancements that the legislature secured in FY 2019 and FY 2020. Because of your enthusiasm for this program, we have been able to bring resources and attention to the needs of a large and rapidly growing older adult population.

N/NORCs were founded with the ultimate goal of transforming residential complexes and neighborhoods to meet the needs of a growing cohort of older residents and enable them to remain living independently in their homes; thrive in their communities, and delay hospitalization or nursing home placement. The density of older adults and their proximity to each other further fosters creative approaches to providing health and social services. N/NORC programs provide case management services; health and nursing services; recreational, social and cultural activities and ancillary services tailored to meet the needs of each community. Programs actively encourage healthy aging by providing access to health care, promoting health and wellness activities, addressing disease prevention and responding to chronic health conditions.

In the past year MRHS has served three hundred, thirty-two (332) NORC residents. MRHS provided NORC case management or NORC health care management to seventy-six (76) of these residents. Among our many programs, MRHS has partnered with Mt. Sinai Hospital over the past year to present a “Memory Matters” series of programs to promote good brain health among our residents. We have also partnered with Columbia University to provide a series of lectures by retired professors on a range of topics.

¹ N/NORC indicates both NORC and Neighborhood NORC programs.

A key component of the N/NORC program model is health care management and assistance, and most programs employ nurses to fulfill this requirement. Nurses provide services to N/NORC residents that might not otherwise exist in the community, such as medication education, diabetes testing, flu shots, mobility and balance screenings, and helping clients get in touch with doctors. Many residents rely on these services as a main source of health care and value the consistent, quality care they provide.

While the state faces a daunting \$6 billion budget gap, much of it spurred by Medicaid, N/NORC programs continue to serve residents on relatively small budgets while helping defer more substantial costs to the State. For example, the average annual cost of a nursing home stay for one individual in New York State can be as high as \$142,000 per year;² this amounts to nearly the value of an entire N/NORC program contract, generally serving hundreds of older adults and helping them remain in their homes. If the N/NORC were not there, that person might require nursing home placement or increased visits to the emergency room, adding even more costs. Nursing homes can often be prohibitively expensive, as few individuals can afford to pay out of pocket for care. As a result, nursing home residents become reliant on State and Federal support and subsidies such as Medicaid. Investing in N/NORCs can help limit these increased costs to the Medicaid system.

N/NORCs were previously able to secure nursing hours pro-bono by partnering with hospitals, retired nurses, or supervised student nurses. However, in the wake of recent Medicaid Redesign and billing changes, in addition to an aging population with increased needs, these arrangements are becoming unstable and many nursing services providers have cut their pro-bono hours. With many of these partnerships greatly diminished or fully terminated, N/NORCs must find funding to pay for hours that were previously free, essentially spending more to maintain the same level of service.

A survey of N/NORCs statewide found that on average programs have experienced a 50% reduction in pro-bono nursing hours from 2015-2018. In addition, the largest provider of N/NORC nursing completely eliminated their pro-bono hours in July 2019. An additional \$1 million would sufficiently cover these losses across all SOFA-funded N/NORC programs. It is critical that this money not impact unit of service requirements.

MRHS had been able to maintain the same NORC nurse for twenty-one years until her retirement in 2019. We now have a new nurse through the New Jewish Home, which of course charges for the cost of her services. The nurse's work is fully integrated into MRHS and the NORC community, providing the in-depth, full-time nursing services required to keep many older adults out of the emergency room and nursing home. We are being asked by our healthcare partner to pay an ever larger share of the nurse's salary and benefits, which will make it difficult for us to maintain the full-time services needed.

The Executive Budget Proposal includes \$8.06 million for N/NORC programs. This funding is vital to ensure that State funded N/NORCs can continue to provide services. In FY 2019-2020, the Legislature added \$325,000 to address the nursing challenge, and these funds were very

² NYS Department of Financial Services: https://www.dfs.ny.gov/consumer/ltc/ltc_about_cost.htm

useful in supporting programs. However, this was not included in the Executive Budget proposal this year. **We ask that the Legislature add \$1 million to the FY 2020-2021 Executive Budget proposal of \$8.06 million for N/NORCs, for a total of \$9.06 million.** This will provide stable funding for N/NORC programs like ours that have struggled with the loss in pro-bono nursing services over the last several years.

Older adults across New York State rely on N/NORC services to remain healthy and stably housed, while defraying millions in Medicaid costs to the State. Thank you for your consideration.

For further questions, I can be reached at ronb@mrhsny.org or 212-666-4000.