



Testimony of Educational Alliance

Joint Legislative Budget Hearings

Fiscal Year 2020-2021 Executive Budget Proposal

Health and Human Services

Submitted by Bonnie Lumagui LCSW, Educational Alliance

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Good morning. 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 **Bonnie Lumagui LCSW, Director, Co-op Village NORC**, and my comments today will focus on the important supportive service programs that Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs¹ provide for older New Yorkers.

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; 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.

Co-op Village NORC has provided diverse programming and services that support a population that might otherwise fall through the cracks for over twenty years. As the director I see firsthand how our program provides vital resources that seniors have come to rely on including; case management, socialization programs, transportation, and shopping assistance, as well as basic health services that allow seniors to remain in their homes where they want to be, and greatly improving their quality of life. Last year we provided 4602 hours of social service support and 2137 hours of health care support to 694 participants. The NORC participants and our

¹ N/NORC indicates both NORC and Neighborhood NORC programs



diverse partners play an active role in the development and implementation of our program. We offer health and wellness classes four days a week, and we offer a robust falls prevention program. This was identified from our health indicator surveys as the largest health issue among our population.

Our NORC population has 115 participants over the age of 90 years old, many of whom require social and nursing services to remain in their homes and thrive. Our program continues to thrive after 20 years of operation because we continuously develop and maintain our partnerships with housing, medical providers, transportation services, and much more. We are certain that the program has enabled hundreds of seniors to avoid nursing homes, illness, isolation and alienation while affording nearly all participants greater quality of life. We also have the ability to nimbly respond to emerging needs and crises, and this was never more evident or significant than in the aftermath of Hurricane Sandy, when we tended to the needs of many home-bound elderly, for whom we were, in many instances, the first and sometimes only source of support. Most recently NORC participants and staff were involved in a successful campaign to prevent the removal of bus stops by the MTA in the Lower East Side neighborhood that would have been devastating to NORC participants whose main mode of transportation is the bus. One stop that was protected was right in front of the NORC office.

The services provided by N/NORCs are crucial to the health and well-being of New York's aging communities; 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

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



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.

Our health partners Mount Saini and Visiting Nurse Service of NY are a crucial component to meeting the deliverables NYC Department for the Aging and NY State Office for Aging requires. Educational Alliance needs a minimum of \$43,000.00 in additional funds to continue to provide the vital nursing services we presently offer to our clients. These services enable faster identification of medical issues before it becomes critical and more hospitalization and increased healthcare costs are required. If increased funding for nursing services is not provided we will have to reduce this service. Reduction in nursing services will create more hospitalizations and increased healthcare costs a dangerous and potentially life threatening impact to the Co-op Village NORC seniors because they have come to rely on this essential care.

We have found in recent years that the numbers of seniors in our community is rising, and that it is becoming an increasing struggle to accommodate all participants.

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.

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 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.

Thank you for your time. For further questions, I can be reached at blumagui@edalliance.org or 646-395-4505.

