

1199SEIU

United Healthcare Workers East

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We offer this testimony on behalf of the 300,000 members of 1199SEIU who are healthcare workers throughout New York State.

Nursing Home Reform

Our key priority is to ensure that strong, comprehensive reform of the nursing home industry is included in the 2021-22 budget.

Our union represents over 65,000 members working in 343 nursing homes throughout the state, who perform the hands-on care that residents need to thrive. Even before the pandemic, our members were increasingly concerned about conditions in many homes, where owners have chosen to increase their profits rather than invest in the staff to provide the hours of care that residents need. During the pandemic these conditions got exponentially worse, and included struggles to ensure that personal protective equipment was distributed, that workers were permitted to take and paid for necessary sick and quarantine leave and that homes were implementing appropriate infection control measures.

Both our members' experience and a comparison with other states make it abundantly clear that serious reform of the industry is needed. Our state ranks worse than 38 others in the number of hours per day of hands-on care that residents receive, and not coincidentally is one of only 12 states without any minimum state standards for hours of care. Directly related to that, we have one of the worst rates of pressure ulcers in high-risk, long stay residents.

Even as care suffers, too many owners are extracting profit from these homes. The average spend on resident care is just 65% of overall revenue, with 35% being spent on staffing. And because these are averages, there is a large group of homes spending even less. Raising the floor and requiring that homes spend a minimum of 40% on staffing and 70% on resident care, will shift approximately \$500 million to needed resident care that is currently being diverted to excessive management costs and profit. And such a standard will target the bad actors. Over 70% of New York's nonprofit nursing homes already meet these standards, but only 20% of for-profits do.

There is growing consensus regarding this approach to ensuring that taxpayer dollars are spent as they should be – on resident care. We thank the Senate for passing S.4336A, which would achieve that goal. We believe that such urgent reform must be addressed in the budget, especially as it concerns how Medicaid dollars are spent, and we thank Governor Cuomo for including it in his 30-day amendments. Governor Cuomo's proposals also include important provisions regarding limits on profits and the reimbursability of related party transactions, increased transparency and reporting and the appointment of temporary receivers and operators for troubled facilities. We urge the Legislature to ensure that a full nursing home reform package is included in the final budget.

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Medicaid Funding

We are pleased that the Governor's budget includes \$420 million put into Essential Plan (EP) premiums for increased payments to providers. We also agree that the Federal government must provide significant state and local aid and we are working hard to advocate for the funding and for maximum allocation to our state.

However, we are very concerned about the impact of proposed Medicaid cuts including the 1% across-the-board Medicaid cut for Medicaid providers on top of the 1% across-the-board cut already in place (\$188 million impact), as well as the \$99 million cut in State funding for distressed hospitals (VAPAP). We also strongly oppose the elimination of the \$140 million public hospital Indigent Care Provider pool and the additional 5% cut in hospital capital funding. We urge the restoration of these cuts, especially as they come at a time of considerable financial and operational stress for providers in the pandemic. Likewise, we urge the restoration of the full \$20.9 million allocation to School-Based Health Clinics, who serve a vulnerable population across New York State.

Eliminating the MLTCP quality pool and instituting a 25% cut in the Home Care Workforce Recruitment and Retention will reduce resources available to increase compensation for home care workers at a time when there is a significant workforce shortage that is harming the ability of consumers to receive high-quality care. We urge these cuts to be restored with reforms to ensure that the money goes to compensate front-line workers.

We are also concerned that the budget continues the "carve out" of the pharmacy benefit from Medicaid managed care premiums on April 1, 2021. This action will detrimentally impact important programs for underserved communities at safety net hospitals and Federally Qualified Health Centers by eliminating increased reimbursement under the 340B program. While there is funding proposed to replace some of the lost revenue, it would be replacing a guaranteed stream with one vulnerable to annual cuts, and delaying the proposed carve-out, at least for 340B providers, is the better approach.

Finally, we are concerned about the destabilization of the OPWDD provider system given the impact of the pandemic and prior year cuts. We urge the Legislature to reject the proposed deferral of the Cost of Living Adjustment for direct support professionals. The Legislature should also require OPWDD to comply with its statutory requirement to develop and implement a comprehensive statewide plan under section 5.07 of the Mental Hygiene Law. We also support calls for an OPWDD Budget Scorecard as well added transparency from the agency to the Legislature on the residential certified capacity and year over year spending.

Workforce

We support the proposal to provide paid leave for COVID-19 vaccinations and urge it to be enacted quickly. We oppose the proposed cut to the Healthcare Workforce Retraining Initiative and urge that it be restored. We are pleased that the budget allocates \$2 million for a new "Pathways In Health Care Careers" grant program within the Workforce Development Initiative. Labor-management training organizations are ideally suited to support healthcare career pathways and should be included in such a program. The 1199SEIU Training Fund has helped more than one million entry level workers obtain the appropriate allied health credentials needed to work in critical shortage areas. Given that many occupational shortages

in the healthcare industry are in jobs that require associate or bachelor's degrees. the Pathways strategy should complement state strategies to increase higher education access for working and unemployed adults.

We also support expanding SUNY's free Online Training Center with health care certification programs. As part of this expansion, current state policies which create unintended barriers to completion should be reviewed. Most patient facing jobs in health care require clinical - or practical - education as part of the training program. For many of clinical training programs, more can be done in labs with appropriate regulatory reform. Similarly, apprenticeships which combine an "earn while you learn" approach with hands-on practical education are an important complementary strategy to free online courses.

Finally, we support the proposal for a task force including representatives of nursing schools, hospitals, and practicing nurses to develop policy giving nursing schools flexibility to include simulations as part of mandated clinical coursework. We urge labor management and union representation on the task force. In addition, expanding the task force's mission to include ancillary nursing staff, such as nurse assistants, patient care technicians, and telemetry technicians, would benefit the industry.