

**TESTIMONY OF DIANE BARRETT
VICE PRESIDENT OF GOVERNMENT RELATIONS AND PUBLIC AFFAIRS, ARCHCARE
JOINT LEGISLATIVE PUBLIC HEARING
ON THE SFY 2023-24 EXECUTIVE BUDGET PROPOSAL
FEBRUARY 28, 2023**

ArchCare, the Continuing Care Community of the Archdiocese of New York, is one of the nation's largest and most dynamic not-for-profit Catholic healthcare systems. ArchCare provides quality care to over 9,000 patients of all faiths each day. Our services include home and community-based and residential care programs, including health plans and nursing home alternatives, adult daycare, PACE programs, long-term skilled nursing care, short-term rehabilitation, home care, assisted living, hospice, an acute care specialty hospital and services for people with dementia, Huntington's disease, HIV/AIDS, developmental disabilities, and other specialized care needs.

I appreciate the opportunity to provide testimony to the Senate and Assembly Health Committees, the Senate Finance Committee, and the Assembly Ways and Means Committee regarding Governor Hochul's Executive Budget proposal for State Fiscal Year (SFY) 2023-24.

In this testimony, I will discuss the following:

- **The Critical Need to Increase the Medicaid Rate by 20% and to fully fund the staffing bill.**
- **Nursing Homes Need CNA Medtechs to Provide Relief.**
- **Increase the funding for the distress provider pool for long-term care organizations.**

I. Increase the Medicaid Rate by 20% for Long-term Care Providers

Before COVID-19 battered the country, downward pressure on the long-term care sector had been mounting for years. The long-term care sector in New York has struggled perennially with budgets and payment methodologies that have historically under-reimbursed providers for the costs incurred in delivering care to patients and residents. ***To stabilize the long-term care system in New York, ArchCare urges lawmakers to increase New York State's Medicaid rate by 20% for long-term care providers.***

New York State's nursing homes are in peril. Since 2007, New York State long-term care providers have not received a rate increase. Further, the State uses 2007 costs for the reimbursement rates. Based on data from the e Medicaid and CHIP Payment Access Commission (MACPAC) January 2023 report, nursing homes in New York face a **\$74.00 per resident** per day shortfall as of 2019. With the compounding effects of COVID and the increasing inflation rate, the shortfall presently is expected to be even higher, ranging between **\$80.00 - \$90.00 a resident** each day. Further, the MACPAC report stresses that New York is one of the five States with the largest reimbursement shortfalls in the country and the only one that has gone without a rate increase for fifteen years. ***New York's seniors and people relying on long-term care services deserve much better.***

In 2021, when the New York State Legislature advanced staffing ratios in nursing homes, long-term care providers were promised funding: \$128million in 2021-22 and \$187 million in 2022-23 – none of the appropriations were distributed, adding to the financial fragility of the long-term care sector. Further, union contract negotiations are opening this year. The unions are asking for more than five percent increases over the next three years. ***The twenty-percent rate increase we urge policymakers to advance is necessary to meet the demands of labor and the increasing inflationary costs.***

Our State Constitution mandates New York to provide "aid, care, and support for the needy" and provide for the "protection and promotion" of the health of all New Yorkers. In a State facing huge future needs for long-term care – with expected 94% growth in our population over the age of 85 in the next 20 years and 36% growth in those who are both over 65 and disabled – ***we need to ensure that the most transparent and highest goal for these budget deliberations is to assure we are providing the resources needed so all New Yorkers can be confident that high-quality care will be there for them if and when they need it.***

RECOMMENDATION: ArchCare urges Lawmakers to raise New York State's Medicaid rates in nursing homes by 20% to help make long-term care organizations financially solvent.

II. Allowing CNA Medtechs in Nursing Home Will Help with the Staffing Crisis

It has been well-documented since 1998 that a nursing shortage was looming in the United States. A combination of an aging population in the United States, a mass exodus of nurses retiring from 2008-2018, and a significant lack of faculty and scholars to meet the growing number of nursing students enrolled in nursing programs contributed to the onset of a nursing shortage. In 2018, the *American Journal of Medical Quality* reported that by 2020, the United States would have a shortfall of 154,018 full-time nurses and 510,394 full-time nurses by 20308. The COVID pandemic accelerated an existing problem and has depleted New York State and the country's nursing staff. Therefore, it is critical for New York State to initiate programs and protocols to provide relief to the overburdened and depleted staff in New York State. ***Allowing Medtechs in nursing homes would alleviate some of the burdens for registered nurses in skilled nursing facilities while improving health care outcomes for residents.***

In 2018, Dr. Neva Crogan, and Dr. Aditya Simha, reported the findings on a program piloted by the Geriatric Interest Group of Spokane (GIGS) and launched a certified MedTech program in Washington State³. The group and the researchers theorized that allowing MedTech's to administer medication would allow registered and licensed nurses to spend time on more serious medical issues. Using quality outcomes such as falls, medication errors, and rehospitalization rates, the researchers evaluated the impact of MedTech's on patient care. In all categories, the quality outcomes increased. Noninjury-related falls fell from an average of twenty-six to sixteen, medication errors among the MedTech staff were zero throughout six months, and rehospitalization rates fell from six to four. ***Based on the encouraging findings, GIGS initiated the program in three additional nursing homes; New York State should duplicate this program.***

RECOMMENDATION: ArchCare urges Lawmakers to allow MedTechs in nursing homes to alleviate the staff burdens and increase healthcare outcomes.

III. Earmark Percentage of Capital Transformation Grants for LTC

Noting that virtually all long-term care providers are effective “safety-net providers,” delivering care to populations that are almost exclusively dependent on public payer sources and disproportionately reliant on Medicaid, ArchCare is appreciative that the Executive Budget allocates \$1 billion in capital investments through a new round of the Statewide Health Care Facility Transformation Program. We strongly urge that specific funding be earmarked for long-term care providers. The financing should support healthcare IT, person-centered models of care, increased access to care, improved quality of care, and provider financial sustainability. ***We also urge the State to carefully assess capital and other fiscal needs facing the State’s long-term care sector and develop a balanced portfolio of options for meeting these needs.***

RECOMMENDATION: ArchCare urges Lawmakers to allow MedTechs in nursing homes to alleviate the staff burdens and increase healthcare outcomes.

IV. Conclusion

We cannot hope to improve care for individual beneficiaries – or fully manage the range of services that individual beneficiaries need – without the availability of institutional and home and community-based services from strong, stable, forward-thinking long-term care organizations. I appreciate the opportunity to provide these perspectives and recommendations today. ArchCare looks forward to working in partnership with the Senate, Assembly, and Office of the Governor in ensuring that essential long-term care services remain robust and available to our State’s elderly and disabled. If we do not take extreme care, and keep our long-term care system strong, the consequences will be dire not only for seniors and the disabled but also for our economy and for the ability of our health care system overall to operate efficiently and effectively.

Thank you for your time, consideration, and service to the people of New York State.