

Testimony of Rural Health Network of SCNY, Inc.

Joint Legislative Budget Hearings

**Fiscal Year 2024-2025 Executive Budget Proposal
Health and Human Services**

**Submitted by John C. Salo, Executive Director
January 31, 2024**

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 **John C. Salo, Executive Director of the Rural Health Network of South Central New York** 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. **Specifically, I support adding \$2.5 million in new funding for the N/NORC program, including \$1 million to support health and nursing services in N/NORCs and \$1.5 million to grow the N/NORC program to new sites across the State.**

First, I would like to thank the Legislature for ongoing support for N/NORCs. 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. 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.

Rural Health Network of SCNY operates the Northern Broome CARES (Care for Aging in Rural Environments) Neighborhood NORC, serving four towns in rural Broome County. Older adults in this region face barriers to healthy, independent aging including a shortage of local service providers, economic decline in their communities, and social & geographic isolation. In addition to the core services listed above, our program brings services tailored to a rural area that would not otherwise be available, including digital literacy classes, animatronic pets for companionship, innovative transportation options, and counseling support from social work students. Our work relies on our positive, long-term relationship and reputation with community members, 150 of whom regularly seek service from our program. Staff recruited from the local community ensure the program's alignment with community needs and values. In 2023, Northern Broome CARES reached over 280 individuals with NORC services. Having established best practices for a Neighborhood NORC in a rural area, we strongly advocate for replication of the program to new rural sites across the State.

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.

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 year²; 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 changes to the health care field, in addition to an aging population with increased needs, these arrangements are now 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 2019. An additional \$1 million would sufficiently cover these losses across all SOFA-funded N/NORC programs.

At Northern Broome CARES, we subcontract with a clinical provider for one half-time Licensed Practical Nurse, who conducts home visits with geographically isolated individuals. Support from the LPN builds confidence among older adults to take responsibility for their own health through regular screenings, timely answers to medical questions, and maintaining positive diet and exercise habits. Our program must pay for the LPN hours, while additional services, including Aging-in-Place evaluations and consultations with a clinical pharmacist, are offered in-kind by the clinical provider. In just the past year, the value of in-kind that the clinical provider was able to offer decreased by a factor of ten, from \$22,000 to \$2,200, illustrating the rising operating and personnel costs that exert significant financial pressure on NORC programs & partners. Nursing and clinical support cannot continue without Legislative funding.

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.

For the last five budget cycles the Legislature has provided additional funding specifically to support nursing services in N/NORCs. This supplemental nursing funding was first added by the Legislature at \$325,000 in FY 2019-2020, and was increased to \$1,000,000 in FY 2021-2022

² https://www.dfs.ny.gov/consumer/ltc/ltc_about_cost.htm

where it remains today and representing close to the full need. Each N/NORC receives \$23,256 from this funding, and crucially it is not subject to unit of service increases. Unfortunately, the Governor once again did not include this \$1 million nursing enhancement in the Executive Budget. **We strongly urge the Legislature to restore this \$1 million for N/NORC nursing this year.** 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.

In addition, there is high demand for the State to increase the number of N/NORCs to help older adults continue living in their homes and communities. The N/NORC program last underwent an expansion in 2019, adding 14 new programs into NYSOFA's portfolio of 43 total N/NORCs. At that time there were more applicants to the program than the State could afford to fund. With a modest \$1.5 million investment, NYSOFA will be able to create between six to eight new N/NORC programs across the State, which will serve hundreds if not thousands of older adults. Notably, in 2023 the Governor signed S.3392 (May)/A.5915 (Kim), which updates the NORC statute to increase flexibility on building height restrictions that limited eligibility for the program in the past. This update is especially relevant for upstate cities, where certain buildings have expressed interest in becoming NORCs or Neighborhood NORCs in the past but were ineligible. **We urge the Legislature to fund this expansion with an additional \$1.5 million.**

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 via email at jsalo@rhnscny.org or by phone (607) 692-7669 x 216.