Testimony on the 2024-25 Executive Budget Proposal: Housing

Testimony Provided by

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Wednesday, February 14, 2024

Introduction

On behalf of the membership of LeadingAge New York, thank you for the opportunity to submit written testimony on the State Fiscal Year (SFY) 2024-25 Budget for the Division of Housing and Community Renewal (DHCR) and the housing needs of New York's older adults. LeadingAge New York represents over 400 not-for-profit and public providers of senior housing, aging services, and long-term and post-acute care, as well as provider-sponsored Managed Long-Term Care (MLTC) plans and Programs of All-Inclusive Care for the Elderly (PACE). Of our members, more than 140 are mission-driven senior housing providers, with approximately 80 of those offering subsidized and income-restricted rentals to independent, low-income older adults.

Safe, affordable housing is a critical foundation for New York's growing older population to age in their communities and to extend their healthy living years for as long as possible. In addition to age-appropriate design and accessibility features for older adults, multifamily senior housing offers the opportunity for socialization and engagement and can be a platform for connections with aging-related services and resources in the community. These elements not only help ensure housing stability and better quality of life for older New Yorkers, but also mitigate their reliance on higher, more costly levels of publicly funded care.

While the Governor has acknowledged New York's rapidly aging population and the rising need for services and supports, her budget not only makes significant cuts to these critical services, but also fails to make meaningful investments in housing- and community-based preventative programming for older adults. Moreover, while the Master Plan for Aging (MPA) may, in the future, provide an aspirational blueprint across agencies for the care and treatment of older adults living in New York, its future-oriented focus turns a blind eye to current pressing needs.

As New York approaches a demographic precipice – with nearly 20 percent of the population projected to be aged 65 or older by 2026 and the percentage of working-age adults to care for them continuing to shrink – the State must invest in modest and innovative senior housing programs **now**, before today's independent seniors need more advanced care.

The following testimony outlines our recommendations to achieve this goal by establishing an Affordable Independent Senior Housing Assistance Program ("Resident Assistant Program"), by working to identify and invest appropriately in the housing needs of low- and middle-income older New Yorkers, and by normalizing insurance costs for affordable senior housing properties to protect their long-term viability.

Fund Resident Assistants for Low-Income Independent Seniors (A.4716/S.2080)

LeadingAge New York and its housing provider members are calling for the commitment of $10 million over five years to fund the creation and operation of a Resident Assistant Program that would connect low-income, aging residents living in affordable senior housing properties across the state with community resources that foster healthy, independent living.

"Resident Assistants" would be on-site employees in affordable senior housing properties who are available on request to help address aging-related needs by providing information and referrals to supports in the community; education regarding Medicaid and other benefits; and assistance with accessing these benefits, services, and preventative programming. Resident Assistants may help with scheduling and obtaining transportation to appointments and with the use of technology to support telehealth visits and virtual social engagement. They may also provide on-site social and wellness programs to combat social isolation and strengthen healthy living habits such as exercise and good nutrition.

The older New Yorkers living in these apartments are generally income-eligible for Medicaid, but often struggle to navigate the network of health and social supports that could help them age safely in place. By addressing the social determinants of health for this vulnerable population, Resident Assistants would help low-income older adults stay healthy in their homes and delay or prevent the need for higher-cost health and long-term care services.

A total of $425 million in capital has been committed to developing affordable housing for low-income seniors in recent five-year spending plans for DHCR, but without complementary operational funds, the resulting properties have little or no avenue outside of charitable donation to maintain a Resident Assistant staff person. Moreover, an estimated 460 federally funded properties and many other publicly assisted properties do not currently have access to Resident Assistant funding that would allow them to better meet the needs of the thousands of low-income older adults they serve.

A $10 million investment in the proposed Resident Assistant Program would provide grants to at least 16, 100-unit affordable senior housing buildings to support the wages, training, and budget to **make an on-site Resident Assistant staff person available to 1,600 or more low-income older adults**.

In addition to promoting housing stability and general wellness for low-income seniors, rigorous studies have proven that this model of resident assistance results in reductions in Medicare and Medicaid spending. The Selfhelp Active Services for Aging Model (SHASAM), which inspired this Resident Assistant proposal, offers social work services to support the health and wellness of low-income residents aging in their own home. A New York-based study of the SHASAM program featured in *Health Affairs* found that the average Medicaid payment per person, per hospitalization was $3,937 less for Selfhelp residents as compared to older adults living in the same Queens ZIP codes without services. According to the study, Selfhelp residents were also 68 percent less likely to be hospitalized overall.[1] Furthermore, with the SHASAM resident assistance program in place, less than 2 percent of Selfhelp's residents are transferred to a nursing home in any given year.[2]

Additionally, in 2016, the Center for Outcomes, Research & Education issued a report on a study conducted in Oregon that showed a decline in Medicaid costs of 16 percent one year after seniors moved into affordable housing with a Resident Assistant. Their analysis included 1,625 individuals, 431 of whom lived in properties that serve older adults and individuals with disabilities. The statistic of 16 percent savings in Medicaid costs breaks down to a savings of $84 per month for each individual in this subset, or $434,000 over a 12-month period for the relatively low number of 431 individuals.[3]

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[1] Gusmano, MK. Medicare Beneficiaries Living in Housing With Supportive Services Experienced Lower Hospital Use Than Others. *Health Affairs.* Oct. 2018.

[2] The New York Housing Conference. Spotlight: A Conversation with Mohini Mishra, Selfhelp Realty Group. July, 2021.

[3] Li, G., Vartanian, K., Weller, M., & Wright, B. Health in Housing: Exploring the Intersection between Housing and Health Care. Portland, OR: *Center for Outcomes, Research & Education*. 2016.

Based on LeadingAge New York analysis of this data and the SHASAM program, a $10 million investment of State funds over five years to support Resident Assistants would **result in a net savings of $4.5 million in Medicaid dollars to the State annually – or $2.25 for every dollar invested**. And, because this program would be designed to pair these resources with existing affordable housing properties, **State funding to support its creation would result in immediate, real-time return on investment and better outcomes for low-income older New Yorkers**.

> *A $10 million investment of State funds over five years would support Resident Assistants in at least 16, 100-unit affordable senior housing buildings, serving approximately 1,600 low-income older adults and* ***resulting in a State-share Medicaid savings of at least $2.25 for every dollar invested****.*

Over recent years, New York has invested heavily in the supportive housing model, which is an effective method of achieving similar outcomes as the proposed Resident Assistant initiative, but for different populations. Although our state's number of low-income older adults is rapidly growing, and these individuals will ultimately rely on Medicaid for some level of assistance or care, many of these individuals will not qualify for supportive housing programs. In order to qualify for supportive housing, older adults must typically meet additional criteria, such as being homeless, at risk of homelessness, unstably housed, or unnecessarily institutionalized. Conversely, the Resident Assistant initiative is intended to address the needs of older adults who are housed in subsidized and income-restricted housing by virtue of their age and income alone, and to do so *before* homelessness or entry into a higher level of long-term care become inevitable.

In the wake of the COVID-19 pandemic's negative effects on the social, emotional, and physical well-being of New York's growing population of older adults, and given the workforce and funding challenges plaguing higher-level health and long-term care settings, the State must leverage senior housing and other platforms for preventative and wellness programming now, before our independent seniors need more advanced care. For these reasons, LeadingAge New York and its advocacy partners strongly support the Resident Assistant Program's inclusion in the SFY 2024-25 Budget.

Study the State's Low- and Middle-Market Senior Housing Needs

While LeadingAge New York appreciates the State's recent efforts and evolving proposals to combat the ongoing affordable housing shortage, we remain concerned about its readiness to meet the needs of middle-income seniors who are too wealthy to qualify for most affordable housing programs, but not wealthy enough to afford market-rate rentals.

It is projected that the population of middle-income seniors will continue to grow and that, by 2029, these individuals will account for 43 percent of the total senior population.[4] Furthermore, projections indicate that approximately 60 percent of middle-income seniors in 2029 will have mobility limitations, and one in five of these seniors is likely to have three or more chronic conditions and one or more limitations with the activities of daily living.[5] These individuals – many of whom earn just a few dollars more than affordable housing income guidelines – are at risk of spending down assets to qualify for

[4] Pearson, Caroline F., Quinn, Charlene C., Loganathan, Sai, Rupa Datta, A., Burnham Mace, Beth, and Grawbowski, David C. (2019). *The Forgotten Middle: Many Middle-Income Seniors Will Have Insufficient Resources for Housing and Health Care*. Health Affairs 38, No. 5: 851-859.
[5] *Id.* at 857.

Medicaid-funded services and unnecessarily accessing a higher level of care due to a lack of affordable housing options.

However, funds included in the recent five-year spending plans for DHCR to support the development of units affordable to middle-income households are generally committed to projects serving individuals and families, limiting the options available to and appropriate for middle-income seniors who are more likely to struggle with their mobility and with navigating the network of existing community resources available to them.

To help avoid a compounding housing and long-term care crisis, and to ensure that future spending plans are balanced and effective for New York's aging population, LeadingAge New York recommends a State-directed study to evaluate the housing-related needs of low- and middle-income older adults and the effectiveness of its current spending plans in meeting those needs.

Combating Rising Insurance Costs in Affordable Housing

LeadingAge New York supports the Executive Budget proposal to prohibit insurance carriers from refusing to provide or to continue to provide property insurance – and from raising premiums – based on tenants' source of income, affordability of housing units, or the receipt of government assistance. In an April 2023 LeadingAge national member survey, 43 percent of affordable senior housing provider respondents said that property insurance rates and related costs had increased by at least 10 percent in the last year, or that they were expecting a similar increase within three months. Respondents also shared that despite increases in insurance rates, coverage was reduced in many cases and minimum deductibles were increased. In most cases, respondents reported that there was no claims history at the properties where rates increased, with the insurance industry most commonly citing "market trends" as the reason for the increase. For senior housing providers, incorrect assumptions about the nature of the property as a health care rather than real estate setting have resulted in even greater increases and reduced availability of coverage.

Increasing subsidies to pay for runaway insurance increases is not a long-term solution. In order to maintain the affordability and availability of these critically important housing units for current and future low-income residents, the State must begin to take steps to normalize insurance costs for affordable housing, including affordable senior housing, by enacting a non-discrimination policy such as that proposed by the Executive Budget.

Conclusion

In the face of increasing demand for and devastating cuts to higher levels of long-term and senior care, the State must make modest investments in preventative programming across the continuum of its senior-facing services, including affordable, accessible, and service-connected housing for older adults. Committing $10 million over five years in the SFY 2024-25 Budget to support Resident Assistants in affordable independent senior housing, evaluating the effectiveness of the State's spending plans in meeting the housing needs of low- and middle-income older adults, and ensuring the long-term viability of affordable housing by normalizing insurance costs for these properties are low-cost initiatives that can keep vulnerable New Yorkers living in the community, reduce pressure on more expensive and staff-intensive services, and ultimately result in a significant return on investment via Medicaid savings.

Founded in 1961, LeadingAge New York is the only statewide organization representing the entire continuum of not-for-profit, mission-driven, and public continuing care, including home and community-based services, adult day health care, nursing homes, senior housing, continuing care retirement communities, adult care facilities, assisted living programs, and Managed Long-Term Care plans. LeadingAge New York's 400-plus members serve an estimated 500,000 New Yorkers of all ages annually.