1199SEIU
United Healthcare Workers East

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1199SEIU United Healthcare Workers East

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We enter this budget season in a unique position – state revenue is stronger than budgeted with anticipated tax receipts up by $4.6 billion in FY 25 and $4.1 billion in FY 26 from the levels projected in the fiscal year 2025 enacted budget.

Higher revenue is set to create a $3.5 billion surplus for Fiscal Year 2026 and $1.8 billion surplus next year. The Governor has budgeted for record high fiscal reserve resources of $34 billion in Fiscal Year 26. Last year's enactment of a tax on managed care organizations, and its approval by the previous Federal administration, will allow for $1.4 billion in new annual resources for healthcare.

Yet at the same time, all New Yorkers are not sharing equally in this rising tide. Income inequality in the state has significantly worsened since the pandemic with the richest gaining an increasing share of wealth, while the prices for the goods and services that make up the bulk of low-income family budgets such as food, housing, and energy have far outpaced wage increases.

1199SEIU members are part of this population that is struggling despite wage increases during the pandemic. Many are hugely impacted by the housing crisis and struggle to find safe, affordable places to live.

It is becoming harder and harder to recruit and retain workers particularly in nursing homes, home care, and human services jobs that are very stressful. Workers can find less demanding jobs at comparable or even higher pay.

The healthcare institutions that care for the most vulnerable New Yorkers also continue to struggle from historic underfunding. Safety net hospitals and clinics scramble daily to keep the doors open and provide care. Nursing homes are closing wings, delaying payments to vendors, and, in some cases, shutting down. And homecare clients – particularly those with high needs – have hours of care unfilled for lack of caregivers.

Moving forward, we must decide - do we settle for modest increases that perpetuate the cycle of provider and healthcare workforce crisis? Or do we use the resources at hand to make real investments in providers and caregivers to meet the needs of New Yorkers and the people who care for them?

While the Governor's budget is a step in the right direction, it does not meet this challenge.

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At 1199SEIU, we think the Administration and legislators should lead by using the resources available to finally close the gap between the cost of care and Medicaid rates by putting our safety net hospitals and nursing homes on sound financial footing, making real investments in community health clinics, fully funding our human services agencies, and continuing to invest in home care so we can build a workforce to meet the needs of an aging state.

In doing so, you can also demand transparency, accountability and an end to profiteering in the Medicaid program. Last year's enactment of reform in the Consumer Directed Personal Assistance Program (CDPAP) was the right decision, targeting excess administrative costs and profit while preserving services for consumers and wages for caregivers. We also urge you to include the Reinvest in New York Healthcare Act (A3885) in the budget, to tax the dividends and other profits that health insurance companies transfer out of state.

Finally, this budget must send a message to the new Congress, reminding them that Medicaid is the most important source of quality healthcare for low-income New Yorkers and a crucial support for health and long-term care providers and caregivers throughout the state. While they are unconscionably considering slashing Federal support to pay for tax breaks for the wealthy, we can show a different way – one that invests in the services that people need and supports economic growth.

Specifically, 1199 recommends legislators make the following improvements as they debate their one-house budgets:

- Ensure all MCO tax revenue is invested in healthcare services by restoring the $1 billion earmarked for "general deficit relief";
- Restore the $500 million cut to the Vital Access Provider Assurance Program to support safety net hospitals and increase funding by an additional $800 million;
- Ensure nursing home rates are increased by 20% from 2023 levels and restore last year's capital rate cut, which hit some homes disproportionately hard;
- Increase supports for OPWDD, OMH, and OASAS services by 7.8% to cover the past two years of underfunded COLAs;
- Increase rates for Federally Qualified Health Centers beyond the $10 million proposed increase, and support legislation to update reimbursement rates to reflect current healthcare costs and equalize telehealth rates clinics regardless of patient/provider location. These clinics are seeing threats to their federal funding given their requirement to provide care for all including undocumented immigrants and the LGBQT community.

1199SEIU supports the following proposals to address the healthcare workforce crisis;

- Allow Licensed Creative Arts Therapists to bill Medicaid and private insurers directly for the mental health
- services they provide (something they are unable to do right now, unlike all other mental health practitioners);
- Expand scope of practice for pharmacists;

- Remove administrative barriers for physician assistants and allow them to work more independently;
- Provide funding to end 24-hour shifts for home care workers;
- Reject attempts to lower the quality of nursing home care by allowing lower-paid Medication Aides to replace Licensed Practical Nurses. Instead, we should invest in career ladders by expanding certified apprenticeships for nursing assistants to become LPNs;
- Pass comprehensive legislation to require Article 28 healthcare employers, in collaboration with frontline workers, to develop and implement workplace violence prevention plans that include facility assessment, plans to address threats, reporting of incidents, and workforce trainings;
- Establish a Human Services Wage Commission to address the low wages in the disability services sector and the wage disparities between Direct Service Professionals at non-profit and state-operated agencies.