

**Testimony of Chris Vitale, ESAAL Legislative Coordinator**

**Joint Legislative Budget Hearing – Health/Medicaid**

**February 11<sup>th</sup>, 2025**

Good morning, Chairs Krueger, Pretlow, Rivera and Paulin and other Senate and Assembly Members here today. My name is Chris Vitale, and I am the Legislative Coordinator for the Empire State Association of Assisted Living (ESAAL), which represents over 360 adult care facilities serving more than 35,000 seniors across New York. I am also a former owner/operator of assisted living communities located throughout the central New York area, all of which participated in the Medicaid funded Assisted Living Program (ALP).

ESAAL is a not-for-profit organization dedicated to strengthening the assisted living provider network. Our members include communities that care for frail elderly individuals who pay for their care privately with their savings and retirement income, as well as people who rely on (SSI) fixed Supplemental Security Income and/or Medicaid and who receive services through the state's Medicaid funded ALP.

The assisted living model combines independence, choice, and privacy with personalized supportive care in a congregate residential setting. Unlike nursing home residents, individuals who live in our facilities require some assistance with activities of daily living and ongoing supervision, but do not require around the clock skilled nursing care. **Our member communities represent the most cost-effective way to serve frail seniors in need of 24-hour care and supervision. The services our members offer cost less than half of skilled nursing care and less than a third of 24-hour home care.** In spite of this, our industry remains severely underfunded, and while demand for our services is growing, ACFs serving low-income seniors are closing at an alarming pace. In the last 2 years, 22 ACFs have closed across NYS representing 1175 beds, with 5 of these facilities licensed as Medicaid funded ALPs. This is leading to a crisis in long term care options and jeopardizing any savings we generate for the state and the care we provide to thousands of vulnerable seniors.

And still, year after year, and despite our best efforts, New York State continues to fail to recognize the importance of our sector and to take the critical steps needed to sustain the most efficient and cost-effective part of the long-term care continuum. Insufficient funding continues to fuel closures, stifle innovation and displace vulnerable residents into higher-cost settings, while placing an avoidable financial strain on the state. It's time to act with urgency to protect this vital program and the countless lives it impacts.

We respectfully urge the legislature to support the following critical actions:

### **Restore the EQUAL Program and the Enriched Housing Subsidy:**

The Enhancing the Quality of Adult Living (EQUAL) program and the Enriched Housing Subsidy are absolute lifelines for Assisted Living Communities and Enriched Housing Programs serving frail, low-income seniors in New York.

The EQUAL program, which was created by the Legislature years ago, provides essential support for facilities serving low-income seniors. Funds are used to make improvements to the facility that providers would otherwise be unable to afford. Through this program, approximately \$6.5 million in annual grants support initiatives to improve the quality of life of residents.

EQUAL awards are based on the number of SSI and safety net residents in each facility. EQUAL has helped support improvements such as air conditioners, backup generators, computers, new furniture and amenities, wellness and nutrition programs, independent living skills training, and fall prevention programs. Same as we saw last year, the Executive Budget once again proposes to eliminate this vital program. Facilities that care for low-income seniors rely on EQUAL to maintain safe, livable environments while operating on an unsustainable SSI subsidy of just over \$46 per day. Without this funding, these communities will not be able to meet the basic needs of some of New York's most vulnerable residents.

The operating assistance subsidies for enriched housing provide \$380,000 in annual funding to help support care for low income seniors who need additional services such as meals, housekeeping, shopping, and transportation. This program was also proposed for elimination in the last Executive budget, and again this year.

It is unfair that the Executive repeatedly puts these vital programs on the chopping block, but we are grateful for the Legislature's continued support in rejecting these cuts. On behalf of the frail, low-income seniors who depend on them, we urge you to fully restore funding and protect these critical programs once again.

### **Reform Assisted Living Program (ALP) Rates and Finalize the ALP Needs Methodology**

The ALP is New York's only Medicaid-funded program that provides 24-hour care and supervision for individuals who are medically eligible for nursing home care but can thrive in a less intensive and more cost-effective setting. This essential program serves thousands of low-income New Yorkers, allowing them to maintain independence while receiving critical services such as room and board, personal care, nursing, physical and occupational therapy, speech therapy, and more.

Despite its clear benefits for residents and cost savings for the State, the ALP is on the verge of collapse. The root cause of this crisis is twofold: outdated and inadequate reimbursement rates, and a seven-year delay in finalizing the ALP needs methodology to ensure beds are available in underserved counties of New York.



## Empire State Association of Assisted Living

Care • Community • Connections • Every Day

The base year for ALP rates, which is set in law, is stuck in 1992. Operational costs, wages, and inflation have risen exponentially since then, and yet the reimbursement rates remain tied to costs from over 30 years ago.

As we have repeatedly requested, the ALP base year must be updated in law from 1992 to 2025, and last year's temporary increase should be made permanent, with an additional 16% increase to stabilize facilities until rebasing takes effect. The modest, one-time payment of just over 4% included in last year's budget was a small step, but it did little to address the systemic funding shortfall. Without meaningful reform, more ALP closures are inevitable, further jeopardizing access to care for New York's most vulnerable residents and driving up Medicaid costs.

The consequences of inaction are evident. In the last decade, over 4,250 low-income adult care facility (ACF) beds have been lost due to closures. This trend accelerated in 2023 and 2024, with additional Medicaid funded ALP communities closing last year alone and hundreds of residents displaced. When an ALP closes, vulnerable residents are forced into higher-cost nursing homes, whether they need that level of care or not. This not only disrupts residents' lives but also increases the financial burden on the State.

Additionally, the Executive Budget seeks to delay once again the much-needed ALP need methodology for another year. The requirement for an ALP needs methodology to be developed by the Department of Health dates back to 2018. Up until that point, ALP beds were awarded through inconsistent solicitation processes. The needs methodology, which was intended to address gaps in access to care and ensure that ALP beds are strategically placed in underserved counties across New York, was supposed to be in place by 2023 but it was first delayed until 2025 and now again until 2026. The Department of Health has had 7 years to complete this task and must deliver a plan now, without further delays, to guarantee that every New Yorker who qualifies for this program has access to a bed, regardless of where they live. There are many counties across the state that lack ALP beds and without this methodology in place, communities in need will remain underserved, compounding the crisis in access to care.

### **Expand the Special Needs Assisted Living Residence (SNALR) Voucher Program**

The SNALR Voucher Program was transitioned from a demonstration to a permanent program in last year's budget, and it is an essential source of support for individuals and families facing the challenges of Alzheimer's disease and dementia care. The voucher program was first authorized in the FY 2018-19 budget to help subsidize the cost of assisted living for individuals with Alzheimer's and dementia, allowing them to remain in assisted living rather than being forced into costly Medicaid funded nursing homes.

Funded at \$7.75 million annually, this program saves New York State significant Medicaid dollars while ensuring that individuals can age in place at in a much more appropriate and supportive environment. However, the growing demand for Alzheimer's disease and dementia care underscores the urgent need to expand this program.



Empire State Association  
of Assisted Living

Care • Community • Connections • Every Day

We respectfully request that funding be increased from \$7.75 million to \$15 million to expand access to this vital program, enabling more New Yorkers to benefit from its services and protecting the State from higher costs.

---

In closing, the challenges facing New York's assisted living providers demand urgent action. Restoring the EQUAL program, reforming outdated ALP rates, finalizing the long-delayed ALP needs methodology, and expanding SNALR voucher funding are critical steps to protect access to care for tens of thousands of low-income seniors. These investments will save taxpayers billions, prevent unnecessary nursing home placements, and ensure dignity and quality care for New York's most vulnerable residents.

We urge the Legislature to act now and prioritize these solutions in the 2025 budget. Thank you for your time and commitment and the opportunity to provide this information.