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Written Testimony of Rebecca Preve, Executive Director
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Joint Budget Hearing - Human Services
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Hello, distinguished members of the Senate and Assembly Aging Committee, my name is Rebecca Preve and I am the Executive Director of the Association on Aging in New York (AgingNY). I appreciate the opportunity to submit written testimony related to the New York State Office for the Aging and Aging Service providers funding.

AgingNY is a not-for-profit membership organization that is tasked with supporting and enhancing the capacity of New York's county-based Area Agencies on Aging and works in collaboration with a network of almost 1,200 aging service providers to promote independence, preserve dignity, and advocate on the behalf of aging New Yorkers and their families. In New York State, there are 59 county-based Area Agencies on Aging which provide services and supports to older residents and their families.

The mission of the Area Agencies on Aging is shared by the New York State Office for the Aging: to assist older New Yorkers and their families to live autonomous and fulfilling lives. We provide a myriad of programs, services and supports to individuals 60 years of age and older, their families, friends, and natural supports to achieve this mission. These include home delivered and congregate meals, case management, personal care services to assist with bathing, toileting, dressing, shopping, meal preparation, legal services, personal emergency response systems, health insurance information and counseling, respite, social adult day services, information and assistance services, nutrition education and counseling, health promotion and wellness, evidenced based interventions, home modifications, transportation, caregiver supports, benefits and application assistance and access to long term services and supports through the NY Connects no wrong door systems reforms.

The older population is the basis for a strong economy in New York State, and in the country. Older residents have a tremendous amount of capital and contribute significant income to the state. According to the 50+ Longevity Economy, the overall contribution of the 50 plus population of economic and unpaid activities was worth more than \$9 trillion in 2018 and will triple to \$28.2 trillion by 2050. In New York, the over 60 population will rise from 4.6 million today to 5.6 million by 2040 and keeping these individuals in NYS is paramount to our economic success. Individuals over the age of 45 currently generate \$379 billion per year, 63% of all income in the state. The value of their volunteering and civic engagement is over \$13 billion annually, and the 4.1 million unpaid caregivers, who provide the bulk of the nation's long-term care, if paid for at the market rate are worth \$39 billion dollars per year. This data makes it abundantly clear that NYS must make it a priority to make NY a place where individuals remain as they age. The return on investment, by ensuring we provide appropriate care and support, makes sense from an economic standpoint, and our network provides that assistance. Older NYers contribute over \$72 Billion per year in state and local taxes, and deserve to access services to allow them to age with dignity.

The structure of the network of aging professionals via the Older Americans Act and NYS statute is designed to assure strong community connections with community-based organizations from a variety of entities, county governments, health and long-term care

systems, law enforcement, the courts and others to represent and advocate for older adults holistically. Our strengths as a network are helping individuals and families first and foremost, but we are also an important part of meeting state goals and priorities including becoming the healthiest state in the country, meeting the Olmstead Plan priorities, reducing future Medicaid costs, reducing preventable hospital readmissions and improving the overall well-being of our older population. Our network strengths include:

- Having an established infrastructure/network with experience serving vulnerable populations
- Knowledge of community-based provider networks and the ability to access them
- Experience with hospital transitions and evidence-based programs
- Cultural and linguistic competence
- Knowledge of community they serve and their varied needs
- Established relationships and trust
- Being nimble and ability to provide services and supports in the home
- Serving clients for life, not episode focused
- Having a holistic approach to support individuals in their homes
- Serving individuals across all care settings
- Acting as the eyes and ears of medical professionals in the home
- Providing one door for many services to support individuals in their homes
- Ability to improve the health of the community/people at an incredible value
- Not insurance or product driven

The services and supports that are provided through the Offices for the Aging and their network of almost 1,200 community partners improve overall health and save the state money by reducing the utilization of higher cost services. The average client served through the network is:

- women in their early 80s
- low-income
- live alone
- have substantial functional limitations (needing assistance with personal hygiene, bathing, dressing, eating, toileting, transferring, shopping and preparing meals, house cleaning, and transportation, doing laundry, self-administering medication and handling personal business)
- have 4 or more chronic conditions (arthritis, diabetes, high blood pressure, heart disease, osteoporosis and visual impairments.).

These are all individuals that can remain independent for years with some support from their local offices for the aging.

Our network can serve them at a fraction of the cost of Medicaid funded services because we are able to intervene earlier, we do not require a physician's order to access services in a high-

cost medical model, and because we provide holistic care in a person-centered way by coordinating services that we oversee and work with other systems if additional supports are needed. Further, the services we provide don't require an individual to impoverish themselves and spend all their assets, effectively diminishing their positive impact on the local and state economy.

Clients that are served via our more intensive programs are comprehensively screened across numerous categories to identify any and all needs that they may have. This allows our network to identify and provide services in a person-centered approach, all while ensuring individuals are able to remain in the least restrictive setting, also providing savings to a costly health care system. Our network is one of the few that can, and does, address the social determinates of health, preventing inappropriate utilization of skilled nursing facilities and emergency departments, and preventing spend down to Medicaid. Social determinates of health (individual behaviors and social and environmental factors) are responsible for 60% or more of all health care expenditures, yet interventions to address them comprise only 3% of national health expenditures, with 97% going to medical services. While health care will always be important, the heavy lift to assure that care plans and post-discharge services and supports are in place are the responsibility of our network. We are a central part of the success, or failure of the health care industry and the personal success of individuals and families.

Funding to support our long-term care services, specifically for hands-on care for those who need it is a combination of Federal, State, and Local funding, that has not kept pace with the needs of our aging population. New York is currently fourth in nation for population over the age of 60 at 4.6 million, with anticipated growth to 5.3 million in less than ten years. Additionally, 1 in 5 older resident's lives with a disability, and data shows that 70% of individuals over the age of 65 will need some form of long-term care services. This data all highlights the significant need for individuals to be supported in homes and communities, and the only way to control costs to the health care system is to invest in preventative services. As highlighted, the aging services network serves older residents that are not enrolled in Medicaid at a fraction of the cost. These individuals have the same chronic conditions and need assistance with many basic tasks; however, we can keep them in homes and communities for less than \$10,000 per year. The cost benefit to Medicaid, and health systems, is paramount in cost containment for NYS, and it is imperative that funding to support older residents and their families keeps pace with the need. As noted, the value of the older population to the state cannot be overlooked, and the state needs to support those older residents that need care.

Unfortunately, the value of these services has been generally overlooked and underfunded. In addition to those that are waiting for services, we are serving thousands of individuals with home care services not funded under Medicaid. Legislation passed **October 1, 2022** mandated that home care workers received a \$2 rate increase, which our network fully supported. However, even though our network uses the same licensed home care providers, and therefore had to pay for this increase, NYSOFA received zero funding to address the increase. Only Medicaid providers were provided funding, and our network was forced to utilize other funding for the rate increase. This oversight is concerning as these services are data driven as cost

saving yet fail to receive funding to support. Although this issue has been raised repeatedly, there continues to be no additional funding provided to NYSOFA for the rate increase. Our home care program also utilizes the Consumer Direct Personal Care Assistance Program, yet we were not considered when the state transitioned to one fiscal intermediary and the closures of FI's due to the change has created a further lack of services for non-Medicaid eligible enrollees. Additionally, the changes to Medicaid home care services from the MRT II recommendations have gone into effect as of September 2025 and limit the home care services available under Medicaid. This does not mean that services such as housekeeping and grocery shopping no longer exist, it simply means you cannot access them under Medicaid. Therefore, our network is inundated with new customers that cannot receive home care under Medicaid, once again with zero funding provided for this increase.

The 59 AAAs continue to report thousands of individuals who are waiting for services right now, and this need will continue to grow. This is due to several factors. First – the relationship between the counties, hospitals, health plans and health systems is strengthening and as the state is focusing attention on addressing the social determinants and developing value-based payment arrangements, additional attention to what our network offers and subsequent referrals are increasing. Second, the NY Connects system is doing exactly what it was built to do, connecting individuals to programs and services. Finally, the population is growing older and both through increased work around supporting caregivers and a growing older adult population means that those who need some assistance are more easily finding their way to our network. Additionally, the state has spent the past three years publicly announcing and celebrating the Master Plan for Aging. Over 600 professionals, under direction from Governor Hochul's executive order, spent hundreds of hours crafting detailed recommendations for implementation. Dozens of town halls were hosted, with older individuals and family members publicly asking for additional assistance. New York State Department of Health and New York State Office for the Aging did a press tour, and all across New York State people in the community heard about the Master Plan, and were educated about our services. This obviously pushed additional individuals to their local Office for the Aging, and due to lack of funding most were placed on waiting lists. It is alarming that although time, dedication, and thoughtfulness went into creating a Master Plan for Aging, there was no mention by the Executive of the plan, nor funding for our core services and supports.

The economic impact to the state for individuals that cannot access our services are tremendous, and have repeatedly been demonstrated. After reviewing more than 2,000 individual case files in the fall of 2019 of those older adults who were awaiting services but were not receiving them from 2017-2019, 10% of those waiting but not receiving services went directly to a skilled nursing facility and 6% went to community Medicaid/MLTC. Because these individuals are low-income, have a myriad of functional limitations and multiple chronic conditions, they would spend-down to Medicaid almost immediately, costing the state hundreds of millions of dollars.

In the proposed executive budget there is an acknowledgment of the needs of those waitlisted, but zero funding to support those currently waiting. The state continues to take credit for

previous investments, however, those dollars are already being utilized to support our clients. Currently, there are over 70,000 services that are waitlisted, including basic needs such as a home delivered meal, or help going to the bathroom. It is abundantly clear that there is still an enormous equity issue in funding for the aging services network. The NYSOFA budget continues to remain minuscule in comparison to the overall state budget, even though the brunt of tax contributions for the state budget is burdened by the 60+ population. Examples of the return on investment by providing aging services to healthcare are well documented, yet largely ignored.

- In Erie County, the Ready, Set, Home pilot embedded NY Connects staff at the local hospital and nursing facilities to provide office for the aging services temporarily as well as care transitions and warm hand offs to MLTC, waiver, and PACE services while awaiting Medicaid authorization. The pilot saved \$3.41 for every \$1.00 invested into the system.
- In Monroe County, Lifespan of Greater Rochester developed the Community Care Connections Innovation to integrate community-based aging services through physicians' offices, with linkage to community services, nursing services, and evidenced based programing. Hospitalizations were decreased by 50% for the first 90 days and 65% over 180 days. The return on investment saved \$4.58 for each \$1.00 invested. The most important services linked to preventable hospital readmissions are from the following services – case management, benefits counseling, health insurance counseling, personal emergency response systems, housekeeping (PCI) and home modifications. All services the aging network provides daily and at the lowest cost.
- In Queens, the Selfhelp Active Services for Aging Model provided benefit and entitlement assistance, wellness programs, health screening, care transitions, and referral to partner agencies showed a 68% reduction in hospitalizations, 53% reduction in emergency department visits, and a 76% reduction in the emergency department for DOPD, CHF, and bacterial pneumonia. The typical cost for a Selfhelp customer was \$1,178.00, while the cost for Medicaid customers was \$5,715.00.

As highlighted, services provided by the aging network, are vitally important to the health and wellbeing of the rapidly aging population, and our ability to serve them is only hindered by our budgets that have not been able to keep up with inflationary increases and the growing older adult population. Funding for many of our core services, in real terms, has remained virtually stagnant for years. Our personal care program specifically impacts individuals that qualify for nursing home placement and wish to remain in the community. This is a huge savings to the Medicaid system, and these individuals receive limited services due to our funding levels. Looking at data that is collected via our network, it is easy to see why an increase results in savings to the state. For example, the highest risk factors for nursing home placement include having 3 ADL, and 3 IADL deficits, and 3 or more chronic conditions. The network is only able to provide slightly over one hour of case management per month, and less than 5 hours of hands-

on care per week. An increase in our ability to provide a higher level of service to these customers will absolutely result in more individuals being maintained in the community, and prevent them from being forced to enroll in Medicaid covered services.

I cannot stress enough how aging service providers are providing a significant cost savings to the Medicaid system but do not receive the attention or financial support they deserve. The older adults being served via aging services are complex and high risk. The Offices for the Aging and their partners can provide quality services and supports to older individuals and their network of caregivers, at a much lower cost than the medical model and it does so looking at the entire person. Investments in aging services are vitally important to the economic security of the state, and they need to be a priority rather than an afterthought. I respectfully ask that the Legislature continue to invest in our network and incentivize the network through proactive policy and statutory changes. We must utilize the Master Plan for Aging and implement the proposals contained within, or it is simply another report that cost millions and will sit on a shelf. Thank you for your time and support, and I look forward to working with you on these issues.

Aging Services Budget Requirements

Cost to Address Current Waiting list for Services

	Individuals ¹	Cost ²
1. Personal Care Level 2	2,223	\$23,730,525
2. Personal Care Level 1	2,507	\$8,248,030
3. Consumer Directed	583	\$3,766,110
4. Home Delivered Meals	2,730	\$17,437,612
5. Social Adult Day Services	319	\$1,428,456
6. Case Management	12,203	\$12,150,000
7. Congregate meals	2,453	\$2,232,230
8. Nutrition Counseling	1,045	\$147,345
9. Transportation	9,903	\$7,902,594
10. Assisted Transportation	1,656	\$1,159,200
10. Legal	1,986	\$961,224
11. PERS	1,264	\$273,024
12. Caregiver supports	1,163	\$1,017,625
13. Health Promotion	2,234	\$728,284
14. Home modifications	702	\$2,106,000
15. Telephone Reassurance	662	\$205,220
16. Friendly Visiting	1,461	\$452,910
17. Shopping Assistance	849	\$38,205
18. Technology Innovations Access	26,015	\$1,120,123

Total Base Cost for Waitlist - Total - \$75,104,717

Justification³

Inflation and limited COLA

Core services are particularly impacted by inflation, including the nutrition program, Community Services for the Elderly, our in-home services program, case management and transportation. Due to these inflationary costs, our services are being eroded to serve existing clients, and we are unable to serve new individuals, as we are faced with essentially flat budgets while demand and costs have increased. These programs necessitate a minimum of 10 percent increase to continue to serve those on the program.

Total - **\$37,156,288**

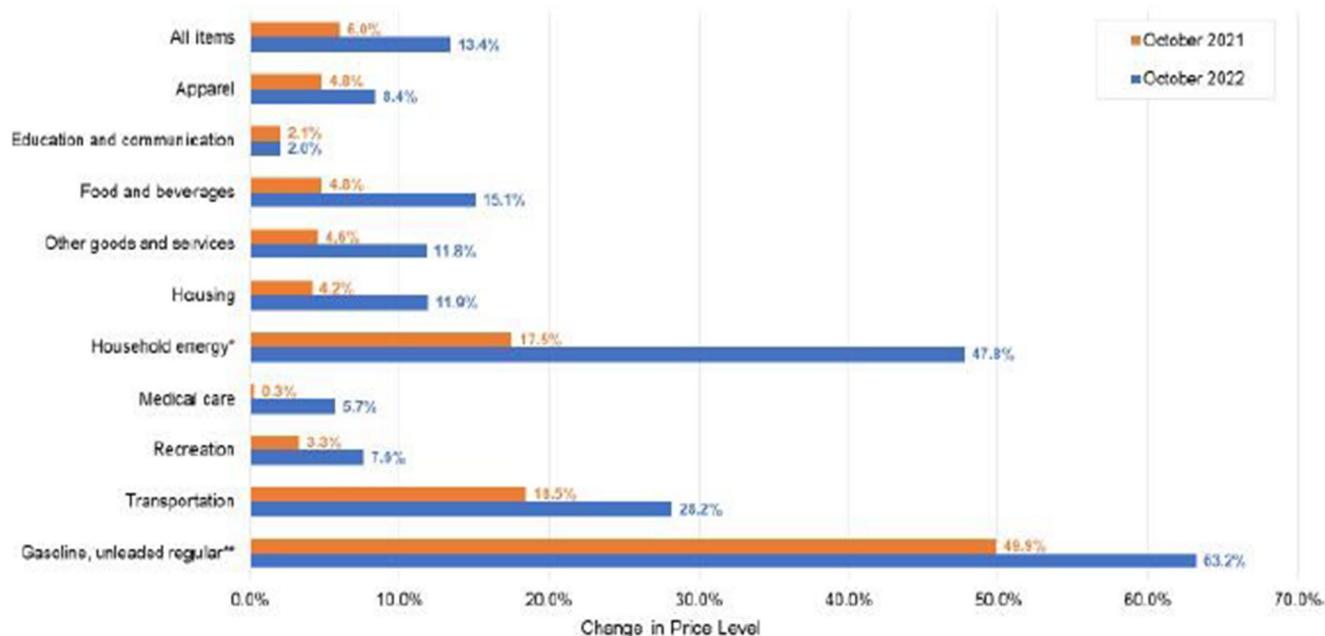
¹ New York State Area Agencies on Aging

² These calculations are based on cost reports from New York State verified data from 24-25

³ These calculations are based on cost reports from New York State verified data from 24-25

This results in a total Cost of to address the waiting list and to continue services for those currently receiving services.

RAPIDLY RISING FOOD & ENERGY PRICES HAVE BEEN KEY DRIVERS OF INFLATION
 % CHANGE IN PRICE LEVEL SINCE OCT. 2020 BY EXPENDITURE CATEGORY, NORTHEAST CPI-W (NOT SEASONALLY ADJUSTED)



*Household energy is a component of the housing category

**Gasoline is a component of the transportation category

Source: U.S. Bureau of Labor Statistics

Increasing Services for Aging reduces Medicaid Expenditures

Individuals on the waiting list for services have been analyzed in NYS and it was determined that 10% of individuals awaiting services went directly from the waiting list to a skilled nursing facility, and an additional 7% went to Medicaid and MLTC in the community. This results in hundreds of millions of dollars being spent on Medicaid at a much higher cost.

Demand from Individuals Who Would Otherwise be Served by Medicaid Except for MRTII Restrictive Criteria

These calculations do not consider the increase in waitlists we are experiencing due to Medicaid Redesign Team II (MRTII) changes that became law in September 2025, which eliminates personal care level 1 (PCA I) as a covered service. In order to qualify for Medicaid-funded homecare, individuals will have to meet a stringent standard.⁴ Many that would have been eligible to receive services through Medicaid are no longer be able to and are seeking AAA services, with no additional funds provided for the influx.

Source: Governor Hochul 2023 State of the State Address

⁴ Soc. Serv. Law §§ 365-a(2)(e)(v) and 365-f, subd. 2(c) as amended by the enacted State Budget FY2020-2021 sets new minimum requirements for eligibility for PCS and CDPAP services and for enrollment in a Managed Long Term Care (MLTC) plan. An applicant for PCS or CDPAP services, or an individual seeking to enroll in an MLTC plan, must need assistance with physical maneuvering for more than two Activities of Daily Living (ADL's). The

AAAs Unable to Advertise Availability of Services due to Inability to Meet Demand

The aging network of community-based service providers could further save Medicaid dollars and keep the economic contributions of older adults in the community/state if we were able to advertise our core services that are proven to prevent spend-down. The network is unable to do public outreach for these services because we cannot serve them and increasing the number of waiting lists is not a solution. The Master Plan on Aging has also identified the need for fully funding the community-based service infrastructure that has been doing this work and addressing Social Determinants of Health for over 50 years.

Master Plan for Aging Recommendation and Waitlist Need

The Association on Aging in New York is full funding as outlined in the Governors Master Plan for Aging, to address waiting lists, hire additional staff, operate in a post-pandemic environment, innovate, advertise, and increase service provision across the state. In addition, county governments have for decades been the number one funder of community-based aging services and have contributed significantly more funding than is required by law.

Overall Funding Increase for Waitlisted Services. Funding increases would:

- Reduce waiting lists
- Enhance the home care rate for personal care I and II
- Expand personal care and case management.
- Provide additional transportation support.
- Combat social isolation.
- Increase access to social model adult day services so caregivers are able to have meaningful employment
- Expand health and wellness services, evidenced based interventions.
- Other locally determined needs
- Invest in sustainable nutrition support - \$43 million
- Invest in Aging Services network workforce - \$20 million
- Expanding eligibility to younger onset Alzheimer's and to age 50 for caregiver and respite support – \$26 million
- Provide annual appropriation for technology access - \$5 million
- Provide annual appropriation for Lifespan Respite Care Programs - \$1 million
- Provide annual appropriation for elder abuse education and outreach - \$3 million
- Provide increase funding for state SHIP Programs - \$5.5 million
- Provide increase in funding for state legal assistance programs - \$3 million
- Provide increase in funding for the long-term care ombudsman program - \$10 million
- Provide an annual appropriation for Aging and Disability Resource Centers - \$20 million
- Provide reskilling and training for older individuals who wish to return to employment - \$2 million

The New York State Office for the Aging budget is less than 1% of the overall budget and has been historically and chronically underfunded even though New York is 4th in the nation for the 60+ population. A Master Plan on Aging cannot be implemented without significant investments into the aging services network.

Why Invest in Older New Yorkers Living in the Community, By the Numbers

- 36% of Population in NY 50+
- Contributed 43% - \$719 billion – GDP
\$2.2 trillion by 2050 (43%)
- Support 5.9 million jobs
6.6 million by 2050 (47%)
- Generated \$482 billion in wages and salary
\$1.46 trillion by 2050 (50%)
- Contribute \$72 billion in state and local taxes (39% of total)
Will triple to \$255 billion by 2050 (43%)

New York's total population is over 19 million individuals, and the State **ranks fourth** in the nation in the number of adults age 60 and over

- **80% of NYS Retirement System Payouts Stay in NY - \$10.6 billion annually**
- **935,000 individuals age 60+ contribute 495 million hours** of service at economic value of **\$13.8 billion**
- **64% of individuals** age 60+ who own their own homes and have **no mortgage**
- **4.1 million caregivers** at any time in a year – economic value if paid for at market rate is **\$32 billion, average age is 64**
- **Older adults receive \$70 billion annually in Social Security benefits that are spent locally.**
- **\$41 billion in state and non-state pensions go to older New Yorkers.**

Additionally, in a 2023 Statewide Needs Assessment Survey of over 27,000 older residents, 72% of individuals identified as being healthy, and continuing to provide contributions in the community. Our services are focused on ensuring continued health and contributions from 72%, target coordinated services for those in need of home and community-based services, and to provide supports to the family, friends, and neighbors that provide the overwhelming majority of care to those in need.

Older individuals and their families deserve to live in an age friendly state, with an infrastructure that provide wholistic, person centered care.