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Written Testimony for Legislative Hearing on the Governor's Budget Proposal

The Alliance of Traumatic Brain Injury (TBI) and Nursing Home Diversion and Transition (NHTD) Waiver Providers represent providers authorized by the State and federal government to provide home and community-based services under 1915(c) waiver programs. These programs serve highly vulnerable New Yorkers in the community, allowing them to remain at home rather than in institutional settings. Between the two programs, the waivers serve more than 15,000 people across New York State.

We thank the members of the Legislature for the opportunity to share our views on the Governor's proposed budget. Our testimony focuses on the Nursing Home Transition and Diversion (NHTD) Waiver program, which is the only federal and state Medicaid partnership in New York State that provides specialized services tailored to meet the needs of the state's rapidly increasing aging population. The NHTD Medicaid Waiver enables older adults and individuals with physical disabilities to access community-based services that are not otherwise available through the State Medicaid program.

Developed by the State and Independent Living community in 2005, the NHTD waiver was created to give New Yorkers with disabilities the choice to receive necessary supports within their communities instead of being placed in institutions, while generating aggregate cost savings to the Medicaid program. The program continues to play a vital role by delivering services not otherwise available, helping individuals maintain independence and remain integrated in their communities.

Since inception, the NHTD program has saved the Medicaid program millions of dollars. While the program has been highlighted in the past year due to its unexpected growth, it continues to save Medicaid dollars while allowing individuals to live in the least restrictive setting.

As the Committee reviews budget testimony, much of which focuses on strengthening community living for older adults and people with disabilities, we urge you to consider the challenges facing the vulnerable populations of New Yorkers who do, or will, rely on the NHTD waiver program for support. This waiver is a critical lifeline, allowing individuals to remain in their homes rather than in costly institutional settings. However, the program faces mounting pressures that threaten long-term sustainability and access to care.

The Alliance's testimony centers on **two primary issues**.

First: The Need for Permanent Carve-Out from Medicaid Managed Care

First, the need to extend the carve-out of the NHTD Waiver from Medicaid managed care, as the current exemption expires on January 1, 2027.

As Governor Hochul stated in her approval message of legislation permanently carving the 1915(c) Traumatic Brain Injury (TBI) Waiver population out of Medicaid managed care, dated December 21, 2024, she has "always supported programs that support dignity, independence and choice for

individuals with disabilities and seniors.” Respectfully, the Alliance is requesting the same protection for the 1915(c) NHTD Waiver and its population. The TBI and NHTD waivers are nearly identical in structure and purpose, differing primarily in the populations they serve. Currently, however, the NHTD Waiver is scheduled to transition into managed care effective January 1, 2027.

Despite this delay, no comprehensive planning has occurred to prepare participants, providers, or health plans for a transition. There is no demonstrated managed care delivery system capable of meeting the complex needs of this population without risking access to specialized services.

To ensure continued access to specialized services and protections, we respectfully request that the final budget includes a permanent carve-out of the NHTD Waiver from Medicaid managed care.

Second: Data-Informed Reforms to Address Growth While Preserving Access

Secondly, to ensure New York’s most vulnerable citizens continue to have access to services, we urge the Legislature to support continued stakeholder engagement and strategic reforms, including requiring the Department of Health to maintain formal waiting lists for individuals seeking enrollment in the NHTD Waiver.

From inception through 2023, the NHTD waiver operated as a stable program, serving approximately 4,000 participants statewide, with average monthly costs of approximately \$5,000 per participant. Following the 2024 *Bagley et al. v. New York State Department of Health* settlement, the Department issued Dear Administrator Letter DAL: DHCBS NH 24-10, which significantly increased awareness of the NHTD waiver, particularly among home care providers and Managed Long Term Care plans. As a result, enrollment increased sharply, driven largely by transfers from managed care plans—often involving the highest-need cases requiring 24-hour care. According to the Department of Health, individuals transferring from MLTC plans to the NHTD waiver cost approximately \$245,000 per year, compared to approximately \$145,000 per year for referrals from other sources, including nursing homes.

Last year, the Administration imposed an administrative enrollment cap of 9,400 participants due to this unprecedented growth. Despite the cap, enrollment continued to increase, reaching approximately 10,200 in December 2025 and an estimated 12,700 by mid-January 2026. While we do not have clarity on how enrollment exceeded the cap so rapidly, we recognize that the underlying driver is the growing need for long-term care services among New York’s aging population.

Conclusion

The Nursing Home Transition and Diversion Waiver is a critical program that keeps nursing-home-eligible individuals safe in the community and supports transitions out of institutional care. Without the NHTD waiver, the need for services will remain—costs will simply shift to more restrictive and expensive settings such as nursing homes.

Rather than disrupting another successful community-based long-term care program, we urge the Legislature to support informed, collaborative reforms that preserve the NHTD waiver for the future. Like many New Yorkers, we would all prefer to age in place - in our homes, in our communities, with dignity and choice. The NHTD waiver makes that possible.

Respectfully submitted,

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