



Empire State Association of Assisted Living

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Testimony of Chris Vitale, ESAAL Legislative Coordinator
Joint Legislative Budget Hearing – Health / Medicaid
Tuesday, February 10, 2026

Good morning Chairs Krueger, Pretlow, Rivera, Paulin, and distinguished members of the Senate and Assembly.

My name is Chris Vitale, and I am the Legislative Coordinator for the Empire State Association of Assisted Living (ESAAL), which represents more than 380 licensed adult care facilities across New York State serving over 38,000 seniors. I am also a former owner and operator of assisted living communities located throughout Central New York, including facilities that participated in the Medicaid-funded Assisted Living Program (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.

I am here today with a heightened sense of urgency and frustration, particularly as New York continues to grapple with an affordability crisis affecting residents, families, providers, and taxpayers alike. For years, ESAAL has warned that New York's continued failure to support licensed assisted living, particularly the Medicaid-funded ALP, would result in widespread closures, reduced access, and increased Medicaid costs. Unfortunately, those warnings have become reality.

According to AARP, New York State ranks last in the nation for access to quality assisted living. Since 2010, the State has lost nearly **5,000** adult care facility and assisted living beds. Alarming, more than **3,000** of those closures have occurred since 2020 alone, demonstrating a dangerous and accelerating collapse of the most affordable long-term care option for a growing population of low-income seniors.

Our member communities represent, by far, the most cost-effective form of publicly funded long-term care in New York State. Assisted living costs **less than half** of skilled nursing care and **less than one-third** of 24-hour home care, making it one of the most powerful affordability tools the state has to control Medicaid spending while preserving quality and dignity.

The average Medicaid nursing home rate exceeds \$280 per day, while the average ALP rate is approximately \$86 per day. That is a savings of \$196 per resident per day, or more than \$71,500 per person per year. With more than 14,000 ALP beds statewide, assisted living saves New York State well over \$1 billion annually.



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Assisted Living Program (ALP) Reimbursement Reform

The Medicaid-funded ALP serves individuals who are medically eligible for nursing home care in a less intensive, lower cost setting. Services include room and board, personal care, supervision, housekeeping, nursing, physical therapy, occupational therapy, speech therapy, adult day health care, among others.

When initially enacted, the ALP rate was supposed to be calculated at 50% of the regional average Skilled Nursing Facility (SNF) reimbursement rate; since then, ALP rates have lagged far behind the nursing home rate and remain woefully inadequate.

Moreover, the ALP reimbursement methodology remains frozen in statute at a 1992 base year. Providers are being asked to deliver modern, labor-intensive care in 2026 using reimbursement rates based on costs from 34 years ago.

Beginning in 2009, ALP reimbursement rates stopped trending forward. From 2009 to 2026, **inflation has increased by more than 40 percent, while ALP reimbursement rates have increased by less than one percent.** If you strip away minimum wage to adjustments that were provided as statutory pass-throughs to employees, providers have received almost nothing to address rising operating costs since 2009, including food, utilities, insurance, staffing, and regulatory compliance.

This is unsustainable. Failing to invest modestly in assisted living today guarantees significantly higher Medicaid costs tomorrow. ALP reimbursement rates must be increased. Without immediate intervention, closures will continue to accelerate. Each closure displaces low-income seniors and forces them into significantly higher-cost nursing homes unnecessarily, driving Medicaid expenditures even higher, reducing affordability for the state, and worsening access for families across New York.

The nominal rate increases provided in the last couple of budget cycles have done next to nothing to ameliorate the pressures being faced by ALP providers. ESAAL is calling for an **immediate 20 percent ALP reimbursement rate increase to stop the bleeding, prevent additional closures, and serve as a bridge to full rebasing.** We are also urging the Legislature to update the ALP statutory base year from 1992 to 2026 to reflect the true, actual cost of care, as provided for in legislation introduced in both Houses, A1406 (Paulin)/S3329 (Cooney). The Executive Budget includes \$1.5 billion in additional support for nursing homes and hospitals – a portion of these funds should also be earmarked to support rate increases for ALP providers.



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Restore the EQUAL Program and the Enriched Housing Subsidy:

Additionally, year after year and again in the current budget, the Executive proposes to eliminate the authorization and the funds for the **Enhancing the Quality of Adult Living (EQUAL) and the Enriched Housing Subsidy** programs. These programs represent the only direct source of state funding for adult care facilities and enriched housing programs that serve low-income, frail seniors.

The EQUAL Program provides a modest **\$6.5 million annually** to improve care, safety, and quality of life for SSI and Medicaid recipients. These funds support essential investments such as generators, safety upgrades, air conditioning, wellness programs, fall prevention initiatives, and other improvements approved by the facility residents that would otherwise be impossible to afford by facilities operating on unsustainable reimbursement levels.

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.

Eliminating EQUAL and the Enriched Housing Subsidy would immediately undermine care and quality of life and would further accelerate closures statewide. The Legislature has repeatedly recognized the critical importance of these programs and restored funding year after year. We are urging you to do so again—this is support that is critically needed.

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

One of the state's most effective affordability tools is the SNALR Voucher Program, which supports individuals living with Alzheimer's disease and dementia. First authorized as a pilot program in the FY 2018–19 Budget and later made permanent, the program subsidizes part of the cost of care for individuals who they deplete their own savings and assets and who can no longer afford to remain in the assisted living facility. Without this program, these frail, elderly individuals would be forced to move into significantly more expensive Medicaid funded nursing homes, whether they need that intensive level of care or not.

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. The growing demand for Alzheimer's disease and dementia care underscores the urgent need to expand this program.

We respectfully request that funding for this program be increased from \$7.75 million to \$15 million. This would be an investment that expands access, improves affordability for families, and protects the state from far greater downstream Medicaid costs.



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Special Needs Assisted Living Program (ALP) Demonstration

We also urge the Legislature to support inclusion in the Budget of legislation (S.8635 (Fernandez)/A.9418 (Paulin)) that would establish a demonstration program to allow up to three ALPs to care for residents with higher needs, such as Alzheimer's, dementia or cognitive impairments. The demonstration would provide an adjustment to Medicaid rates to reflect the added staffing, training, and safety requirements associated with caring for these individuals.

Currently, ALPs don't have the support to provide this level of care and the need for specialized settings to care for individuals with these conditions, including Medicaid beneficiaries, will continue to grow over time as our population ages. The demonstration program will assess the feasibility and potential for cost savings for NY associated with providing specialized services in the ALP.

Redirect Unspent Funding to Support Residents and Providers

The Executive Budget continues to line out over \$7 million for a caregiver respite care at adult care facilities program that has never been implemented. We urge you to redirect these unspent funds towards proven, well-regulated assisted living facilities – for instance, to support additional funding for the SNALR voucher program. Doing so would improve affordability, access, and outcomes without increasing overall spending.

In closing, New York State's assisted living system is at a breaking point. Without immediate action, closures will continue, Medicaid costs will rise, and access and affordability for low-income seniors will further erode. The Legislature has the opportunity—and the responsibility—to help change course.

We urge you to act now by stabilizing ALP reimbursement, rebasing outdated rates, restoring EQUAL and enriched housing support, expanding access to Alzheimer's and dementia care through SNALR vouchers, and reinvesting in the most cost-effective long-term care model New York has.

Thank you for the opportunity to testify. I am happy to answer any questions.