



## Testimony to the SFY2027 Joint Legislative Budget Hearing on Health February 10<sup>th</sup>, 2026

To: Honorable Members of the Legislature

RE: Support for New York State's Medically Fragile Children and Young Adults

Medically fragile children and young adults need continuous care, including intensive interventions, life-sustaining technology, and skilled nursing. Most also face severe developmental and physical disabilities. Medicaid is essential for families, providing critical support for their care needs.

New York State providers, including St. Mary's Healthcare System for Children, Angela's House, Blythedale Children's Hospital, The Center for Discovery, Golisano's Children's Hospital at the University of Rochester Medical Center, New Alternatives for Children, Northwell Health, St. Margaret's Center, and Sunshine Children's Home and Rehabilitation Center, are committed to delivering acute, subacute, long-term, and community care to the state's most vulnerable pediatric and young adult populations.

As CMS quality-ranked providers, **we commend Governor Hochul's Executive Budget and the state's recognition that Medicaid cuts would harm this vulnerable population. We also appreciate the restoration of the 10% capital funding for skilled nursing facilities.**

In recent years, mandatory Managed Medicaid enrollment, stagnant private-duty nursing rates, limited increases in community residential rates, and a shortage of home health workers have weakened support for medically fragile children and young adults in the community. As a result, many families and providers now face a care delivery crisis.

### **Reinvest in Critical Home and Community Support for the Medically Fragile Population**

The needs of medically fragile children and young adults persist after discharge from acute or subacute facilities, and home care is often lifelong. Unlike employer-based insurance, which may exclude or limit this care, Medicaid provides comprehensive, ongoing support. Due to changes in private insurance benefits, Medicaid now pays for more than eighty percent of national Private

Duty Nursing (PDN) claims. The national nursing shortage, combined with low Medicaid PDN reimbursement rates, makes it extremely difficult to find dependable nurses for authorized PDN hours. Because home care nurses earn significantly less than hospital nurses, with hospital wages 25% to over 100% higher, PDN availability for the medically fragile population is still critically low.

Currently, medically fragile children and their families often go without the authorized home nursing care that Medicaid is intended to provide. This puts children at risk of staying in hospitals or long-term care, or staying at home without adequate support, which endangers their health and places severe strain on families. Accessing home care has become increasingly complex, placing the burden on families to provide the intensive 24/7 care needed to keep their child or young adult at home. Alternative care models, such as Prescribed Pediatric Extended Care (PPEC), offer solutions to the PDN home care crisis.

Medically fragile children and young adults in community residential homes also face challenges due to inadequate residential rates, making it difficult to hire nurses who can provide the necessary level of care. This results in increased emergency room visits and unnecessary hospitalizations, leading to lower standards of care and higher Medicaid spending.

We urge the legislature to prioritize added Medicaid funding for New York State's medically fragile population in the upcoming budget negotiations. While we recognize the challenges in federal and state Medicaid funding, these services are a lifeline for families caring for the most vulnerable children and young adults in New York State.

### **SFY2027 Executive Budget**

We strongly recommend that the final New York State budget includes:

- Dedicated funding for alternative community care models, including appropriations for Prescribed Pediatric Extended Care (PPEC), increased rates for private duty nursing, and residential complex care to ensure adequate skilled nursing support.
- Incentives for nurses to work with this population, such as paid skill training, holiday pay, and access to NYSHIP.
- Medicaid funding for remote patient monitoring services for medically fragile children and young adults.

Thank you for your consideration. We are available to provide further information as needed.



Sean Lally (Feb 9, 2026 14:31:24 EST)

Sean R. Lally, CEO & President  
St Mary's Healthcare System for Children



Nathaniel Beers (Feb 5, 2026 17:10:03 EST)

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Dr. David Goldstein (Feb 9, 2026 14:23:21 EST)

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Jill Halterman, MD (Feb 6, 2026 13:16:23 EST)

Jill Halterman, MD MPH  
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Robert Policastro (Feb 6, 2026 14:45:50 EST)  
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Theresa Hamlin (Feb 6, 2026 07:37:59 EST)

Theresa Hamlin, ED. D, President & CEO  
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Catherine Welcome (Feb 6, 2026 13:54:22 EST)

Catherine Welcome  
Nursing Home Administrator, St Margarets Center



Linda Mosiello (Feb 5, 2026 18:28:37 EST)  
Linda Mosiello RN MS LNHA, C-NE, Administrator  
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## References

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