

NYSHFA/NYSCAL Positions on SFY 2019-20 Budget Proposals

On behalf of the New York State Health Facilities Association/New York State Center for Assisted Living (NYSHFA/NYSCAL), a statewide association of providers of long-term care and assisted living services, caring for nearly 60,000 elderly, frail, and physically challenged men, women, and children at over 400 skilled nursing facilities throughout New York, the following is a summary of the various Budget proposals impacting skilled nursing and assisted living providers and the position of NYSHFA/NYSCAL with regard to these proposals.

Executive Budget S.1507-A/A.2007-A

- **Proposed Elimination of the 1.5% Increase for Medicaid Rates:** Nursing home providers were set to receive an increase totaling \$70 million State share/\$140 million gross in Medicaid rates to be effective November 2018 using revenue derived from excess reserves from the sale of Fidelis to Centene in last year's enacted Budget. **OPPOSE**
- **Across-the-board 0.8% Cut to Medicaid Providers:** This would be a cut of \$30 million State share/\$60 million gross for 2019-20 and 2020-21. **OPPOSE**
- **Cuts to Case Mix:** This proposal would reduce nursing home rates by \$246 million. This is an arbitrary reduction that does nothing to improve measurements for patient acuity and would under-reimburse many providers. **OPPOSE**
- **Elimination of Cross-Over Payments:** for psychology and ambulance services for Medicare Part B dual eligible individuals. This will disproportionately impact providers that treat the poorest and sickest patients, and SNFs do not have the ability to balance bill commercial or private pay insured individuals like other providers to make up the lost payments. **OPPOSE**
- **Study of Statutory Staffing Ratio Mandates:** The Executive's proposed study will engage industry stakeholders to discuss and strategize on patient safety, various approaches to staffing and workforce implications and fiscal impacts to the industry and taxpayers. NYSHFA looks forward to these discussions, but is opposed to mandated specific staffing ratios for nurses and other direct care staff in nursing homes and hospitals. **SUPPORT** a fact-based analysis of staffing issues and workforce shortages in New York State health care.¹

¹ There is no Article VII language proposed by the Executive for this study; it is outlined in the Executive's Briefing Book.

Senate One-House Bill (S.1507-B)

- **SSI Increase:** The Senate Bill proposes an incremental increase to the SSI rate of \$4 per day, as well as authorization for the COLA pass-through (S.1506-B, Part L). **SUPPORT**
- **1.5% Increase Restored:** The Senate restored the Executive’s proposal to eliminate the November 1, 2018 1.5% increase for Medicaid rates for skilled nursing providers. The Senate’s One-House proposal restores this critically needed investment. **SUPPORT**
- **0.8% Across-the-Board Medicaid Cuts Restored:** The Senate rejected the Executive’s proposed 0.8 percent across-the-board cuts to Medicaid providers. This restores the Executive’s proposed \$190.2 million cut. **SUPPORT**
- **Case Mix Cuts Restored:** The Senate rejected the Executive’s proposal to utilize a six-month average of MDS submissions to determine bi-annual Medicaid CMI rate adjustments, generating approximately \$123 million State share savings, effective 4/1/19. The Senate One-House bill includes language requiring creation of a Case Mix Workgroup made up of stakeholders to review case mix data and related analyses with the Department of Health the case mix process prior to any change in the methodology. This would prohibit the \$246 million cut from taking place prior to the recommendations of the Workgroup. **SUPPORT**
- **Food Scraps Recycling:** The Senate includes a proposal requiring food scraps generators of a certain size, including health care facilities, of a certain size to separate, store and transport food scraps to organic recycler. The Senate exempts “hospitals, elementary schools and secondary school.” This legislation, as currently drafted, does not exempt all Article 28 facilities or recognize the substantial mandate it places on skilled nursing and assisted living providers (S.1508-B, Part UU). **OPPOSE**
- **Promote the Assisted Living Program (ALP):** The Senate includes a proposal to expedite the public needs analysis by which the demand for ALP beds is determined. **SUPPORT**
- **Cross-Over Payment Cut Restored:** The Executive Budget had proposed eliminating the cross-over payments for psychology and ambulance services for Medicare Part B dual eligible individuals. The Senate intentionally omitted this proposal from its One-House Bill. **SUPPORT**
- **Statewide III Health Care Transformation Program Modifications:** The Senate proposes to modify the Executive’s proposal by preserving \$20 million of the remaining \$225 million from SFY2018-19 for Assisted Living Providers. **SUPPORT**

Assembly One-House Bill (A.2007-B)

- **SSI Increase:** The Assembly did not include a proposal for increasing the SSI rate. The Assembly One-House Bill authorizes the Federal COLA pass-through and proposes a rate adequacy study for ACFs that provide enhanced residential care and the personal needs allowance of individuals receiving such care, and requires OTDA to issue recommendations once the study is completed. The Assembly has passed legislation in recent years to increase the SSI rate and we urge the Assembly to support the incremental increase proposed by the Senate to address this problem and ensure low-income seniors continue to have access to the care and services they need (A.2006-B, Part L & Part LL). **OPPOSE** efforts to further delay this much-needed increase.
- **1.5% Increase Restored:** The Assembly rejected the Executive's proposal to eliminate the November 1, 2018 1.5% increase for Medicaid rates for skilled nursing providers. The Assembly's One-House proposal restores this critically needed investment. **SUPPORT**
- **Across-the-Board Medicaid Cuts Restored:** The Assembly rejected the Executive's proposed 0.8% across-the-board cuts to Medicaid providers. This restores the Executive's proposed \$190.2 million cut. **SUPPORT**
- **Case Mix Cuts Restored:** The Assembly rejected the Executive's proposal to utilize a six-month average of MDS submissions to determine bi-annual Medicaid CMI rate adjustments, generating approximately \$122 million State share savings, effective 4/1/19. The Assembly One-House bill includes language requiring creation of a Case Mix Workgroup made up of stakeholders to review case mix data and related analyses with the Department of Health the case mix process prior to any change in the methodology. This would prohibit the \$122 million cut from taking place prior to the recommendations of the Workgroup. **SUPPORT**
- **Statewide III Health Care Transformation Program:** The Assembly proposal is largely consistent with the Executive's but includes an additional \$25 million for additional providers. **SUPPORT**

Stephen B. Hanse, Esq.
President & CEO
shanse@nyshfa.org
518-462-4800 x11