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New York State Health Facilities Association Statement on Scripps Gerontology Center Nursing Home Report

Albany, New York — Stephen Hanse, President and CEO of the New York State Health Facilities Association (“NYSHFA”), a statewide organization representing over 450 not-for profit, proprietary and government sponsored skilled nursing and assisted living facilities issued the following statement today in response to the just issued Scripps Gerontology Center¹ Report entitled “Current Workforce and Quality Challenges in New York Nursing Homes.”

“The Scripps Gerontology Center Report documents New York’s inadequate nursing home Medicaid reimbursement rate and highlights the fact that while up to 80% of nursing home resident days were paid for by Medicaid, New York’s nursing home Medicaid payments have failed to keep pace with increased operating costs in New York.

Specifically, the Scripps Gerontology Center Report calls attention to the fact that from 2017 to 2021, New York’s nursing homes have seen their operating expenses increase by 23% due to higher wage and benefit costs, an increasing need to rely on high-cost temporary staffing agencies, and general increases in prices from inflation. However, during this same period, New York has increased Medicaid payment rates by only 3.5%.

The Report further highlights that the State’s new nursing home minimum staffing requirements will only further increase operating expenses. Based on the pre-pandemic labor market, the Report notes that the New York State Department of Health has determined that the additional operating expenses for the State’s staffing requirements will cost nursing homes approximately \$1.9 to \$2.3 billion per year.

The Report also emphasizes findings from MACPAC, a non-partisan legislative agency which makes recommendations about Medicaid to Congress, using data from 2019, which found that Medicaid payments did not cover the cost of care for 81% of U.S. nursing homes and 93% of New York nursing homes. This means inadequate Medicaid payment rates lead to fewer financial resources to invest in staffing levels and quality.

The Report concludes that “[i]n order to retain existing 2021 nursing staff levels and to strive to meet the New York’s mandated staffing minimums, nursing homes need to have the financial

¹ The Scripps Gerontology Center was founded at Miami University in Ohio in 1922 and is one of the nation's top centers for research in aging. With 19 staff and over 20 affiliated faculty and research fellows, the Scripps Gerontology Center conducts research that makes a positive difference for our aging population and is committed to impact, innovation, and excellence.

resources to increase wages and benefits. This is also the case if they need to hire additional direct care staff and other types of staff or invest in other quality improvement efforts.’

The Scripps Gerontology Center Report further confirms that New York is at a crossroads in serving its most vulnerable populations. As such, the time is now for New York State to fulfill its commitment to high quality nursing home care by providing a 20% nursing home Medicaid rate increase in the FY 2023-24 State Budget.

NYSHFA looks forward to continuing to work with the Governor and legislative leaders to ensure our seniors continue to receive the care they deserve.”

You can read the full report here:

<https://www.miamioh.edu/cas/academics/centers/scripps/research/publications/2023/02/current-workforce-and-quality-challenges-in-new-york-state-nursing-homes.html>

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