



NEW YORK STATE SENATOR

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## We Must Save Our Nursing Homes and Assisted Living Facilities from Looming Fiscal Crisis

DANIEL G. STEC February 22, 2024

| ISSUE: **MEDICAID SPENDING**

A Legislative column by Senator Dan Stec

United Helpers, an assisted living facility in Canton, recently announced that it's permanently closing its doors on May 11. The loss of United Helpers is devastating for St. Lawrence County residents, as this means that the geographically largest county in the state will no longer have *any* assisted living facilities. Going forward, seniors and families will have to travel 60 miles or more for the services United Helpers provided.

In a recent [WWNY 7 report](#), representatives from United Helpers explained why the organization was shutting its sole St. Lawrence County location.

"We decided to close our assisted living program in Canton due to the low reimbursement rates, the increased costs, and the staffing shortages," said Jordan Downing, United Helpers' Assistant Director of Corporate Services.

United Helpers isn't the only organization struggling. I recently met with representatives from the Fort Hudson Health System in Washington County and regularly meet with nursing home officials inside the 45th Senate District. Time and again, I hear the same dire concerns expressed.

For starters, the Medicaid reimbursement rate has remained stagnant and the formula by which it's determined hasn't been updated since 2007. Because of this, the current Medicaid rate reimbursement only covers 75 percent of the cost of care per resident, a gap statewide of \$810 million.

This gap, combined with rising inflation and costs for labor and other services, has created a crisis situation. There have been 11 nursing home closures statewide since 2020. In September of 2023, there were 14,518 beds taken out of use because homes can't afford to pay for staff coverage. For families whose loved ones need constant care, the limited number of available beds in a local nursing home creates challenges they are unable to meet. This trend of closures and dwindling access to services is unsustainable.

Our aging population deserves quality care and our nursing homes must have the necessary resources to provide that. Recently, I wrote the governor and presented some solutions that would provide our nursing home facilities with the funding they need to continue offering essential services.

First, let's allocate \$510 million in state-share funding to nursing home Medicaid rates to address the immediate crisis and ensure continued access to high-quality care. This would close a large portion of the current statewide gap and provide immediate financial support to nursing homes. But we must go further than that.

Committing to a comprehensive reform of the nursing home Medicaid reimbursement methodology is long overdue. New York State must enact a change to the reimbursement formula by 2025 and bring rates in line with present-day costs and needs, not the costs of nearly 20 years ago when this formula was last updated.

Given the demographics of New York State, the need for nursing homes and assisted living facilities continues to grow. If we don't act now, our state will fail in its responsibility to care

for its aging population. In this year's budget, we must support our nursing homes, so they can afford to stay open and New York can care to those who need it most.