1199SEIU
United Healthcare Workers East

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Joint Legislative Budget Hearing on Health
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Thank you for the opportunity to deliver this testimony regarding the proposed health budget on behalf of the 300,000 New York State members of 1199SEIU United Healthcare Workers East.

We are approaching the two-year mark since the first COVID case was diagnosed in our state. As so many have noted, the pandemic has taken a huge toll on the frontline healthcare workforce. Our members are traumatized and exhausted, with barely time to breathe before the next wave comes crashing over. They have witnessed too much death – of their patients, residents, colleagues and community members. They have worked in unsafe conditions without access to proper protective equipment. They are trapped in a vicious cycle of understaffing, where the working conditions lead more people to leave, leading again to worse staffing. While there have been bright moments of recognition and appreciation, this has too often not resulted in material changes for workers' lives.

Governor Hochul has spoken movingly about the situation facing healthcare workers in her State of the State and has committed real resources for workers and workforce development in her Executive Budget Proposal. These include bonuses for healthcare workers and $140 million per year in workforce development, including tuition and other support to bring new workers to the field. This recognition is an important first step in rebuilding our healthcare system by investing in its human infrastructure. We look forward to working with the Legislature on these proposals, including to make sure that any bonus money is fairly distributed to all frontline healthcare workers. As it stands, the Executive's proposal excludes key members of the care team, including those who clean patients' rooms, transport them within the hospital and deliver their food.

A time to invest

The State's fiscal outlook has rarely been better, with no deficits projected for the next seven years. Indeed, the Executive proposes to put $2.7 billion away in reserves and has another $9 billion set aside for economic uncertainty. A good portion of this surplus is driven by the Federal government's increase in Medicaid funding during the pandemic. Given this and the State's strong fiscal position overall, this is exactly the right moment to make real investments and address the ways in which our state has historically underfunded services for the most vulnerable New Yorkers. Indeed, the pandemic laid bare the ways in which our system was already failing those most in need, from the high death toll of nursing home residents to overwhelmed emergency rooms to home care consumers left without care.

Seven million New Yorkers – 35% of our population – rely on Medicaid for their health care, including over 500,000 who need long term care services for their everyday needs. To access care, Medicaid consumers need doctors and hospitals in their local communities. But with payments frozen as costs go up, access to care is threatened.

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Home care consumers are authorized for services but cannot find anyone willing to work for the law wages offered. The number of patients that nurses and other caregivers are responsible for increases, jeopardizing quality of care. Waits for outpatient appointments with specialists and needed procedures grow longer. Providers close or reduce services. All this at a time of budget surplus, and when national for-profit insurers operating in our state are raking in record profits. While we understand the need to save for a rainy day, we ask that the Legislature redirect a portion of the billions being set aside to address these structural inequities caused by Medicaid underfunding which impact care for the most vulnerable.

Safety Net Hospitals
The Executive Budget proposal does provide for needed capital investment as well as a reversal of the previous 1.5% Medicaid cut and a rate increase of 1%. However, 1% increase after years of frozen rates is wholly insufficient to catch up, especially at a time of rising inflation. **At least an additional $500 million should be added to Medicaid rates, with a particular emphasis on increasing rates for behavioral health.**

The budget proposal also includes an additional $100 million in support for safety nets. This number, however, is based on the previous administration's approach of providing hospitals serving the needy with just enough additional cash to keep their doors open. This keeps institutions in perpetual crisis, juggling which creditor to pay first and unable to borrow money or make any needed investments in services or staff.

Some of our anchor institutions – including Montefiore Health System, which provides 70% of all the care in the Bronx and 50% in Westchester, Rockland and Orange Counties – are in real danger because of the chronic underfunding of Medicaid. Their failure would be catastrophic for care and for jobs in the poorest county in our state.

Our state's safety net hospitals need an additional annual investment of at least $500 million state share in order to stabilize and begin to rebuild. This should be added to the proposed $1 billion "sustainability and transformation" pool and the pool should be earmarked for safety net hospitals.

Fair Pay for Home Care
Home care wages downstate were last raised in 2018, when the minimum wage went up. Dedicated workers, including tens of thousands of 1199SEIU members, are increasingly struggling to put food on the table and pay rent as their costs go up but their wages stay the same. Upstate, the fast food wage is considerably higher than what home care workers earn. These low wages are driving high turnover and an increasingly dire shortage of workers. If no action is taken, New York will have to recruit close to six hundred thousand home care workers in the next six years to care for an aging population.

While home care workers would be eligible for the Governor's proposed bonuses, one-time payments will not solve the problem with recruitment and retention. A worker might use the check to pay some back rent and then be immediately faced with the same monthly shortfall. A potential hire is not going to take a low-wage job with no guaranteed hours in the hopes of a bonus six months later.

The Legislature should include fair pay for home care workers in the budget to ensure that our state's seniors and people with disabilities can receive the care they need and that home care workers can care for their own families.

We also strongly support requiring that home care workers be paid for every hour worked on live-in cases. In making a real investment, you should also increase accountability for home care employers by leaving in place the already-approved procurement process for licensed home care services agencies. By requiring agencies to have a contract with the state, you will vastly increase the mechanism for oversight and accountability and drive dollars to the bedside where they belong.

In addition to these needed investments, we also have some concerns about other aspects of the Executive Budget proposal.

Implementation of Nursing Home Reform

We thank the Legislature for hearing the voices of nursing home advocates and workers and enacting comprehensive reform legislation to ensure that public dollars are spent on resident care and staffing rather than siphoned off to excess profit and administrative costs. As a recent lawsuit by nursing home owners made clear by identifying $500 million that they say they would have had to shift into resident care under these standards, this legislation is sorely needed. We support the Executive Budget's allocation of an additional $60 million to homes who are already meeting the required spending standards to help them hire additional staff. We are also willing to accept the proposed minor changes in the definition of revenue under the law, but no additional ones.

Now that the Omicron surge has abated, the Executive Orders suspending the implementation of nursing home laws must be lifted and the laws allowed to go into effect.

The Executive Budget also proposes the creation of a "medication technician" position in nursing homes. We strongly oppose this provision, as we fully expect it will encourage nursing home owners to reduce the numbers of more expensive Licensed Practical Nurses and simply pay Certified Nursing Assistants a few more dollars to administer medication. While the new staffing law sets a minimum number of nursing hours, 35% of homes are currently above that threshold and would likely reduce nursing staff. The number of nursing hours per patient is highly correlated with quality of care.[1] As nurses administer medication, they are able to observe and respond to residents' other clinical needs. The average nursing home resident is also more medically complex and less stable than residents in OPWDD settings where medication technicians are permitted. Finally, reducing the presence of LPNs will eliminate an important career pathway for CNAs. Our union has helped over 2,000 CNAs become LPNs in the past several years, increasing their pay by as much as 50% and ensuring that homes have a pool of qualified applicants already familiar and dedicated to the nursing home environment.

The medication technician proposal is a short-sighted response to staffing shortages which will undermine the quality of care in nursing homes and damage the ability of certified nursing assistants to achieve real career advancement. Instead, the Legislature should allocate some of the proposed workforce dollars to expand existing career pathway programs to allow nursing homes to "grow their own" LPNs from the CNA workforce, including through registered apprenticeships.

[1] Harrington, Charlene, et al. Nursing Home Staffing and Its Relationship to Deficiencies. *The Journals of Gerontology: Series B*, Volume 55, Issue 5, 1 September 2000 https://academic.oup.com/psychsocgerontology/article/55/5/S278/536413