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Testimony of George Gresham, President 1199SEIU United Healthcare Workers East

January 23, 2024

Budgets are a reflection of priorities, and how we as a state choose to spend and raise funds says a lot about our character and moral compass. At 1199SEIU, our moral compass always points to social and economic justice, and it's why we advocate for budgets that move us closer to healthcare for all and fair pay and benefits for workers who provide care.

It is also why I'm dismayed that Governor Hochul's proposed budget fails to invest in our healthcare infrastructure and, in fact, includes over \$1 billion in cuts to the Medicaid budget. Even more infuriating is her willingness to propose cuts while proudly proclaiming her desire to amass nearly \$50 billion in reserves.

These priorities have consequences — our failure to invest in Medicaid means we only cover 70% of the cost of hospital and nursing home care.

After last year's budget failed to significantly address the Medicaid shortfall, we warned the Governor that the budget would result in cuts, closures, patients going without care, and caregivers continuing to work short-staffed.

Unfortunately, what we feared would happen has, indeed, occurred.

Mount Sinai Beth Israel in lower Manhattan and Kingsbrook Jewish Medical Center in Brooklyn are closing because of financial problems, reducing access to care in these communities.

Eastern Niagara Hospital closed in June after serving the community for over a century, affecting thousands of patients and hundreds of workers. Other hospitals in western NY are struggling and closing departments.

Nursing homes across the state are likewise closing units, appealing to the state for distressed funding, and delaying payments to vendors Many have approached the union because they are struggling to even make payroll.

Home care providers continue to struggle to meet the demand for services while the need for workers is rising dramatically.

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Governor Hochul's budget pours accelerant on all these fires – she refuses to close the gap in Medicaid funding, she proposes cuts distressed hospitals and nursing homes, and she wants to cut pay for low-wage home care workers by eliminating wage parity for downstate providers.

The consequences of not fully covering the cost of care do not fall equally on all New Yorkers. Black women are nine times more likely to die from pregnancy or childbirth than white women in New York City, where Black women are more likely to deliver at public or safety net hospitals which are especially reliant on Medicaid.

New York has the resources to end these injustices. This year's budget must start to close and then eliminate the 30% gap between the cost of care and the amount Medicaid pays for hospital services, phasing up to 100% over four years. The same gap must be closed on the nursing home side over the next two years. To do so, we propose a flat dollar increase of \$44 per day, rather than a percentage increase, to ensure that the homes with the lowest rates are supported the most. It should be followed by investment in a rebasing process that will recognize the actual cost of care. With a Medicaid budget of over \$100 billion, these are reasonable investments.

We need to restore and increase funding for distressed hospitals and nursing homes. The proposed budget cuts \$500 million from the hospital Vital Access Provider Assistance Program (VAPAP) and \$75 million from the nursing home VAPAP fund. These funds are a lifeline for facilities struggling to meet payroll or prevent cuts to critical services.

Rather than cutting back services, Medicaid can save \$3.5 billion per year by eliminating wasteful administrative costs in managed long term care plans. The savings from moving to managed fee-for-service can be invested in worker wages and benefits to help maintain and grow the homecare workforce that will be needed to meet the staggering demands of the state's aging population.

We must reject the cuts to consumer-directed home care workers who would see their wages lowered by over \$3.00 per hour with the Governor's proposal to repeal wage parity for Consumer-Directed Personal Assistance Program personal assistants in New York City and Nassau, Suffolk, and Westchester counties.

We need to fully fund the human services COLA at 3.2% to match the rate of inflation and make additional investments in OPWDD, OMH, and OASAS funded services to recruit and retain workers.

The Executive Budget sunsets the law which required employers to provide sick leave and other benefits for employees subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19. As COVID-19 continues to sicken healthcare workers, we should maintain this policy to protect both workers and those they care for. In addition, the requirement only covers three episodes of quarantine and, after three years of the pandemic, many workers have contracted the virus multiple times. We should remove the limit on the number of times workers can access this benefit.

Among the workforce proposals in the budget, we support:

- Allowing experienced physician assistants to practice independently in primary care and hospital settings.
- Allowing properly trained and supervised medical assistants to administer immunizations in outpatient settings.

We strongly oppose:

 Allowing CNAs to work as Medication Aides. Most providers currently do not have enough CNAs to meet resident needs, and this will reduce the use of LPNs. A better path to ease workforce shortages and increase the number of LPNs in nursing homes would be to support registered apprenticeships and allow CNAs to distribute medication for a limited time as part of their training to becoming an LPN.

The Governor has made her choice, and she chose not to address the structural challenge that prevents New York from fulfilling its obligation to care for its most vulnerable and support those who provide that care. Instead, she has chosen to sit atop a pile of money that stretches nearly \$50 billion high, rather than using these resources for the betterment of New York.

It's now up to leaders in the Assembly and Senate to produce a budget meets the needs of our most vulnerable population.