



**AARP New York**

**Testimony before the  
Joint Legislative Budget Committee  
Senate Finance and Assembly Ways and Means**

**Human Services Budget**

**January 31, 2024**

## **Introduction**

Thank you for allowing us to share our views on the state budget for SFY 2024-2025. AARP is a social mission organization with over 2.2 million members in New York State. Today's testimony is focused on the needs of older adults and the challenges they face, particularly with caregiving, financial security and the high cost of prescription drugs. The number of older New Yorkers is steadily increasing, and policies must change to address these demographic changes.

## **The Growing Population of Older New Yorkers**

New Yorkers 50 and over are among the fastest growing age group in our state, as detailed in a recent report by the Center for an Urban Future.<sup>1</sup> This report found that from 2011 to 2021, the number of New Yorkers statewide ages 65 and over grew by 31 percent — an increase of more than 800,000 older adults. During that same period, the state's under-65 population declined by 2.6 percent, or nearly 445,000 people.

While the number of older people in the state is increasing, the economic well-being of these individuals is not increasing with it. Concerningly, the total poverty rate among older New Yorkers has increased by 4 percent statewide (or 0.5 percentage points) since 2011 — from 11.8 percent in 2011 to 12.3 percent in 2021 — reversing years of steady declines.<sup>2</sup> People who have worked hard their entire lives are struggling to make ends meet and remain in their communities. Simply put, they deserve better.

## **Family Caregiving**

### **Home- and Community-Based Services**

We do not have a stable home care system in New York right now. Family caregivers play a key role in determining an older person's ability to remain in their home and community and out of far costlier, taxpayer-funded institutional care settings such as nursing homes for as long as possible. Home services can be a lifeline for some of the 2.2 million family caregivers statewide, a majority of whom are women, who provide an estimated 2.1 billion hours of care for an economic value of \$39 billion annually.<sup>3</sup> It has been found that 55 percent of women caregivers report not having a choice to provide care and nearly 25 percent feel that caregiving has made their health worse, with this percentage increasing as the intensity of their caregiving

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<sup>1</sup> <https://nycfuture.org/research/keeping-pace-with-an-aging-new-york-state>

<sup>2</sup> <https://nycfuture.org/research/keeping-pace-with-an-aging-new-york-state>

<sup>3</sup> AARP Public Policy Institute “Number of Family Caregivers, Hours, and Economic Value of Caregiving, by State” (2023). Available at <https://www.aarp.org/content/dam/aarp/ppi/2023/3/valuing-state-estimates.doi.10.26419-2Fppi.00082.009.pdf>

work increases.<sup>4</sup> These family caregivers need support to be able to keep caring for their loved ones.

Unfortunately, there are currently over 16,000 individuals and their families statewide waiting to receive non-Medicaid home- or community-based services such as transportation, adult day care, home-delivered meals, and respite from the Expanded In-Home Services for the Elderly Program (EISEP) and Community Services for the Elderly (CSE). This will result in thousands of older adults being left without home care which will create a tremendous burden on family caregivers and the Medicaid system. Home care services via the aging network serve individuals that qualify for nursing home placement, but they keep individuals in homes and communities for less than \$10,000 per year.

Many families continue to languish on waiting lists. There is no public information that goes beyond the aggregate number of people waiting, such as exactly which counties have waiting lists, the number of people on those lists as well as what services are provided, what they are waiting for and how long. This year, there is an active waitlist for over 16,000 families reported by county offices for the aging, a conservative report as some counties do not keep waitlists for services.

We also need more transparency on this issue. It is vitally important that the data collected by SOFA be publicly disclosed, and once this information is released, a more targeted approach can be developed to eliminate this waiting list problem with the appropriate amount of state resources. Without the required data to do so, the Legislature is in the dark on how to appropriate resources to help your constituents and our members.

In addition, SOFA has not filed annual reports to the Governor and the Legislature as required by statute on what funding the county agencies for aging have received, the number of participants served, and the services provided to meet the “unmet need.” It is AARP’s understanding that these annual reports have not been sent for the past five years.

## **Budget Request**

AARP New York urges the Legislature to include an additional investment of \$42 million to address the waiting lists, AND to restore the \$9.5 million increase in funding that was included in last year’s budget but was omitted from the Governor’s proposal this year. This investment will result in savings of \$237 million to the Medicaid program. To put this into perspective, the overall state budget is \$233 billion dollars. SOFA receives eight tenths of one percent of the overall budget. This is insufficient to address the needs of our growing older adult population, and I urge you to rectify this imbalance with a small investment that will not only save Medicaid dollars but will allow people to age in their own homes, where they want to be.

Additionally, SOFA should supply the Legislature with reports of how the unmet need money was spent for the past three years, so a sufficient appropriation can be made by the Legislature to pinpoint and eliminate the waiting lists statewide.

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<sup>4</sup> AARP “Caregiving in the U.S” (2020) Available at <https://www.aarp.org/content/dam/aarp/ppi/2020/05/full-report-caregiving-in-the-united-states.doi.10.26419-2Fppi.00103.001.pdf>

## **Long Term Care Ombudsman Program (LTCOP)**

The LTCOP is required by the federal Older Americans Act (OAA) to address complaints and advocate for improvements in the long-term care system. In New York State, this program exists in the State Office for Aging (SOFA). With adequate funding and staff, the Ombudsman Program can be an effective advocate and resource for caregivers and their loved ones who live in nursing homes, assisted living, and other licensed adult care homes. LTCOP is supposed to be the voice of the frail in our institutions, helping residents and family caregivers understand and exercise residents' rights, and intervening to help resolve specific quality-of-care issues. LTCOP should act as the eyes and ears of residents and their families in nearly 1,400 facilities statewide.

With the current levels of funding, the program is unable to be effective or efficient in its ability to carry out its purpose. The pandemic exposed many serious quality-of-care issues in New York's long-term care facilities, including abuse, neglect, exploitation of residents, administrative shortcomings, poor maintenance, and failure of staff to provide high-quality care. The program relies heavily on volunteers, who make up nearly 80 percent of the current ombudsmen, limiting its ability to meet the demand for services and care by long-term care facilities' residents.

In the third quarter of 2023, LTCOP's ombudsmen did not make a single visit to nearly a quarter of nursing homes and adult care facilities across the state – only 12 percent of facilities statewide received a weekly visit, which is considered the standard for maintaining a regular ombudsman presence.<sup>5</sup> The program currently has 187 volunteers for all 1,354 facilities who are only able to provide an average of 2.8 hours per week per volunteer.<sup>6</sup> This is simply not enough time spent at facilities to address all of the concerns and complaints that the nursing home residents and their loved ones have.

### **Budget Request**

The program needs more professional staff to conduct weekly visits so all facilities can have a regular Ombudsman presence, which would undoubtedly improve the care residents receive. That requires one full-time employee for every five facilities for weekly coverage. Last year it was estimated that an additional \$15 million was needed to achieve this goal. The Legislature added \$2.5 million which was a start. Unfortunately, the Governor did not include that \$2.5 million added last year in the Executive Budget. Therefore, we are back again asking for a \$15 million increase to achieve a one-visit-per-facility-per-week goal.

### **Prescription Drug Affordability**

Americans pay some of the highest drug prices in the world, making it difficult and sometimes impossible to afford life-saving medications. It is outrageous for New Yorkers to pay more than three times what people in other countries pay for the same medicines. The bottom

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<sup>5</sup> <https://aging.ny.gov/system/files/documents/2023/11/statewide-visits-by-region-quarter-3-ffy2023.pdf>

<sup>6</sup> <https://aging.ny.gov/system/files/documents/2023/11/ltcop-activities-ffy-2023-q3.pdf>

line is that prescription drugs don't work if people can't afford to pay for them. New Yorkers need fair prescription drug prices now. It is encouraging to see the Governor acknowledge that too many New Yorkers are struggling with prescription drug costs, and we encourage her and the Legislature to embrace additional policies to create more access to affordable prescription drugs.

## **Budget Request**

There are many pieces of legislation that have been introduced that address high prescription drug costs. We urge lawmakers to leverage the lower costs paid by our neighbors to the north in Canada to bring down drug prices here in New York. S.398 (Cleare) would allow New York state to create a pilot program to set upper payment limits for certain medication based on international prices of that drug. This approach can leverage the lower costs paid for the same drugs in Canada to help reduce the cost of medication for older New Yorkers statewide and make it more affordable for people to take necessary prescription drugs.

S.604 (Skoufis)/A.7954 (Simon) establishes a prescription drug importation program in New York, and S.966 (Rivera)/A.6518 (Tapia) will increase participation in the Elderly Pharmaceutical Insurance Coverage (EPIC) Program, which helps pay Medicare Part D drug plan premiums. AARP New York also supports S.3518 (Fernandez)/A.895 (Gallagher) which would require drug companies to send information about shady pay-for-delay deals that drug manufacturers use to delay access to lower-cost generic drugs to the Attorney General for review and public reporting, and imposes fines for those who don't comply.

Ever-rising prescription drug costs impact consumers in this state both at the pharmacy counter and in health plan premium costs. Prescription drug costs also have a direct impact on the state's fiscal health, health insurance companies, pharmacies, hospitals, employers, and unions. All the policy proposals outlined here have fiscal implications for the state, and we urge lawmakers to include them in a final state budget.

## **Financial Security**

### **Benefits Matching**

New Yorkers statewide, many of whom are age 50 and over, are missing out on billions of federal dollars that they are eligible for through public assistance programs. This is partially due to the decentralized application process for these programs used to identify and enroll eligible individuals. Currently, a person must submit multiple applications for different programs through different state and local agencies as well as their utility companies. Many New Yorkers qualify for public benefits, but the confusing and burdensome application process, stigma around receiving public assistance, and equitable technology access issues are among the most common reasons people are not enrolled.

There are several programs that have similar eligibility requirements, meaning that someone eligible for one of them is likely eligible for all of them. This includes programs such as the Home Energy Affordability Program (HEAP) and the Elderly Pharmaceutical Insurance

Coverage (EPIC) program. HEAP offers monetary assistance to help low-income households pay their energy bills and is required to prioritize funding for vulnerable populations, including households with an individual over the age of 60. EPIC helps more than 325,000 income-eligible seniors aged 65 and older to supplement their out-of-pocket Medicare Part D drug plan costs. If someone qualifies for HEAP, it is likely that a significant number qualify for EPIC and vice versa.

Individuals could be receiving hundreds of dollars a year to help pay for their most basic needs, and the lack of technological cohesion is a part of why they aren't getting it. The federal dollars left on the table could be spent within the state, stimulating local economies and lifting people out of poverty.

### **Budget Request**

A final state budget that requires the Department of Health and Office of Temporary Disability Assistance to establish a file match of participants in HEAP and EPIC would undoubtedly increase enrollment in HEAP and increase economic activity by drawing down federal money. EPIC enrollees who are eligible for HEAP would be sent to OTDA, which would match the names against existing HEAP beneficiaries. Those not on HEAP would be enrolled. On the EPIC application, a box to opt out of information to determine eligibility and automatic enrollment for energy assistance should be included. The Governor has proposed better benefits matching for women and children; we do not understand why older New Yorkers should have to wait any longer for the same thing.

### **Earned Income Tax Credit (EITC)**

The EITC is one of the largest and most successful poverty-reduction programs in the United States. By providing workers with refundable tax credits that vary based on family size and income, the program incentivizes work while providing significant cash supplements to the working poor. In 1996, New York state introduced its version of the program to supplement the federal credit. Additionally, in 2006 the state became the first state in the nation to enact an EITC program for noncustodial parents, or parents who do not have physical custody of at least one of their children. This expanded the eligibility for the state program, allowing the New Yorkers that need it the most to put some money back in their pockets.

Refundable tax credits like the EITC stimulate state economies. Research has connected EITC receipt to improved financial stability and access to transportation. A survey found that 40 percent of recipients planned to use EITC refunds for utility payments and 36 percent intended to use them to pay rent.<sup>7</sup>

Unfortunately, the EITC excludes older workers with no dependent children by capping benefits at age 64. New York's policymakers should expand the EITC to benefit older workers. Older workers make up an increasing share of the labor market and are more likely to be

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<sup>7</sup> Romich, Jennifer L. and Thomas Weisner. 2000. How Families View and Use the EITC: Advance Payment Versus Lump Sum Delivery. *National Tax Journal* 53(4):1245-66.

working poor than their prime age counterparts.<sup>8</sup> More than 72,00 childless New Yorkers over age 64 would become eligible were policymakers to remove the age cap for New York's EITC.

### **Budget Request**

AARP New York supports bill S.5573-A (Gounardes)/ A.5577-A(Fahy) to permanently remove the discriminatory age cap from the state EITC, so workers 65 and older can qualify. The policy surrounding this program needs to be updated to account for changes in the labor market, as well as the needs of older workers.

### **Conclusion**

Thank you again for allowing AARP to submit testimony on behalf of our members statewide and their families. Caregivers, prescription drugs, and financial security – these are AARP New York's priorities in 2024. These initiatives would go a long way to making life better and more affordable for New Yorkers 50-plus, and again, we respectfully urge you to include them in the final 2024-25 state budget.

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<sup>8</sup> Joint Economic Committee, Written Statement of Teresa Ghilarducci, Hearing on Building a Better Labor Market, February 9, 2022