Points for my 3 minutes:

Based on a reimbursement rate review and the 2024 HHS white paper submitted, there are more than 200 nursing homes being paid less than the state average reimbursement rate of $243. NYS currently only covers 80% of average costs. In many cases facilities are being reimbursed far less than this average reimbursement rate....there is extreme disparity. Many homes are being paid less than 65% of average NYS costs for nursing care. There are many examples of facilities being paid $40 per day less than even these averages.

A reimbursement rate of $200 per day divided by 24 hours in a day equates to $8.34 per hour. Nursing Homes are not the expense problem.

Regardless of where a facility is or what their tax status may be, their reimbursement rate must not fall below $243 per day (a blended average rate from the HHS article). As a point of reference NYS pays $315 per day ($115,000 annually) to incarcerate a prisoner. **NYS PAYS UPSTATE NURSING HOMES $100 PER DAY LESS THAN IT PAYS TO INCARCERATE A PRISONER.**

There must be a floor for nursing home rates to protect our health system from further collapse.

The range of reimbursement rates across the state is extreme....it varies by almost $300 per day. The cost of a Band-aid does not vary much by region. The cost of a Tylenol does not vary much by region. The cost of a potato does not vary much by region. **Operating costs are much more uniform today statewide than they've ever been.**

Labor inflation rates were twice as high upstate as they were downstate from 2012 to 2022. 53% VS 25%. Today a nurse aide in Alleghany County or Essex County makes about the same money as a nurse aide in Orange County. Further due to minimum wage compression health care now competes with all other sectors in a way we've never felt before. We can not raise our rates to deal with this pressure.

Cost of capital does vary by region and this is a valid argument.....HOWEVER $250-300 PER DAY differentials in reimbursement rates can not be justified by this point.

Today we are living in a perfect storm. There are far too many variables for us to manage through now. Increased regulatory scrutiny, inflation across the board and higher interest rates coupled with net Medicaid rate reductions make it impossible to operate....yet we are still expected to sustain increased staffing levels!

NYS boasts of its "historic" investment in nursing homes. This is a smoke screen. **Those "historic INVESTMENTS" were nothing short of "historic DIVESTMENTS"** that resulted in net rate reductions to many nursing homes. **NYS gives a dollar and then takes two.**

In the last year two of my upstate homes experienced a net rate reduction bringing their daily Medicaid reimbursement below $200. To make matters worse, they also were faced with a recoupment of already spent COVID relief funds in excess of $200,000. These two facilities had a net loss of $1.2M in 2022 and 2023....yet we were unfairly tagged with crossing the 5% net income threshold in 2021 due to COVID relief funds. **This is nothing short of cruel and unusual punishment.**

Nursing Homes are **annually** reminded of a lack of funds for them in the budget. At the same time we watch other programs like CDPAP balloon by $6B in less than 10 years. Make no mistake – we support home care and all layers that strengthen our health care continuum and hospital systems. **Nursing Homes, through closures, beds off line and rate reductions, are a diminishing burden to the Medicaid budget. It is critical to effectively allocate resources to protect those nursing facilities that remain.**

Setting a floor rate of $243 statewide will cost roughly $122M. This will prevent closures, improve equity and set the stage for a better rate methodology in the future by reducing reimbursement rate disparities.

Please set a minimum floor reimbursement rate of $243 per day and protect the population from further nursing home closures and overall health system collapse.