



Testimony of JASA
to
The Joint Legislative Budget Hearing on Health
Tuesday, February 11th, 2025

Thank you to the members of the Joint Legislative Budget Committee for the opportunity to testify on the 2025-26 State Health and Medicaid Budget. My name is Kathryn Haslanger, and I am the Chief Executive Officer of JASA.

For over five decades, JASA has provided aging New Yorkers with the support they need to age in place within their communities. What began as an idea for filling gaps in available services for community living has become an essential, multi-service organization that serves over 40,000 older adults in New York City each year. JASA has a proven track record of meeting the needs of older New Yorkers.

It has been over three years now since Governor Hochul first announced New York's Master Plan for Aging (MPA) initiative in her State of the State address in January 2022. It was a welcomed recognition of the urgent need for New York to reform what has become an expansive but deeply flawed and unnecessarily complex system of care and services for New York's rapidly growing older population. I was also greatly heartened when Governor Hochul issued Executive Order No. 23, joining what is now a collaborative of 27 states from across the country that are building multisector plans for aging. Since this announcement, numerous leaders, stakeholders, advocates, and everyday New Yorkers have joined together in dedicating countless hours in support of the effort to develop a comprehensive policy plan to guide your program and fiscal decision-making.

Unfortunately, as we await the final MPA report, key State initiatives, including those proposed in the State Fiscal Year 2025-26 Executive Budget, suggest an incremental decision-making process that prioritizes short-term budget considerations over fundamental systemic reform. In the absence of a clear vision for the future of long-term services and supports, we will continue to fall short in both meeting the needs of many vulnerable individuals who are unable to live independently without support and in controlling the growth of Medicaid spending.

For example, managed long-term care plans that were initially conceived as provider-sponsored specialty care plans rarely perform the comprehensive care management role once envisioned. As a result, the care management obligations of licensed home care agencies have grown without any additional financial support. It is the direct care workforce employed by licensed agencies, not the MLTCPs, that are in daily contact with the individuals they serve, and it is the licensed agencies that are best positioned to respond to their emerging needs and changes in condition.



New York also continues to tolerate the growth of commercial interests at the expense of voluntary agencies like JASA, which have a long history of serving the state's older adults with dedication and expertise. In his recent report, titled *The Critical Role of Nonprofits in New York*, Comptroller DiNapoli warns that nonprofits have been shrinking in our state since 2017, and he calls upon state leaders for help to ensure government agencies process contracts and payments within set timeframes to prevent further stress on the nonprofit sector.¹

Governor Hochul has supported homecare workers with scheduled minimum wage increases in her SFY 2023-24 Enacted Budget. Yet, payment rates by the NYC Human Resources Administration have yet to be updated to reflect statutorily mandated minimum wage increases for frontline workers that went into effect on not only January 1st, 2025, but also January 1st, 2024. And unlike other states, New York does not require managed care plans to pass through payments to licensed agencies that are adequate to meet the minimum wage mandates. This is unacceptable.

I am encouraged to see the New York Legislature pursue joining California, Indiana, Minnesota, New Mexico, and Oregon in having programs that regulate private equity in healthcare. Such work is timely and critically important. Even better, however, would be State limitations on the profits that such agencies are allowed to provide their owners. Just this month, the *Science Direct* health policy journal found that private equity ownership of home health agencies was attributed to “poorer longer-term outcomes such as preventable readmission and discharges to the community.”²

Finally, the actions of the new Administration in Washington strongly suggest that in the coming years, it will likely be difficult to secure additional Federal grants and supportive match funding for multidisciplinary nonprofits delivering long-term care services in New York. For this reason, it is more important than ever that, as part of its comprehensive plan for aging and long-term care, New York State prioritize every opportunity to support delivery system reform that truly integrates care for those Medicare-Medicaid dually eligible individuals with long-term care needs.

The direct care workforce, supported by technology and clinical backup personnel, can play a critical role in care integration serving as observation and communication bridges between the home and office-based professionals. By enabling coordinated care with integrated Medicare and Medicaid financing, New York can unlock a sustainable financial mechanism for Medicaid long-term care services by reinvesting the Medicare shared savings they generate back into Medicaid programs to help alleviate nonprofit reliance on grant funding to support their missions.

¹ *The Critical Rule of Nonprofits in New York*. New York State Comptroller Thomas DiNapoli. January 2025. [Found here](#).

² *Understanding private equity-owned HHAs in the U.S.: A performance comparison between pe-owned and non-pe-owned agencies*. M. Rahman. *Science Direct*. Volume 153. February 2025. [Found here](#).



This is not a new idea. Medicare-Medicaid integrated care has been shown by numerous reviews and institutions including the Bipartisan Policy Center, Medicare-Medicaid Coordination Office, and MACPAC to reduce costs and improve outcomes for dually eligible beneficiaries. It is a solution that is supported on both sides of the aisle. In fact, innovative state-specific arrangements for Medicare-Medicaid integrated care were previously called for in 2019 by President Trump's former CMS administrator, Seema Verma.³ New York's focus on Medicaid enrollees eligible for long-term care will have a disproportionately positive impact, as these individuals represent around 350,000 of New York's more than 5.6 million Medicaid enrollees, yet account for roughly one-third of New York's Medicaid budget.

JASA, like many other multidisciplinary nonprofits focused on the aging population, is counting on the Legislature to deliver on a comprehensive, forward-thinking plan that prepares for a future in which all New Yorkers can age with dignity and security.

It is time to **execute** on the goals laid out in the Governor's Master Plan on Aging. We call on the New York State Legislature to:

- Seek out every opportunity to integrate Medicaid long-term care services with Medicare to support more sustainable, high-quality service delivery, and
- Protect against profit-driven interests in healthcare that are harmful to patients and prioritize opportunities for long-standing voluntary agencies embedded in the communities they serve.

Thank you for your time and consideration. I look forward to working with the Legislature to ensure that aging New Yorkers receive the care and support we need.

Sincerely,

A handwritten signature in black ink that reads 'Kathryn Haslanger'.

Kathryn Haslanger, *Chief Executive Officer*



³ SDML #19-002. Three New Opportunities to Test Innovative Models of Integrated Care for Individuals Dually Eligible for Medicaid and Medicare. April 2019. [Found here](#).