



TESTIMONY OF DIANE BARRETT
VICE PRESIDENT OF GOVERNMENT RELATIONS AND PUBLIC AFFAIRS,
ARCHCARE
JOINT LEGISLATIVE PUBLIC HEARING
ON THE SFY 2022-23 EXECUTIVE BUDGET PROPOSAL
FEBRUARY 8, 2022

ArchCare, the Continuing Care Community of the Archdiocese of New York, is one of the nation's largest and most dynamic not-for-profit Catholic healthcare systems. ArchCare provides quality care to over 9,000 patients of all faiths each day. Our services include home and community-based and residential care programs, including health plans and nursing home alternatives, adult daycare, PACE programs, long-term skilled nursing care, short-term rehabilitation, home care, assisted living, hospice, an acute care specialty hospital and services for people with dementia, Huntington's disease, HIV/AIDS, developmental disabilities, and other specialized care needs.

I appreciate the opportunity to provide testimony to the Senate and Assembly Health Committees, the Senate Finance Committee, and the Assembly Ways and Means Committee regarding Governor Hochul's Executive Budget proposal for State Fiscal Year (SFY) 2022-23.

In this testimony, I will discuss the following:

- **MLTC's Benefit NYS Residents by Providing Essential Services in the Home**
- **Strengthening the HealthCare Workforce**
- **Commit to Long Term Care with Deeper Investments**
- **Advance the PACE Licensure provision**

New Yorkers Need Managed Long-Term Care Plan Services

ArchCare Community Life, the managed long-term care plan in our healthcare ministry, is deeply concerned that the proposal to create a competitive procurement process for almost all Medicaid managed care plans, including partially capitated plans, will uproot the **4,600 enrollees** in our plan. Our plan fills a unique niche by coordinating care for many religious leaders, clergy, and devoted nuns that have served thousands of needy people throughout their lifetime. The proposed provision will thwart their care plans and further destabilize the strained healthcare system in New York State.

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MLTC's are a critical part of the healthcare continuum in New York State and supply essential services to people looking for person-centered long-term care services in their homes. MLTC's have expanded access to long-term care services in New York by providing a wide range of services, including person-centered care, comprehensive assessments, coordinated care, community integration, family integration and planning, and other long-term care services. In 2018, through the Island Peer Review Organization (IPRO), the New York State Department of Health released its 2018 Member Survey Summary Report. IPRO reported that *"approximately 88% of respondents rated their plan as good/excellent. The same percentage of members (88%) said that their plan always/usually explained services clearly. Further, members' perception of the quality of care received has remained positive. Eighty-two percent of respondents for long-term care providers and services (i.e., regular doctor, dentist, eye doctor) rated their quality as good/excellent."*¹ Policymakers need to recognize that any changes to the managed long-term care plan infrastructure will impact the services the clients rely on.

The widespread disruption of the proposal will only worsen over time, and the consequences will be complex. Plausibly, MLTC enrollees will need to find new providers. As plan participants are compelled to transfer, their new plan may not have the participants chosen providers. This will create unneeded stress and burdens for the enrollees. Secondly, plans that are not selected in the RFP process, will be forced to close, jeopardizing employment for thousands of employees throughout the State, during uncertain economic times. Ultimately, the plans that are selected through the RFP process will need to re-negotiate contracts. This compounded uncertainty and disruption to care will create unnecessary turmoil during challenging times in our State and throughout the country. Right now, New York needs to stabilize and strengthen our existing health care system.

RECOMMENDATION: ArchCare urges Lawmakers to oppose the proposed provision requiring request for proposals for managed long term care plans and to recognize the essential services they provide in NYS.

Strengthen the Healthcare Workforce by Allowing MedTech's to Deliver Care in Nursing Homes

It has been well-documented since 1998 that a nursing shortage was looming in the United States². A combination of an aging population in the United States, a mass exodus of nurses retiring from 2008-2018, and a significant lack of faculty and scholars to meet the growing number of nursing students enrolled in nursing programs contributed to the onset of a nursing shortage. In 2018, the *American Journal of Medical Quality* reported that by 2020, the United States would have a shortfall of 154,018 full-time nurses and 510,394 full-time nurses by 2030. The COVID pandemic accelerated an already existing problem and has depleted New York State and the country of nursing staff. To combat the nationwide healthcare worker

¹ IPRO. New York State Department of Health. 2018. Member Satisfaction Survey. https://www.health.ny.gov/health_care/managed_care/mltc/mltc_satisfaction_survey_summary_report_2017.htm#_bookm_ark3

² Zhang, Xiaoming. Tai, Daniel, "United States Registered Nurse Workforce Report Card and Shortage Forecast: A Revisit. 2018. Vol. 33. Pp.229

crisis, New York needs to postpone the mandatory staffing ratio regulation until the healthcare worker shortage stabilizes and allow MedTech’s to deliver care in nursing homes.

Across the country, hospitals and nursing homes are struggling to hire staff. The American Health Care Association compiled data on the effects of the staffing crisis in their recent survey completed in September 2021. AHCA asked 1,183 nursing home and assisted living providers how to rate their ability to hire staff. An overwhelming ninety-nine percent responded they were having difficulty, and over sixty-nine percent labeled it "very difficult." In the same survey, AHCA asked respondents what their current staffing situation is like, and an astounding fifty-nine percent responded they were facing high staffing shortages, and thirty percent are facing moderate staffing shortages. See tables one and two below, created by AHCA, illustrate the results of the survey.

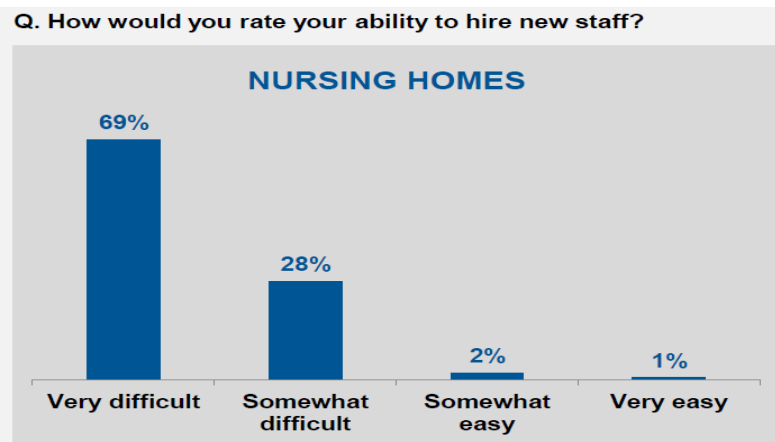


Table 1.

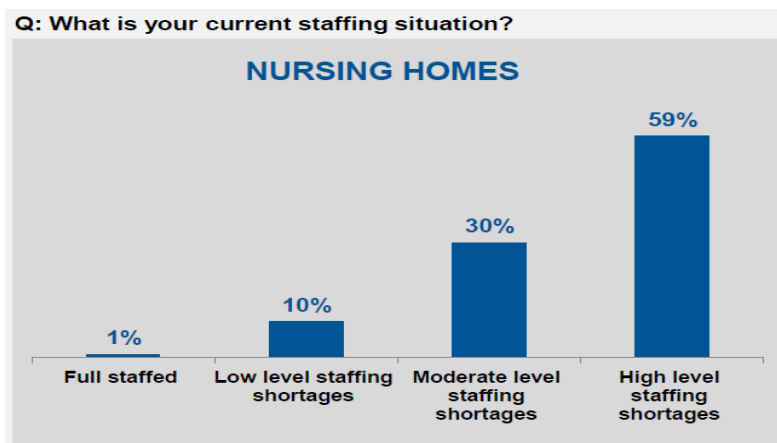


Table 2.

Implementing mandatory staffing ratios, with punitive penalties, during a healthcare worker shortage will only worsen these challenging times. Alternatively, ArchCare strongly urges legislators to advance the Executive Budget proposal authorizing medication aides in nursing homes for the specific medication-related task. Unlike the mandatory staffing ratio regulation, this provision would strengthen the workforce and build a more robust healthcare system in New York State.

In 2018, Dr. Neva Crogan, and Dr. Aditya Simha, reported the findings on a program piloted by the Geriatric Interest Group of Spokane (GIGS) and launched a certified MedTech program in Washington State³. The group and the researchers theorized that allowing MedTech's to administer medication would allow registered and licensed nurses to spend time on more serious medical issues. Using quality outcomes such as falls, medication errors, and rehospitalizations rates, the researchers evaluated the impact of MedTech's on patient care. In all categories, the quality outcomes increased.⁴ Noninjury-related falls fell from an average of twenty-six to sixteen, medication errors among the MedTech staff were zero throughout the entire six months, and rehospitalization rates fell from six to four.⁵ GIGS initiated the program in three additional nursing homes based on the encouraging findings.

The Executive Budget proposes that support launching the MedTech program quickly by recommending the development of the Office of Workforce Innovation to develop a process within the regional economic development council to direct funding related to workforce improvement. Further, the Executive budget proposes transferring the regulation of professions from the Department of Education over to the New York State Department of Health. Both of these new initiatives would help to accelerate initiating a MedTech program.

New York needs to expand our workforce and healthcare resources so that every person that needs long-term care will get the care they deserve.

RECOMMENDATION: ArchCare urges Policymakers to Support Providers in Building a Robust Healthcare System in New York State by postponing mandatory staffing ratios and developing the workforce through creative and innovative means such as launching a MedTech program in New York State.

Invest in New York's Long Term Care System by developing a Sustainable Medicaid Rate

³ Crogan, N. *Annals of Long-Term Care*. 2018. <https://www.hmpgloballearningnetwork.com/site/altc/articles/implementing-medication-assistants-one-eastern-washington-nursing-home>

⁴ Crogan, N. *Annals of Long-Term Care*. 2018. <https://www.hmpgloballearningnetwork.com/site/altc/articles/implementing-medication-assistants-one-eastern-washington-nursing-home>

⁵ Crogan, N. *Annals of Long-Term Care*. 2018. <https://www.hmpgloballearningnetwork.com/site/altc/articles/implementing-medication-assistants-one-eastern-washington-nursing-home>



Before COVID-19 battered the country, downward pressure on the long-term care sector had been mounting for years. The long-term care sector in New York has struggled perennially with budgets and payment methodologies that have historically under-reimbursed providers for the costs incurred in delivering care to patients and residents. That is why, ArchCare is deeply pleased to see the Executive Budget proposes a 2.5% rate increase for long term care providers. However, to make sustainable, lasting change, to the infrastructure of long-term care in New York State, there needs to be an intentional plan to minimize the \$65.00 Medicaid shortfall that long term care providers operate within⁶.

The low Medicaid rate in New York State forces long-term care providers to manage negative operating budgets. In 2018 the American Health Care Association (AHCA), in a report compiled by Hansen Hunter & Co., aggregated the difference in the cost to care for a patient in a nursing home and the amount that New York State's Medicaid rate reimburses to providers. The total was a staggering **\$1,576,283,029 in New York**⁷. New York needs to reverse this trend, prioritize long-term care, and financially stabilize skilled not-for-profit nursing facilities by increasing the Medicaid rate.

For policymakers to fully understand the context of the Medicaid budget in New York State, it is crucial to consider the goals of the Medicaid program entirely and the changes made in recent years. In January 2014, New York accepted the Affordable Care Act (ACA) provision to use federal funding to expand Medicaid in New York. In a report completed by the Kaiser Family Foundation, the New York State of Health, the state-run health insurance exchange reported that almost three million people enrolled via the exchange as of 2018, and those numbers continue to climb. The growth in these programs significantly raised the amount New York State spends on Medicaid. New York State expressly set goals to expand the Medicaid program in New York to reduce the number of uninsured, a laudable goal. To finance the spending in other parts of the program, New York repeatedly cut back on resources for long-term care providers. To reverse the impact of these cuts, New York needs to develop a plan to strengthen, expand, and rebuild its long-term care services. A one-time rate increase after decades of neglect will not reverse the accelerating trend of closures and negative operating margins for long-term care providers. Long-term care providers need a call to action and a commitment to increase the Medicaid rate over the next few years.

RECOMMENDATION: ArchCare urges lawmakers to designate a team of long-term care providers, policymakers, and healthcare professionals to develop a plan to reconcile the Medicaid shortfall within five years.

Advance the PACE Licensure Provision in New York State

To be eligible for PACE, a participant must be fifty-five or older, need a certified nursing home level of care, and live in a PACE service area⁸. 5,400 older New Yorkers receive nursing home

⁶ LeadingAge New York. "States Leverage Medicaid to Provide Nursing Homes a Lifeline." 2020. <https://leadingage.org/node/63186>

⁷ Hansen Hunter & Company. "A Report on Shortfalls in Medicaid Funding for Nursing Center Care." 2018. Pp.11

⁸ National Pace Association website. <https://www.npaonline.org/pace-you>



level of care in their own homes from nine PACE programs across New York State⁹; 2100 of these participants belong to ArchCare's PACE programs. Through the PACE model of care, participants receive the entire continuum of Medicare and Medicaid benefits and services through personally tailored care plans **while living in their own homes**. Since participants in PACE must need nursing home level of care and receive Medicare and Medicaid, the program is instrumental in treating the dual-eligible population that is often the most high-cost, high-need, and challenging to treat. A cost-saving strategy that would serve New York residents is to expand PACE by advancing the PACE licensure provision included in the Executive budget.

The PACE licensure provision streamlines the application process and establishes a regulatory framework separate from other types of managed care. This proposal would authorize the State to enter into contracts with PACE providers, as well as entities that may assist PACE programs and would reaffirm that it does not seek to alter core features of the model or change the eligible population. This step forward is critical in promoting the PACE program in New York State.

RECOMMENDATION: ArchCare urges New York State to Promote PACE and Advance the PACE Licensure Provision.

CONCLUSION

To improve care for individuals, we cannot hope to improve care for individual beneficiaries – or fully manage the range of services that individual beneficiaries need – without the availability of both institutional and home and community-based services from strong, stable, forward-thinking long term care organizations. To move past the tumultuous two years of the pandemic and decades of financial pressures, we need lawmakers to support long-term care now more than ever as we move forward and rebuild the long-term care infrastructure in New York State.

I appreciate the opportunity to provide these perspectives and recommendations today. ArchCare looks forward to working in partnership with the Senate, Assembly, and Office of the Governor in ensuring that essential long-term care services stay robust and available to our state's elderly and disabled as the demand for these services grows in the years ahead.

⁹ National PACE Association. PACE in the States. October 2021.
https://www.npaonline.org/sites/default/files/PDFs/PACE%20in%20the%20States%20October%202021_o.pdf