



SOUTHERN NEW YORK ASSOCIATION, INC.

Celebrating over thirty years of serving our members and the long-term care community

JOINT SENATE PUBLIC HEARING NURSING HOME, ASSISTED LIVING, AND HOMECARE WORKFORCE: CHALLENGES AND SOLUTIONS JULY 27, 2021

TESTIMONY OF NEIL HEYMAN

I am Neil Heyman, the CEO of Southern New York Association, whose members include approximately sixty residential skilled nursing facilities in New York City, Long Island and Westchester.

Nursing facilities throughout New York State struggle to recruit and retain the trained, caring staff on whom their elderly and medically fragile residents depend. This problem has been long standing, as New York's population ages and the demand for subacute and long term care has grown. The disruption and stress of the Covid-19 pandemic has only magnified the scope of the challenge.

Recent legislation that mandates that facilities spend at least 70% of their revenue on direct care expenses and at least 40% on resident facing staffing, and that facilities devote a daily average minimum number of hours of nursing care to residents, will only drive up the effort and cost that facilities will need to devote to attracting and keeping staff.

For many years Medicaid reimbursement levels for New York nursing facilities have been substantially less than the facilities' cost of providing care, a shortfall that has only increased over time. The largest component of facilities' costs, by far, is staff and personnel expenses. The newly enacted legislative mandates represent a substantial escalation of the financial pressure on facilities.

We gratefully acknowledge that the current state budget includes additional state funding for nursing facilities in the fourth quarter of 2021 to cover increased staffing expense. We remain uncertain, though, whether the amount budgeted is \$32 million for the fourth quarter or, as we hope, \$64 million. The higher amount, when combined with federal matching funds, will help facilities meet the increased cost burden, but is not expected to go all the way to covering it. Moreover, I must emphasize that this funding cannot be a one-time solution. Inasmuch as the increased costs incurred by facilities' will be ongoing, they can only manage if the funds continue in future quarters.

Moreover, in addition to the financial pressures of increasing staff time, many facilities are facing a well-documented shortage in available staff candidates. Facilities that cannot recruit additional staff in order to meet the state mandated staffing requirements will only be able to provide required

staffing levels by having their existing staff work overtime. This will not only raise facilities' costs, but will increase the very real risk of staff burnout, with the attendant adverse consequences on resident care..

It is also important that the state invest in maintaining robust workforce development and training programs for health care workers. The facilities, their workers, and the residents receiving care all benefit from giving workers opportunities to improve their clinical skills, professional competence, and confidence in their ability to provide care. These programs have the potential not just to aid in the recruitment and retention of existing health care workers, but also to address the staff shortage by equipping and providing incentives for unemployed or underemployed workers not currently in health care to seek and obtain health care employment. The recently ended Workforce Investment Organization (WIO) program under DSRIP is an example of the type of program New York's providers and workers need.