

January 10, 2023

Dear LeadingAge NY Members:

This afternoon, Governor Kathy Hochul delivered her 2023 State of the State address from the Assembly Chamber floor. Setting the tone for the legislative session, she called for collaboration among elected officials, legislative and executive branches, and state and local officials. Her address was accompanied by a lengthy policy agenda for the coming year, entitled [State of the State: Achieving the New York Dream](#).

During the address, Governor Hochul spoke to the needs of all New Yorkers and the goal of enabling more people to thrive and attain the “New York Dream”. Some of the most prominent subjects the Governor spoke on were criminal justice reform, investing in [mental health](#) services, establishing a New York Housing Compact, creating sustainable energy initiatives, and expanding access to childcare. While the Governor’s address itself did not make mention of the long-term care workforce crisis, the State of the State book does mention the health care staffing crisis and noted the particularly pronounced decline of available nursing home and residential care workers.

We anticipate that many of the proposals mentioned today will be reflected in the Executive Budget Proposal, due to be released no later than Feb. 1, 2023. Bear in mind that the details of these initiatives are likely to become clear in the Executive budget bills. Below are some of the highlights and specific measures that may impact LeadingAge NY members should they be pursued and implemented:

### **Ensure Access to Aging Services and High-Quality Long-Term Care**

To ensure access to aging services, high-quality long-term care, and the ability for senior New Yorkers and their caregivers to make informed choices on where to seek care, Governor Hochul will:

- Invest in care teams to provide care for low-income adults in their home, helping to ensure New Yorkers can age in place.
- Provide respite care for high-need family caregivers, granting relief for those who oversee care of their loved ones.
- Establish quality reporting and accreditation for assisted living residences and implement quality improvement initiatives in nursing homes to promote transparency and make it easier for New Yorkers to make informed choices.

### **Expanding Access to Housing**

The Governor proposes a New York Housing Compact strategy to add 800,000 units to the State’s housing stock over the next 10 years by coordinating various levels of government and other stakeholders to enact policy changes that will ultimately reduce barriers to housing access and stability for all New Yorkers, including seniors.

### **Create Housing for Older LGBTQ+ New Yorkers**

Older LGBTQ+ New Yorkers face distinct challenges in accessing affordable and affirming housing. Smaller family support networks make LGBTQ+ seniors more reliant on community service providers. Governor Hochul will direct HCR to provide funding specifically for affordable housing projects that are LGBTQ+-affirming for older New Yorkers.

### **Minimum Wage**

Governor Hochul is proposing to automatically increase minimum wage to keep pace with inflation going forward. After reaching \$15 per hour, each region's minimum wage will increase consistent with the year-over-year Consumer Price Index-W for the Northeast Region. Annual increases would be capped, and an "off-ramp" would be available in the event of certain economic conditions.

### **Reform Traveling Nurse Agency Staffing Practices**

During COVID-19, health care providers relied on contracts with temporary staffing agencies for contract staff and traveling nurses to meet the overwhelming demand. Post-pandemic reliance on agency staff at health care facilities has skyrocketed. At some upstate hospitals, usage is five times greater now than it was pre-pandemic. Contract labor can be significantly more expensive than directly employed staff, and as a result, labor costs have increased significantly for providers. Governor Hochul will introduce legislation to require staffing agencies to register and report key data about their operations with the goal of increasing transparency into the utilization and costs of contract labor. The State will use the collected data to explore options to remedy the dependence upon, and escalating costs related to, agency staffing.

### **Expand Nurses For Our Future**

The Nurses For Our Future Scholarship program was launched in 2021 and will be continued this year to further help address the critical nursing shortage. The initiative will require recipients to commit to work in a nursing position within New York State for a set period of time after graduating. The scholarship program would support tuition costs for nursing studies at either a public or private college or university.

### **Allow Health Care Providers to Do More**

The health care workforce shortage in New York has led to access and quality of care problems for New Yorkers. Governor Hochul signed an Executive Order in September 2021 to acknowledge this shortage and provide flexibility to allow health care providers to temporarily do more (expanding their "scope of practice") under their licenses. Making these flexibilities permanent and expanding scope further will help alleviate the shortage, by continuing to allow the current workforce system to provide more care. In addition, Governor Hochul will advance legislation to allow New York to join the Interstate Licensure Compact and the Nurse Licensure Compact, which will make it easier for physicians and nurses licensed in other states to practice in New York, either physically or virtually, and allow New York providers to provide virtual care more easily for their patients who travel to other states.

## **Reform Approval Processes of Health Care Projects**

Health care providers face administrative barriers when seeking to modernize and invest in their facilities, including the Certificate of Need (CON) process, which governs the establishment, construction, and renovation of health care facilities. Governor Hochul will direct the Department of Health to review and amend the CON process, including raising the cost threshold for projects that need to file a CON and revisiting the definition of “public need” used in the application process. These and other CON reforms will reduce red tape and approval times for more rapid modernization of the state’s health care infrastructure. The administration will also take steps to ensure that significant private sector health care transactions support the financial sustainability, access, and quality of care objectives for the health care system.

## **Expand the Medicaid Buy-in Program for New Yorkers with Disabilities**

The state will submit a waiver to expand the Medicaid Buy-In program so more New Yorkers with disabilities can work and still qualify for Medicaid coverage. Many people with disabilities are faced with the difficult choice between maintaining their coverage and pursuing employment opportunities due to the current Medicaid eligibility income and asset limits.

## **Future of Health Care Commission**

The Governor also proposed a “Future of Health Care” Commission to provide ongoing strategic guidance for transforming how care is paid for and delivered. Its duties would include shaping the allocation strategy of subsidies for financially distressed hospitals and nursing homes and health care capital funding, and drive strategic and operational assessments and transformation initiatives of health care institutions.

## **Next Steps**

The Governor has until Feb. 1, 2023 to put for the Executive budget. Once those bills are available, the policy team will review them and provide a high-level review of the Executive Budget Proposal at that time. Then, approximately one week after the release of the budget bills, we will distribute a comprehensive memo on the Executive Budget Proposal, covering all service lines.

Because the Governor has an extended timeline this year to release the Executive Budget proposal, it is critical that we work on budget analysis and budget advocacy in-tandem. Please **SAVE THE DATE for LeadingAge NY Virtual Advocacy Week which will be held Feb. 13-17, 2023, and begin scheduling meetings with your State Senator and Assembly Member!** Members can find their legislators and relevant contact information to begin scheduling meetings [here](#). Additionally, if you intend to participate in our advocacy week and schedule/attend meetings, please [sign up here!](#) Keep in mind that the earlier we schedule meetings and sign up for advocacy, the more collaboration and effective advocacy can take place. LeadingAge NY has the goal of connecting with over 100 legislators during the early weeks of February, and we will need the engagement of **all members** in order to reach that goal and accomplish our priority budget objectives.

This is just the beginning of the State Fiscal Year 2023-24 budget cycle, and this year, we are aiming to achieve more than ever before. We have been working on our pre-budget advocacy for months, and many of our members have already been engaged in these efforts and meeting with lawmakers. We

truly appreciate your sustained efforts, on top of everything you are doing for the individuals in your care. It is critical that we keep the pressure on state legislators and the Governor throughout the duration of the 2023-24 budget cycle, which is scheduled to conclude on April 1<sup>st</sup> with the passage of a final state budget.

Thank you for staying engaged with us. We look forward to the work ahead and what we can accomplish together.

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