

January 26, 2023

The Honorable Kathy Hochul
Governor
State of New York
NYS State Capitol
Albany, NY 12224

Dear Governor Hochul:

In 2021, New York State lawmakers enacted new legislation to require minimum staffing standards in nursing homes. N.Y. Public Law § 2895-b (3)(a) sets forth a minimum standard for staffing hours in nursing homes. Under this new standard, nursing homes are required to maintain average staffing hours equal to 3.5 hours of care per resident per day. In addition to the minimum staffing requirement, lawmakers also enacted legislation requiring that nursing homes spend at least 70 percent of revenue on resident care and 40 percent on direct care staff.

Although some funding was appropriated in both the FY 2021-22 and FY 2022-23 state budgets, those funds have yet to be distributed. Even if those funds are ultimately distributed, New York's nursing homes will continue to severely struggle with inadequate Medicaid funding.

It is time to carry out the State's commitment to high quality nursing home care and jobs by **providing a 20 percent nursing home Medicaid rate increase in the FY 2023-24 Budget.**

To meet the staffing standards, many providers must significantly increase their workforce, and all providers are competing for workers who have options to earn similar wages in far less stressful environments. This challenge is particularly acute in upstate where workers earn much less than their downstate counterparts for the same work, and reimbursement rates for providers are significantly lower.

Nursing homes face significant financial challenges caused by essentially flat Medicaid funding for the past 15 years, despite rising costs. Current Medicaid rates for providers would be over 40 percent higher if they had simply kept pace with inflation over this period. The dramatic increase in costs driven by the pandemic has exacerbated this problem and jeopardizes the ability of many providers to continue caring for residents in the future.

1199 SEIU and nursing home providers are committed to working together to fulfill the promise we have made to provide high quality care to residents and family-sustaining jobs that

can keep and attract a workforce for the future. We hope you will join us in this effort by increasing Medicaid funding to nursing homes.

We strongly urge you to provide nursing homes with a 20 percent Medicaid rate increase to assure that every New York resident who needs nursing home services will receive the highest quality care provided by employees who can afford to support their families.

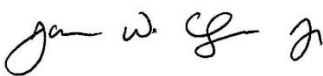
Sincerely,



George Gresham
President
1199 SEIU



Stephen B Hanse
President/CEO
NYSHFA/NYSCAL



James Clyne, Jr.
President
LeadingAge New York



Michael Balboni
Executive Director
Greater New York Health Care Facilities Assoc.



Neil J. Heyman
President
Southern New York Association, Inc.

cc: Sandra Beattie, Budget Director
Angela Profeta, Deputy Secretary, Health
Andrea Stewart-Cousins, Senator
Gustavo Rivera, Senator
Carl Heastie, Assembly Speaker
Amy Paulin, Assemblywoman