



****Immediate Release****

State Lawmakers and Nonprofit Nursing Home Providers are Sounding the Alarm on Growing Funding Crisis

Stop the crisis, stop the closures – it's time to fully fund nursing home care.

Albany, NY (March 19, 2026) — LeadingAge New York members along with Senate and Assembly lawmakers hosted a press conference today spotlighting the growing nursing home crisis and its direct impact on families across New York State. Chronic underfunding is pushing facilities to the brink, threatening access to care for older adults. When nursing homes are forced to reduce services or close, families are forced to look farther from home; hospitals face delays in safely discharging patients, and emergency room back-ups cause community-wide delays in healthcare.

LeadingAge New York, a statewide association representing not-for-profit and public long-term care and aging services providers, has long advocated for sustainable funding solutions to stabilize the sector and protect vulnerable New Yorkers. Unfortunately, the nursing home closure crisis is now turning into a catastrophe.

Nonprofit nursing homes are asking for dedicated, permanent funding in the state budget. It is critical that the proposed \$1.5 billion allocated for hospitals and nursing homes be split evenly. Nursing homes deserve the \$750 million, nothing less, to help reimbursement rates cover the actual cost of care they are providing. Also important is full restoration of capital funding, and LeadingAge New York applauds the Senate and Assembly for including both the 10% and 5% restorations in capital funding in their one-house budgets.

From 2007 to 2024, the cost of providing nursing home care in New York State rose by 51%. Meanwhile, the reimbursement rate increased by only 12.8%. This has left nursing homes significantly underfunded. Services are disappearing, and nursing homes are closing, reducing options for families and straining the remaining providers.

In the Capital Region, nursing homes are a cornerstone of the healthcare system, caring for more than 12,000 individuals each year across 26 facilities and approximately 4,300 beds. These providers play a vital role in the continuum of care, with about 85% of admissions coming directly from hospitals—helping patients transition safely from acute care to recovery or long-term support.

Most individuals in need of formal long-term care rely on Medicaid—especially those requiring nursing home care. Nearly 75% of nursing home days are provided to Medicaid residents, yet outdated reimbursement rates continue to fall far short of the actual cost of care. As a result, nonprofit nursing homes are losing an average of \$150 per resident, per day, creating a growing and unsustainable financial gap.

The consequences of this chronic underfunding are already being felt. Providers are being forced to make difficult decisions—taking beds offline, reducing capacity, or in some cases, closing their doors entirely. The rate of nursing home closures is accelerating, limiting access to care for older adults and their families.

Despite these challenges, nursing homes remain essential economic drivers and community anchors. In the Capital Region, they employ nearly 8,000 workers and provide more than \$300 million in wages, salaries, and benefits annually contributing over \$600 million to the regional economy.

The numbers speak for themselves:

- Medicaid reimbursement covers less than 75% of the cost of care at the average nursing home and below 60% for homes with high staffing levels.
- 2 nursing home closures in the Capital Region since 2020
- 2 nonprofit facilities sold to for-profit operators in that same period

When you look statewide, the situation is even more alarming:

- 11 nursing homes have closed or announced closures in the past two years
- Nearly 80% of nonprofit nursing homes are operating on negative margins

Without meaningful investment and updated Medicaid funding, access to care will continue to erode—placing greater strain on hospitals, disrupting families, and leaving vulnerable older adults with fewer options when they need care the most.

“Nonprofit nursing homes are facing mounting financial strain that is simply not sustainable. These pressures go well beyond individual organizations — they are impacting the stability of the entire healthcare system, increasing demand on hospitals, emergency departments, and community-based providers,” **said Sebrina Barrett, President and CEO of LeadingAge New York.** “State leaders must remain committed to strengthening long-term care and aging services through increased funding, stronger policies, and expanded access to care. We will continue advocating for our members and the New Yorkers who rely on them every day.”

“This crisis is happening right now in the Capital Region. For years, we’ve been raising concerns about the worsening conditions facing nursing homes across New York,” **said Christina Audi, Executive Director/LNHA of Schuyler Ridge Nursing**

Home. “Chronic underfunding is putting immense pressure on providers, impacting seniors and families across the Capital Region, and weakening our broader healthcare system. It is essential that the Governor increases the level of investment necessary to preserve access to high-quality care for older adults in our communities.”

“When the state invests in places like Daughters of Sarah, they’re not just supporting a facility—they’re investing in a community where seniors can truly live, not simply be cared for,” **said Sam Weisblatt, President & CEO, Daughter’s of Sarah Nursing Home.** “That kind of environment depends on strong, consistent state funding. It’s what makes quality care possible, supports and sustains a dedicated workforce, and ensures safe, compassionate settings for those who need them most. At its core, this is an investment in people—both the residents we serve and the caregivers who are essential to the health of our communities.”

“I’m proud to stand with LeadingAge and my colleagues to advocate for the meaningful investments our nursing homes and long-term care facilities desperately need,” **said Senator Patricia Fahy.** “The accelerating rate of closures across the state, including the heartbreaking recent announcement from St. Peter’s, underscores how important it is we prioritize the quality of care for our most vulnerable seniors and neighbors. Allocating more dollars to our nursing homes and care settings will give nonprofit nursing homes the needed breathing space and resources to continue their mission of improving the quality of life for older adults across our Capital Region. I want to thank LeadingAge and our local care providers for their continued partnership, and for working to ensure New York families and seniors have the support they need and deserve.”

“There has been a concerning trend in New York over the past decade of nursing homes closing at an accelerated pace, with eleven shutting down since 2024 alone. Most recently, this has included St. Peter’s in Albany, a facility which has been open for nearly 70 years,” **said Assemblymember Gabriella A. Romero.** “More facilities are finding it impossible to cover the cost of keeping their existing beds online, let alone expand their services to provide for more elders in need - this cannot continue. Our seniors deserve spaces where they can age safely and with dignity. That’s why we need to make it a priority to include funding for our nursing homes in the upcoming state budget, so that we can create a modern, accessible, and sustainable care system for New York’s older adults.”

“We can’t allow Medicaid underfunding to force nonprofit nursing homes to close and leave seniors without the care they depend on,” **said Assemblymember Amy Paulin.** “As New York’s aging population grows, we have a responsibility to ensure older adults can access quality care in their own communities. We must make the meaningful investments needed to protect our seniors.”

“Families across the Binghamton region rely on nursing homes to care for their loved ones with dignity and compassion,” **said Senator Lea Webb.** “Facilities like Good Shepherd

Communities are under growing strain as costs rise and Medicaid reimbursement fails to keep pace. When nursing homes reduce services or close, families must look farther from home for care. We must fix New York’s broken Medicaid reimbursement system so providers have the resources they need to care for older adults and keep access to care close to home.”

“New York’s nursing homes are facing a crisis driven by years of Medicaid underfunding and growing workforce shortages,” **said Assemblymember John T. McDonald III, RPh.** “Without meaningful investment, we will continue to see closures and reduced capacity that leave families scrambling and hospitals overwhelmed. Addressing this funding gap is essential to stabilizing our long-term care system and protecting access to care for those who need it most.”

“The failure to significantly increase Medicaid rates for NY’s nursing homes jeopardizes the health and safety of our loved ones. As nursing home beds close, strains are felt throughout the health care delivery system,” **said Assemblymember Donna Lupardo.** “The cost of care has obviously changed dramatically over the years; what’s not so obvious is why this has gone on for so long. Facilities in the Binghamton area who have been worried for a long time, are now expressing fear for the future.”

“As Chair of the Assembly Aging Committee and a member of the Health Subcommittee of the 2026 General Budget Conference Committee, I stand with LeadingAge New York and our nonprofit nursing home providers to sound the alarm on this escalating funding crisis. Chronic underfunding and Medicaid gaps are driving closures, staffing shortages, and barriers to care for older New Yorkers across the state,” **said Assemblymember Rebecca Seawright.** “Our seniors deserve quality, accessible long-term care close to home without overwhelming hospitals or emergency departments. I will fight in budget negotiations for meaningful, targeted investments, including at least \$750 million dedicated to nursing homes, restoration of capital reimbursements, lifting the case mix freeze, and support across the continuum to close the gap, stabilize providers, and ensure dignity in aging for all.”

Without immediate intervention, access to high-quality long-term care will continue to erode, leaving older adults and their loved ones with fewer choices, longer wait times, and greater uncertainty during already vulnerable moments in their lives. New York’s older adults deserve stability, dignity, and access to the care they rely on. The future of long-term care — and the well-being of thousands of families — depends on decisive action now.

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