

## Assisted Living and ACF Services Need More Support to Ensure Access

Assisted living (AL) and adult care facility (ACF) providers offer support and assistance in a home-like setting. They are a popular option with consumers, and we anticipate the demand for these services will only grow. These providers are still recovering from the strain of the pandemic and are contending with critical workforce shortages and sharply rising costs. This sector was largely overlooked with recent years' budget investments.

ACFs that serve low-income seniors are struggling in particular, so the Executive Budget's proposals that cut programs aimed at these services are alarming. Supplemental Security Income (SSI), together with the State Supplement Program (SSP), pays ACFs **\$45.50 per day**. This rate is entirely inadequate to provide ACF residents with regulatorily required services including housing, meals, personal care, assistance with medications, case management, and more. LeadingAge New York's analysis of 2019 pre-pandemic ACF Financial Report data demonstrated that it costs ACFs *twice* the daily reimbursement per resident to provide their services – and the gap between costs and reimbursement has grown significantly since then. There is no way to increase wages to compete for staff in this current environment on that reimbursement or address the other rapidly increasing costs of operations. Approximately 12,000 ACF residents rely on SSI/SSP statewide. **The SSP rate has not been increased since 2007.** Since 2017, there have been *59 ACFs that have closed* voluntarily, and others are in the process. If low-income seniors cannot access ACFs in their communities, they will go to nursing homes at a significantly higher cost to the State. With this as context, we urge the following:

**Reject Elimination of Enhancing the Quality of Adult Living (EQUAL) Program and Consolidate EQUAL Funding:** The Executive Budget proposes to eliminate the EQUAL program, historically funded at \$6.5M. EQUAL supports quality of life initiatives for low-income residents of ACFs. These ACFs are woefully underpaid for the services they provide to low-income seniors. The Legislature must fully restore EQUAL program funding. To ensure the most meaningful use of funds, consistent with resident wishes, we also recommend consolidating EQUAL funding into one pool of funds, as it was prior to 2020 – rather than the bifurcation of capital and aid to localities funding.

**Reject Elimination of Enriched Housing Subsidy:** The Executive Budget proposes to eliminate this program, which pays \$115 per month per SSI recipient to not-for-profit enriched housing programs. Historically funded at \$380,000, this is a small but critical lifeline to those programs committed to serving low-income seniors that must be restored.

**Increase the SSP Rate for ACF Residents by at Least \$20 per Day, and Build in an Annual Cost-of-Living Adjustment Thereafter:** The chronic SSP underpayment threatens access to ACF services for low-income adults, thereby promoting nursing home placement for SSP/Medicaid-eligible seniors, at a significantly higher cost to the State. LeadingAge New York estimates that *for every 45 low-income ACF residents who can remain in their ACF or are diverted from nursing home placement, the State saves at least \$1M in Medicaid spending annually.* We urge the Legislature to increase the SSP rate by at least \$20 per day and build in an annual cost-of-living adjustment.

**Invest in and Grow the Assisted Living Program (ALP), Rather Than Impose Medicaid Cuts:** The ALP is the only Medicaid-funded AL option in the state. It serves people who require a nursing home level of care, but do not need ongoing skilled services. While the 6.5 percent rate increase in last year's budget was helpful, it did not make up for 15 years of underfunding, sharply rising costs, pandemic-related expenses, and costs associated with the recruitment and retention of workers. The savings required from the significant unspecified cuts in the Governor's budget cannot be achieved through cuts to the ALP Medicaid rate. Rather, the rate must be *increased* to recognize these growing costs over 15 years, and we must update the base year for the ALP Medicaid rate to ensure that it reflects current costs moving forward, as outlined in *A.7553 (Paulin)/S.7248 (Cooney)*.

Additionally, while we await the State's development of a needs-based application process for new ALP beds by 2025, there is currently no way to increase the number of beds in the state, despite growing need. A simple, positive step the Legislature can take is to include language to enable existing ALPs an expedited process to expand their beds by nine or fewer, as had been done in the 2018-19 budget.

**Modify the Assisted Living Residence (ALR) Quality Reporting Initiative to Require Provider Association Input and More Time to Ensure Meaningful Information for the Consumer:** The Governor's proposal directs the Department of Health (DOH) to develop quality measures for ALRs, including Enhanced and Special Needs ALRs, and begin reporting by January 2025. The proposal would also require public posting of various information. With significant variation in the acuity of residents and services offered in the different models, this is a complex task. Engagement with provider representatives is essential, as outlined in *A.5790-A (Paulin)*. The proposal should be modified to ensure input and provide more time such that meaningful information is reported to the consumer in a way that enables valid comparison.

**Accept the Governor's Proposal to Make the Special Needs ALR (SNALR) Voucher Program Permanent, and Expand:** We support the Governor's proposal to make the SNALR Voucher Demonstration Program for Persons with Dementia permanent. This program is designed to financially assist individuals with dementia or Alzheimer's disease residing in SNALRs who are at risk of requiring nursing home placement due to dwindling resources. Designed to intervene before someone becomes Medicaid-eligible, the program can save the State money. The program supports up to 200 vouchers, but there has been a waiting list for months. Meanwhile, we anticipate the number of people with Alzheimer's disease to climb. Thus, we urge that it be expanded to meet current and future demand.

**Allow Nurses to Provide Nursing in ACFs:** The Legislature could implement a no-cost workforce solution by enabling nurses working in ACF/AL settings to provide nursing services, as outlined in *A.5670 (Solages)/S.5471 (Rivera)*. The EALR is the only ACF/AL setting that permits nurses to provide nursing services in New York. During this workforce shortage, we should be maximizing resources and utilizing nurses in ACFs to provide periodic services that would result in better health outcomes, prevent hospitalizations, support end of life care, and save Medicaid dollars.

**Accept the Governor's Proposal to Support Respite Services in ACFs:** This program, funded at \$7.2M, will provide needed support to high-needs individuals and their caregivers in the community.

**Urge DOH and the Governor to Reduce Daily Health Emergency Response Data System (HERDS) Reporting:** ACFs have been required by DOH to conduct a daily HERDS survey since March 2020. While the survey was recently shortened, the necessary data can be collected in a more streamlined manner. This and other administrative burdens take away from the provision of care and contribute to worker burnout.

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