



For Immediate Release:

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STATEMENT BY LEADINGAGE NEW YORK PRESIDENT AND CEO, SEBRINA BARRETT, ON THE PASSAGE OF THE 2025-26 NEW YORK STATE BUDGET

“New York State’s Commitment to those Requiring Nursing Home Care is Profoundly Disappointing”

“The state budget reflects the state’s priorities and, once again, it appears that the needs of our most vulnerable family members and neighbors – those who require long-term, 24/7 nursing care – are not a priority in Albany,” said Sebrina Barrett, CEO of LeadingAge New York.

“Year after year, we sound the alarm about nursing home closures and staffing shortages, but these warnings were not heeded in the final budget. The only conclusion we can reach is that the state deems it acceptable for more non-profit nursing homes to close, for families to face difficulty finding a safe place for their loved one to receive care close to home, and for hospitals to continue to battle back-ups.”

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LeadingAge New York is the advocacy voice for more than 350 not-for profit and government-sponsored nursing homes, senior housing, adult care facilities, retirement communities, and other settings serving older adults. It has indicated that more than 70,000 nursing home beds are at risk of closing due to inadequate funding. More than 30 nursing homes have closed since 2014 – and nearly all have been not-for-profit or government-owned. Importantly, a lack of nursing home capacity doesn’t only impact older adults and their families – it also contributes to hospital gridlock and delays in emergency services.

The budget not only fails to meaningfully address the \$1.6 billion gap between Medicaid funding and the costs of delivering care, but it also continues an arbitrary cut in reimbursement for repairs and renovations of facilities. This cut impedes nursing home efforts to provide a safe and homelike environment for their residents.

Barrett said, “While the budget provides a nominal increase in funding, that increase fails to cover this year’s inflation rate and, in the downstate area, is offset by the Metropolitan Transit Authority (MTA) payroll tax hike. Unfortunately, giving with one hand and taking away with the other is becoming routine in the state’s budget actions affecting nursing

homes.” The ongoing impacts of two recent cuts in reimbursement for capital improvements have further depleted nursing home resources, which are based on 2007 costs and are already inadequate to fund the actual cost of providing care. It is hard to fathom how these nursing homes, which on average receive Medicaid reimbursement that covers only 75 percent of the cost of care for each resident on Medicaid, can continue to operate. They are simply asking for funding that covers the ‘**actual cost of care.**’

The consequences of the budget’s indifference to the funding needed for nursing home care will be widespread. Nursing homes will be unable to offer competitive wages to recruit staff and will be forced to close more beds or close entirely. Older adults will be unable to find nursing home care close to loved ones. Hospital patients in need of post-acute care will face prolonged hospital stays until a nursing home bed can be found. And, hospital emergency departments will grow even more crowded because there won’t be any unoccupied inpatient beds for new patients.

These distressing ripple effects could be stopped with nursing home reimbursement that covers costs. Unfortunately, the budget does not offer any solutions. The window of opportunity to save New York’s nursing homes is rapidly closing; we respectfully request the opportunity to work with the state to save our non-profit and government-operated nursing homes before it is too late.

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