

September 22, 2025

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

Re: A.8738 (Bronson)/S.8222 (Brouk)

Dear Governor Hochul,

LeadingAge New York and its not-for-profit, mission-driven members write to you today in support of A.8738 (Bronson)/S.8222 (Brouk). This legislation would facilitate and encourage not-for-profit and public nursing homes in upstate regions to collaborate on the quality of nursing home care, while ensuring appropriate program safeguards to prevent anti-competitive practices.

Not-for-profit and public homes typically provide higher nurse staffing levels and outperform their peers on most quality measures, however, they face growing existential challenges. These challenges include wage and benefit cost increases well above inflation, while Medicaid rates cover less than 75 percent of costs; the need for renovation and improvement dollars while facing capital cuts; navigating staffing mandates amidst a persistent staffing crisis; and more. We are seeing the impacts of these challenges play out in real-time; 41 nursing homes have closed since 2014 (nearly all not-for-profit) resulting in the loss of 4,000 beds. Further, 8 of these 41 closures were recent, occurring in 2024 and 2025, and eliminating 806 beds.

In the absence of adequate State investment in nursing home care, it is imperative for New York to promote viable strategies that support providers that are striving to maintain quality care and achieve operational efficiencies.

This legislation offers such a strategy, by authorizing the Commissioner of Health to review and approve regional collaborative programs in upstate New York, designed to improve quality and efficiency, while incorporating structural safeguards to prevent collusion or anti-competitive behavior. Importantly, this bill bears no direct reimbursement implications, nor additional costs to the State.

The bill would offer an opportunity for upstate providers to collaborate with other organizations on quality, similar to a program available to downstate not-for-profit providers. The Collaborative to Improve Nursing Home Efficiency, Reduce Avoidable Hospitalizations, Guarantee Access, and Yield Area-Wide Performance Improvement (CINERGY), is a successful initiative among not-for-profit nursing homes in the New York City metropolitan area, and operates through an Independent Practice Association (IPA), which provides the legal framework for collaboration and antitrust protection. Participating homes work together on quality metrics and, where needed, collectively contract with

managed care plans. This bill would allow the Commissioner to approve similar programs in other areas of the state.

For these reasons, LeadingAge New York strongly supports A.8738 (Bronson)/S.8222 (Brouk), and urges that it be signed into law.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Barrett". The signature is fluid and cursive, with the first name "Sebrina" and last name "Barrett" clearly distinguishable.

Sebrina Barrett
President & CEO
LeadingAge New York