



To: LeadingAge NY Members

From: LeadingAge NY Policy Team

Re: One-House Budget Bills – Brief Summary

Date: March 11, 2025

Late last night, each house of the Legislature released its “one-house” budget bills. These bills represent their respective opening positions in budget negotiations. In addition to introducing bills, each house released a summary of their budget proposals – a detailed Senate resolution and an “Overview of the Assembly Budget Proposal.”

LeadingAge NY is pleased to share that many of our top budget priorities are still “alive” due to their inclusion in the Executive Budget and/or one or both of the one-house budget proposals. However, some of our priorities were not included in the Legislature’s proposals or were only partially addressed.

Over the next few weeks, the Governor and the Legislature will negotiate to reconcile the differences in their respective budget proposals, aiming to reach a final agreement for the State Fiscal Year (SFY) 2025-26 Budget by April 1, 2025.

With approximately 3 weeks remaining of this year’s state budget work, LeadingAge NY urges all members to **continue your advocacy** for our shared budget priorities. We need to ensure that long-term care and the people we serve are supported and represented in the final state budget. **Please plan to join us in Albany on Tues., March 18th!** LeadingAge NY will be setting up meetings with legislators to ensure their continued support in the final days of budget negotiations; **please [sign up here](#) as soon as possible!** In addition, we will be providing members with updated advocacy messaging shortly.

The following is a high-level overview of each house’s budget proposals, focusing on the issues of greatest significance for long-term care providers and plans and the people they serve. Our analysis is based on the bills and the summaries, which are, in certain areas, unclear or inconsistent. Over the next several days, we will be able to gain greater clarity on the specific positions of each house on our key priorities.

Nursing Homes

- Assembly:
 - Reimbursement Increase:
 - Proposes to increase nursing home funding by up to \$481.25M (all funds) annually (i.e., adds \$96.25M to the Executive proposal which renewed last year's \$285M and added \$100M). Funding would be derived from the Managed Care Organization (MCO) tax revenues.
 - The Overview of the Assembly Budget Proposal ("Overview") stresses the Assembly's commitment to ensuring financial sustainability of nursing homes.
 - Capital Cut Restoration:
 - Assembly Overview indicates \$13.7M to restore the 5% capital cut.
 - Medication Aides:
 - Does not authorize the use of Medication Aides in nursing homes.
 - Correction of Staffing Funds Distribution:
 - Not addressed.
 - Vital Access Provider Assurance Program (VAPAP):
 - Assembly Overview indicates an investment of \$575M to restore the VAPAP for financially distressed hospital and nursing homes.
 - Mainstream Managed Care Long-Stay Nursing Home Benefit Limit:
 - Accepts the Governor's proposal to exclude from mainstream Medicaid managed care those beneficiaries who are permanently placed in a nursing home for more than 3 consecutive months.
- Senate:
 - Reimbursement Increase:
 - Proposes to increase nursing home funding by up to \$500M (all funds) annually (i.e., adds \$115M to the Executive proposal which renewed last year's \$285M and added \$100M). Specifies that up to \$100M of the funding be distributed as a percentage increase to the rate. The precise amount of funding and the portion that could be allocated as a percentage increase in the rate are not clear at this time. Funding would be derived from MCO tax revenues.
 - Capital Cut Restoration:
 - Proposes to restore 10% capital cut effective April 1, 2025.
 - Medication Aides:
 - Does not authorize the use of Medication Aides in nursing homes.

- Correction of Staffing Funds Distribution:
 - Includes \$2.7M and statutory change to correct denial and recoupment of staffing funds from not-for-profit homes that were deemed ineligible due to receipt of COVID relief payments.
- Nursing Home Quality Collaborative Demonstration:
 - Provides \$30M to fund a new nursing home quality collaborative in the greater Rochester region and two other regions to be selected by the Commissioner of Health.
- Mainstream Managed Care Long-Stay Nursing Home Benefit Limit:
 - Accepts the Governor’s proposal to exclude from mainstream Medicaid managed care those beneficiaries who are permanently placed in a nursing home for more than 3 consecutive months. Like MLTC beneficiaries, these nursing home residents would be transitioned to fee-for-service.

Adult Care Facilities/Assisted Living

- Assembly:
 - ALP Reimbursement Increase:
 - Proposes to increase ALP reimbursement by up to \$18.75M (an increase of \$3.75M over the Executive’s proposal).
 - ALP Need Methodology:
 - Rejects Executive Budget proposal to delay implementation of ALP need methodology.
 - EQUAL:
 - Restores EQUAL funding at \$6.5M, and appears to transition the program back to one consolidated pot of funding.
 - Enriched Housing Subsidy:
 - Restores Enriched Housing subsidy at last year’s level of \$380,000.
 - SNALR Voucher Expansion:
 - It is unclear at this time if the Assembly has added any funding for this program.
 - SSI/SSP:
 - The Assembly does not include an increase in the State Supplement Program (SSP) to the Supplemental Security Income (SSI) benefit for adult care facility residents. The Executive did not include an increase, either.
 - Respite:
 - The Assembly accepts the Executive’s proposal to fund a program to provide relief to high-need family caregivers by funding respite care in ACFs at \$7.2M.

- Senate:
 - ALP Reimbursement Increase:
 - Proposes to increase annual ALP funding by up to \$30M (i.e., adds \$15M to Executive proposal).
 - ALP Need Methodology:
 - Rejects Executive Budget proposal to delay implementation of ALP need methodology.
 - EQUAL:
 - The Senate restored a lump sum of \$11M to restore this and other public health programs.
 - Enriched Housing Subsidy:
 - The Senate restored a lump sum of \$11M to restore this and other public health programs.
 - SNALR Voucher Expansion:
 - Adds \$3M for the SNALR Voucher Program.
 - SSI/SSP:
 - The Senate does not include an increase in the SSP to the SSI benefit for adult care facility residents. The Executive did not include an increase, either.
 - Respite:
 - The Senate accepts the Executive’s proposal to fund a program to provide relief to high-need family caregivers by funding respite care in ACFs at \$7.2M.

Home Care/Hospice/Aging Services

- Assembly:
 - CHHA Reimbursement Increase:
 - Indicates \$15M in certified home health agency (CHHA) investments in Assembly Overview of its budget proposal.
 - Hospital at Home:
 - Rejects Executive’s proposal.
 - NHTD Waiver Cap:
 - No provisions included.
 - Targeted Inflation Increase for Aging Services:
 - Increases the Executive Budget’s proposed inflation increase (set at 2.1%) for specified SOFA-funded programs to 7.8%, which must be used to provide salary increases for eligible individuals of at least 4%. Limits OFA programs to CSE,

MLTC/PACE

- Assembly:
 - MLTC Quality Pool: Does not appear to restore the MLTC quality pool.
 - Enrollment Cap: Does not address the MLTC enrollment cap.
 - Penalties for Non-Compliance with Contracts: Rejects the Executive Budget proposal to allow the Commissioner of Health to impose penalties on managed care plans for failure to comply with contractual obligations.
- Senate:
 - MLTC Quality Pool: Provides \$50M for managed care quality pool investments. It is unclear how much, if any, would be allocated to the MLTC pool.
 - Enrollment Cap: Exempts from enrollment cap upstate managed care rate regions where the share of the population using long-term services and supports is below 10%.
 - Penalties for Non-Compliance with Contracts: Modifies the Executive Budget proposal to allow the Commissioner of Health to impose penalties on managed care plans for failure to comply with contractual obligations.

Housing

- Assembly:
 - Affordable Independent Senior Housing Resident Assistance Program: Not included.
 - Housing Opportunities Program for the Elderly (HOPE/RESTORE): Increases investment to provide emergency home repairs for older adults by \$2.6M, to \$4M.
 - Mortgage Insurance Fund (MIF) Utilization: Increases amounts that may be utilized from the MIF to \$18.8M for the Neighborhood Preservation Program and \$8.05M for the Rural Preservation Program, and restores \$250K to be set aside within each of those amounts for technical assistance to be provided to the Neighborhood Preservation and Rural Housing Coalitions.
 - State Low-Income Housing Tax Credits (SLIHC): Accepts an Executive proposal to increase the SLIHC statewide allocation limit.
 - Housing Access Voucher Program (HAVP): Adds \$250M to create a statewide voucher program to provide cash subsidies to low-income individuals and families that are homeless or facing imminent loss of housing.
 - Middle-Income Rental Housing Development: Adds \$125M to create the NY Housing for the Future middle-income rental development program.

- Mitchell-Lama Preservation:
 - Adds \$750M in capital to preserve and improve Mitchell-Lama properties statewide;
 - Adds \$100M in operating funds to support Mitchell-Lama and New York City Housing Authority (NYCHA) properties;
 - Accepts an Executive proposal to reduce the property tax burden for Mitchell-Lama projects in NYC from 10% to up to 5% of the annual shelter rent or carrying charges of the project and to allow the same reduction at local option for Mitchell-Lama projects outside of NYC.
- Supportive Housing: Provides a total of \$241M in capital support for the Homeless Housing and Assistance Program (HHAP) and adds \$15M in operating support for the New York State Supportive Housing Program (NYSSHP).
- Senate:
 - Affordable Independent Senior Housing Resident Assistance Program: Not included.
 - Senior Housing Development and Preservation:
 - Earmarks \$30M within the \$1.025B City of Yes capital investment to develop senior housing in NYC;
 - Earmarks \$20M within the City of Yes capital investment for capital projects and other improvements to preserve Section 202 Supportive Housing for the Elderly and other supportive housing for seniors in NYC;
 - Adds \$30M to develop senior housing outside of NYC;
 - Increases investment in the Housing Opportunities Program for the Elderly (HOPE/RESTORE) to provide emergency home repairs for older adults by \$2.6M, to \$4M;
 - Adds \$4M to create a Safer Homes for Seniors Initiative to facilitate household repairs and improvements for low- and moderate-income senior renters and homeowners.
 - MIF: Increases amounts that may be utilized from the MIF to \$18.8M for the Neighborhood Preservation Program and \$8.05M for the Rural Preservation Program, and restores \$250K to be set aside within each of those amounts for technical assistance to be provided to the Neighborhood Preservation and Rural Housing Coalitions.
 - SLIHC: Accepts an Executive proposal to increase the SLIHC statewide allocation limit.
 - HAVP: Adds \$250M to create a statewide voucher program to provide cash subsidies to low-income individuals and families that are homeless or facing imminent loss of housing.

- Mixed-Income Revolving Loan Fund: Accepts the Executive’s proposed investment of \$50M to create a mixed-income rental revolving loan fund outside of NYC and adds \$80M to create a similar fund in NYC.
- Mitchell-Lama Preservation:
 - Adds \$50M to improve and preserve Mitchell-Lama properties in NYC;
 - Adds \$30M to improve and preserve Mitchell-Lama properties outside of NYC;
 - Accepts and modifies an Executive proposal to reduce the property tax burden for Mitchell-Lama projects in NYC from 10% to up to 5% of the annual shelter rent or carrying charges of the project and to allow the same reduction at local option for Mitchell-Lama projects outside of NYC, requiring savings to be utilized to improve physical and financial conditions at the affected properties.
- Affordable Housing Relief Fund: Adds \$40M to create an Affordable Housing Relief Fund outside of NYC.
- USDA 515 Rental Properties Preservation Fund: Adds \$10M to preserve USDA Section 515 rental properties.
- Property Insurance Affordability: Adds \$500K to explore the feasibility of creating and using insurance captives to lower property insurance costs for affordable housing.
- Supportive Housing: Decreases capital investment in HHAP by \$12M, to \$141M, and adds \$14.2M in operating support for NYSSHP, the Solutions to End Homelessness Program, and the Operational Support for AIDS Housing Program.
- Monitoring State Housing Spending: Would require Homes and Community Renewal to report annually on its capital project spending.

Adult Day Health Care

- Assembly:
 - Reimbursement Increase:
 - Proposes to increase nursing home funding by up to \$481.25M (i.e., adds \$96.25M to the Executive proposal). Funding would be derived from the MCO tax revenues. Based on past rate-setting, we assume these increases also pertain to ADHC.
 - Capital Cut Restoration: Assembly Overview indicates \$13.7M to partially restore capital cut.
 - Medication Aides: Does not authorize the use of Medication Aides in nursing homes.

- Senate:
 - Reimbursement Increase:
 - Proposes to increase nursing home funding by up to \$500M (all funds) annually (i.e., adds \$115M to the Executive proposal). Specifies that up to \$100M of the funding be distributed as a percentage increase to the rate. The precise amount of funding and the portion that could be allocated as a percentage increase in the rate are not clear at this time. Funding would be derived from MCO tax revenues. Based on past rate-setting, we assume these increases also pertain to ADHC.
 - Capital Cut Restoration: Proposes to restore 10% capital cut effective April 1, 2025.
 - Medication Aides: Does not authorize the use of Medication Aides in nursing homes.

Continuing Care Retirement Communities

- It does not appear that the Senate or the Assembly have included language from the CCRC reform bill to consolidate oversight of CCRCs, despite our advocacy. The Executive did not include the proposal, either.

Other

- Assembly:
 - Nurse Licensure Compact: Does not authorize joining the interstate Nurse Licensure Compact.
 - Health Care Capital Grants: Adds \$1B for the capital needs of health care facilities serving underserved communities as well as the financial sustainability of distressed facilities.
- Senate:
 - Nurse Licensure Compact: Does not authorize joining the interstate Nurse Licensure Compact.
 - OMIG Audit Reforms: Adds reforms to the OMIG audit processes to ensure transparency and fairness, including a requirement that sampling and extrapolation methods be statistically sound and limits on extrapolation in the context of clerical errors or minor mistakes.

- Health Care Capital Grants: Adds \$200M to support capital grants for general upgrades, equipment, technology, renovation, construction, and enhancement for health care facilities, including nursing homes and hospitals.
- Creative Arts Therapy: Proposes to authorize Licensed Creative Arts Therapists to bill Medicaid for services.

Conclusion

This summary represents our best understanding of the one-house budget bills at this time. It is **critical** that members remain engaged in advocacy efforts until a final agreement is reached. Please do not hesitate to reach out to members of the policy team with any questions.