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### **Member Talking Points on NYAHSA's Report: *Nursing Home Funding Cuts: A Threat to Quality and LTC Reform***

NYAHSA released its annual report on nursing home finances, *Nursing Home Funding Cuts: A Threat to Quality and LTC Reform*, on January 17, 2008 to state policymakers, the media, NYAHSA members and other stakeholders.

We encourage members to speak to their local media representatives about how the 2007-08 state budget cuts and previous cuts have affected their facility's ability to enhance resident quality of care and quality of life, as well as their plans to refashion the services they provide. Members can also, or as an alternative, speak about the NYAHSA report and its conclusions on these issues. Some general talking reports about the report follow:

- NYAHSA and its members are committed to educating the public, legislators, policymakers and regulators about the impact of state-level budgetary decisions on New York's seniors. The report asks all policymakers to be aware that any budget cuts ultimately impact care recipients and caregivers. All interested parties, including the public at large, should weigh that information in discussions around the 2008-09 state budget.
- New York's not-for-profit and public continuing care providers understand that the state is facing serious financial challenges.
- NYAHSA and its members believe that the state should not deal with economic crises by cutting state funding for Medicaid and other programs for New York's seniors at a time when more and more people need services, and providers are trying to make their services more person-centered amidst growing financial pressures.
- NYAHSA's report summarizes the actions that facilities are actually taking or considering to deal with Medicaid cuts, amidst growing operating losses and below-cost Medicaid payments. It is based on a survey completed by 165 nursing homes throughout the state.
- The 2007-08 State Budget cut Medicaid funding for nursing home care by \$114 million, forcing homes to take or consider taking the following actions:
  - One in ten nursing homes is seriously considering closure. This will lead to more access problems for frail seniors and disabled people who need care.
  - Nearly a third of the homes delayed filling vacant direct resident care staff positions, and 23 percent had to cut direct care staff positions.
  - Twenty-nine percent of homes were forced to cut staff pay increases, and 19 percent cut employee benefits.
  - Twenty-four percent of facilities cut much-needed employee training and education.
  - "Culture change" plans—which promote resident-centered care—are being delayed or cancelled.

- Over a quarter of homes are delaying or cancelling renovations and technology acquisitions.
  - 17 percent of homes are reducing programs and services, and many others are cancelling or delaying planned service expansions.
  - Homes are borrowing for operating expenses and delaying mortgage, vendor and contract payments.
- Further Medicaid cuts would lead to more staffing and other cuts, affecting access to quality care and interfering with efforts to create a more person-centered system.
  - State lawmakers should allow the nursing home reimbursement reforms to proceed, reject the Medicaid-only case-mix index, reject further cuts to nursing home care, and invest in long term care facilities and services and workforce.
  - According to the United States Census, more than 5 million New Yorkers, or Baby Boomers, were born between 1945 and 1964.
  - Nursing homes are major employers in many communities throughout New York state.
  - Relocation is often difficult for nursing home residents. The closure of a facility means nursing home residents may be forced to leave the only home they have known for the past several years.
  - NYAHS and its members have led the way on reshaping the state's long term care system by proposing the state's rightsizing initiative that enabled providers to grow and adapt to the changing needs of New York's seniors.
  - New York made great strides towards a more flexible health care system when it approved changes to the state's nursing home reimbursement methodology back in 2006. Part of that commitment was to stabilize nursing homes' finances to enable them to transition to other forms of care, such as home care and assisted living. Our seniors deserve these options, taxpayers deserve the long term savings that reform can provide, and our members are ready to work with the state to effect that change.