



**AMERICA'S BEST
NURSING
HOMES**

2024

Newsweek

POWERED BY



City, State & Federal Budget and Legislative Update **Office of External & Regulatory Affairs**

Presented By: Rafael Dominguez, PAC Public Affairs Director



New York State Landscape

- + Governor released the \$233 billion Executive budget for State Fiscal Year (SFY) 24-25.
- + In response, the State Legislature will release their one house budgets in early March.
- + Top issues impacting NYC Health + Hospitals (H+H):
 - + Medicaid Rates
 - + Capital cuts
 - + Safety Net Transformation Fund



Medicaid Reimbursement Rates

- + Structural improvements are needed to NYS Medicaid
- + Current Medicaid program reimburses hospitals & nursing homes **30% less** than the actual cost of delivering care.
- + The hospital Medicaid increases were intended to backfill the enactment of the 340B pharmacy carve out, which caused our health system to lose \$123 million.
- + On average, last year's actions resulted in a 1.6% increase for H+H hospitals.
- + Coler will receive \$2 million from the Nursing home Medicaid increase.



State Budget Asks

- + NYS needs to address the structural inequities that exist in health care funding of safety net providers.
- + The Legislature must increase Medicaid reimbursement rates to cover the cost of care for nursing homes and hospitals.
- + This is a matter of health care access and a matter of racial equity.



Capital Reimbursement Cuts

- + H+H infrastructure (building structure and systems) is on average 17 years old; **Coler was built in 1949.**
- + Facility modernization and reconfiguration is critical if H+H is to meet the demands of better-quality outcomes for patients.
- + Executive budget proposes a cut in capital reimbursement of 10% to hospitals and nursing homes. This cut is on top of an existing 10% cut for hospitals and 5% for nursing homes.



Capital Reimbursement Cuts

- + These proposals hinder H+H's ability to finance critical capital improvements.
- + If enacted, this proposal, will bring the total cumulative impact to NYC H+H to approximately \$40M annually; \$700,000 to Coler.

LEGISLATURE MUST

REJECT

CAPITAL CUTS



Safety Net Transformation Fund

- + **The Legislature must include support for the Executive Budget's Safety Net Transformation Fund** in Part S of the Health and Mental Hygiene bill (S.8307/A.8807) for public and private safety net hospitals.
- + The proposal authorizes DOH to utilize up to \$500 million in new or existing capital funding and/or operating subsidies to support transformation plans for the purpose of increasing access, equity, outcomes, and long-term financial sustainability.
- + H+H has a vision for facility transformation but has significant unmet needs, including work specific to climate resiliency and green energy upgrades.

Summary of Asks

The Legislature must prioritize health care funding that address disparities by:

- + **Increasing Medicaid rates for nursing homes AND hospitals to cover the cost of care.**
- + **Rejecting the 10% capital reimbursement cut to hospitals and nursing homes in Part D and Part E of the HMM bill (S.8307/A.8807).**
- + **Supporting the Safety Net Hospital Transformation Fund in Part S of S.8307/A.8807, especially for public and private safety net providers.**



Summary of Asks (Deeper Dive)

Priority Order	Project Name	Project Cost Estimate
1	Elevator Modernization	\$ 26,000,000
2	Fire Alarm System Upgrade	\$ 35,500,000
3	Essential Electric System Upgrade	\$ 600,000
4	Relocate Hot Water Pumps	\$ 70,000
5	Parking Lot Upgrades	\$ 900,000
6	Shower Valve Replacements	\$ 70,000
7	Creation of a Behavioral Intervention Unit	\$ 14,500,000
8	Resident Canteen HVAC Replacement	\$ 750,000
9	HVAC Upgrade (in the Breakthrough Room)	\$ 250,000
10	Resident Lounge Renovation	\$ 900,000

New York City Landscape

- + The City's financial position has already led to five rounds of agency funding reductions in this administration, also known as Programs to Eliminate the Gap (PEGs). H+H was included in four of these reductions.
- + The recent November and January Plans included a 5% cut in City Tax Levy funding; fortunately, with no impact on patient services.



New York City Landscape

- + H+H has tackled these funding reductions by in-housing consultant work, internally driven programmatic modifications, billing improvements, and Central Office contract and administrative expense reductions, and funding shifts.
- + The Mayor announced on February 21st that there will be no agency-specific PEGs in the City's upcoming Executive Plan, which will be released in April.



Federal Landscape

- + H+H continues to advocate with Congressional leaders, in collaboration with our hospital and nursing home association partners.
- + The top federal advocacy priority is the elimination or continued delay of the pending Medicaid Disproportionate Share Hospital (DSH) Cuts, slated to go into effect on March 8.
- + Other federal advocacy priorities include preventing Site Neutral Medicare cuts, maintaining telehealth (and other regulatory flexibilities), and funding for Graduate Medical Education, safety net hospitals and health care infrastructure.



Coler

