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New York State Health Facilities Association Statement on Report Supporting a Nursing Home Medicaid Rate Increase

Albany, New York — Stephen Hanse, President and CEO of the New York State Health Facilities Association (“NYSHFA”), a statewide organization representing over 450 not-for profit, proprietary and government sponsored skilled nursing and assisted living facilities issued the following statement today in response to the just issued report by CliftonLarsonAllen (“CLA”), the eighth largest accounting firm in the United States, which found that under federal regulations, an additional \$2,693,516,127 is available to skilled nursing facilities across the State of New York to increase Medicaid rates. NYSHFA engaged CLA to provide an independent analysis of New York’s skilled nursing facility Upper Payment Limit (“UPL”) program obligations to determine how much room the State has within federal UPL guidelines to provide a much-needed Medicaid rate increase to nursing homes.

“The CliftonLarsonAllen report clearly documents New York’s ability to address the State’s woefully low nursing home Medicaid reimbursement rate – a rate that currently covers only 75% of the cost of care of a Medicaid nursing home resident,” stated Stephen Hanse.

Specifically, the CliftonLarsonAllen report calls attention to the fact that under the UPL program – a program set forth under federal regulations which allows for Medicaid payments to skilled nursing facilities up to allowable Medicare payments – an additional \$2,693,516,127 is available in New York to increase Medicaid benchmark rates in nursing homes without violating any federal UPL principles.

As stated in the CLA Report, the \$2,693,516,127 figure is conservative as New York’s and CLA’s calculations both utilize the lowest resident acuity category for all Medicare residents irrespective of their actual acuity level. Pursuant to the federal match for Medicaid, 50% of these needed funds would be provided by the federal government and the other 50% would come from the State on a dollar-by-dollar match basis.

“For too long New York has disinvested in its nursing homes. This disinvestment has diminished access to care, exacerbated the healthcare workforce crisis, and led to significant patient backups in hospitals. The CLA Report shows that New York has significant room under federal regulations to invest in nursing homes and receive significant federal matching dollars to begin to rectify the crisis caused by the State’s history of underfunding nursing home care,” stated Hanse.

“NYSHFA looks forward to continuing to work together with the Governor and legislative leaders to ensure our seniors continue to receive the quality care they deserve,” concluded Hanse.

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