



Empire State Association of Assisted Living

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Good afternoon, I am Lisa Newcomb, the Executive Director of the Empire State Association of Assisted Living (ESAAL). Thank you for the opportunity to testify today. I will focus my testimony on two areas: 1) the urgent need for an immediate increase in the Supplemental Security Income (SSI) rate for our low-income seniors and disabled individuals -- The rate is currently only \$41 per resident per day and has not been increased since 2007. 2) the need for a process which rationally awards additional Assisted Living Program (“ALP”) beds.

With regard to SSI, I want to thank the Chairs and both houses for passing a \$20 increase to the SSI rate at the end of last year’s session. For a very brief moment, our community was hopeful that we would find much needed fiscal relief; however, Governor Cuomo vetoed this critical legislation. In his veto message, Governor Cuomo stated that any proposed increase to the state supplement of the SSI rate must be handled in the Executive Budget. Regrettably and inexplicably, the Governor has failed to include any funding for SSI in his budget, notwithstanding the state of crisis faced by the providers serving low income residents where facilities are closing at an alarming rate- 25 have closed since 2014 (12 within the last 12 months) as a result of the inability to financially make ends meet.

In years past, testifying on behalf of ESAAL was a local upstate provider, Jim Kane. Jim is not here this year because his facilities have either closed or are being sold. Needless to say, Jim and his staff have become victims of inadequate funding.

More importantly, by failing to increase the SSI rate, the state is failing the more than 12,000 seniors and disabled individuals throughout New York State that rely on SSI. Without adult care facilities, these seniors either end up homeless or in a nursing home.

Currently, the \$41 /day paid to adult care facilities (ACFs) provides housing and a wide array of care and services to low-income seniors and disabled individuals on SSI, including three meals per day, housekeeping, activities, supervision, case management, medication assistance and hands-on personal care that is 24 hours per day. As many of you have now heard, the SSI rate of \$41 day that we spend on housing and caring for our most vulnerable seniors and disabled individuals is, in many cases, less than the daily cost of boarding a dog in a kennel.

As employers and providers of care, this reimbursement is unsustainable in light of the increased mandates imposed on them. Today, the current average cost per resident for ACFs is approximately \$70 per day. That is nearly twice the reimbursed rate. Perhaps the ultimate “back breaker” was the \$15 minimum wage. It has devastated SSI providers. We estimate that the cost of minimum wage to our industry is approximately \$170 million annually, which **means the minimum wage, alone, costs our providers approximately \$34 per day. That leaves us with \$7 per day in our current rate to provide food, services, housekeeping, personal care as well as accommodate the costs of workers comp insurance, maintain properties, administer our facilities, along with our many other costs. It is simply not possible. Amazingly, unlike all**

other health care providers, the adult care facility industry received no assistance to bear the cost of this mandate.

When our facilities close, residents either become homeless or are forced to move out of their homes and into more restrictive environments like nursing homes. In either case, the state ends up paying more than the SSI rate. Indeed, nursing homes present an excellent cost comparison: For every displaced upstate SSI resident who ends up in a nursing home, the daily cost of housing and caring for the State increases dramatically from \$41/day to between approximately \$150/day to \$250/day in a nursing home under Medicaid.

Where we have found programs that work, such as the Medicaid Assisted Living Program (ALP), the Governor has moved to prevent the expansion of this program or even to regulate ALPs like every other type of health care provider. Our Association has had to fight to secure greater regulatory supervision by the State. For example, we have fought to bring the ALP program under the Certificate of Need process- another bill that was passed by both houses last year, only to be vetoed by the Governor. While we applaud the addition of ALP beds in the Budget, there needs to be a rational, transparent process for the award of such beds. Please revise the proposal to reflect a formal application process comparable to the bill unanimously passed last year.

We implore you to help us continue the quality care that we love to provide to our residents. We beg you to throw us the lifeline that will save our industry.

Thank you again for the opportunity to testify today. I would be happy to answer any questions you may have on our testimony.