

## STATEMENT OF RICHARD J. MOLLOT, OF THE LONG TERM CARE COMMUNITY COALITION, ON MEDICAID REDESIGN IN NY STATE

For close to three decades the Long Term Care Community Coalition has been dedicated to improving care and quality of life for the frail elderly and disabled in our state who rely on long term care services. We recognize that the financial crisis of the last few years has put unprecedented pressure on NY to lower healthcare and other expenses. While we understand that the state must respond to the crisis, we are deeply concerned by the prospect of it proceeding with insufficient meaningful public input in the process and, ultimately, that the state will balance its budget on the backs of the poor and middle class and, most worrisome, on the backs of the frail elderly and disabled. They are among our most vulnerable citizens and are the communities most likely to depend on long term care services and supports. Yet, rather perversely, they are often provided the least opportunity to make their voices heard in these processes.

Given the short time period allocated to speakers, I would like to make the following key points:

1. ***It is crucial that decisions about Medicaid spending be made thoughtfully and intelligently and that they are premised on the understanding that the purpose of the Medicaid program is to ensure safety and appropriate care for those who depend on services.*** While we support a financially viable provider industry, we cannot forget that the fundamental reason for the system's existence is to provide care, not perpetuate an industry. The needs of consumers and the public must inform all decisions. LTCCC's recent study on how states like NY can tailor their Medicaid nursing home reimbursement systems to encourage both quality and efficiency ([nursinghome411.org/?articleid=10006](http://nursinghome411.org/?articleid=10006)), which we have shared with many on the Medicaid Redesign Team (and numerous state leaders), provides some valuable recommendations and "lessons learned" from other states that can help NY redesign how it pays nursing homes and other Medicaid providers. Among the most important findings:
  - Tying Medicaid reimbursement to achievement of meaningful standards benefits consumers and provides taxpayers with a "bang for the buck."
  - Medicaid payments should be tailored to ensure that adequate funds are dedicated to care and services; "efficiencies" should be limited to administrative and other non-care related expenses.
  - Oversight and accountability are absolutely crucial, even more so in times of cutbacks or incentivizing of payment rates, to, again,

ensure that public funds are used efficiently and appropriate care is provided. [See point #3, below.]

2. ***The State cannot lose sight of its moral and legal obligations to ensure that people access care in the least restrictive setting possible.*** It has been almost a dozen years since the U.S. Supreme Court held that states cannot unnecessarily institutionalize individuals who neither need nor desire it. It has been almost 25 years since federal law mandated that nursing homes ensure that residents receive the care, services and quality of life necessary for them to attain and maintain their highest practicable physical, emotional and social well-being. In recent years we have seen some movement towards making these promises a reality, including a recent lawsuit by advocates for the disabled that is affirming the government's mandate in this regard. For New York to turn its back on this progress now in the name of cost-savings would be unconscionable and would, in fact, only increase the ultimate financial costs to the state.
3. ***State personnel and offices that provide oversight and quality assurance must receive sufficient funding to carry out their mandates to protect consumers and ensure appropriate use of public funds.*** LTCCC and others are very concerned at the prospect of further cuts and hiring freezes at Department of Health, State Office for the Aging and other agencies. The inability to hire staff or even replace staff that have left has already resulted in some agencies over-relying on contract workers and, in several areas, a diminished capacity to provide meaningful assurance that minimum standards are being met. In other words, people are suffering right now as a result of a failure to provide adequate oversight. Past experience has shown that patient care often deteriorates when providers are faced with cutbacks and the potential for lower profits. Without strong monitoring and oversight, the result will likely be a downward spiral in which consumers suffer and the taxpayer ultimately pays more as a result of unnecessary hospitalizations, expensive lawsuits, etc.... [See LTCCC report at <http://www.nursinghome411.org/?articleid=10003>]

In short, while the State's financial crisis requires immediate action, it is crucial that this not just be a sweeping or knee-jerk reaction to the current dilemma. The State's fiscal problems are multi-faceted and years in the making. Medicaid services and supports are a lifeline for individuals and families across NY State. The State leadership must think beyond facile responses like across-the-board cuts in services or state personnel. New Yorkers need and deserve more. We are counting on you to lead the way.

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***LTCCC, a coalition of over 20 organizations across New York State, is a nonprofit organization dedicated to protecting the rights and welfare of long term care consumers in all settings, including nursing homes, assisted living facilities and in their communities, through policy research, public education and systemic advocacy. For more information on this and other long term care issues, visit our primary website: [www.ltccc.org](http://www.ltccc.org).***