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Dear Governor Hochul and Members of the New York State Legislature,

Recent changes in New York's home care delivery system have disrupted the entire network, creating a ripple effect that jeopardizes care for thousands of vulnerable residents. Shifts in one part of the system are straining others, exacerbating workforce shortages, financial instability, and access to care across the board. **This abrupt shift has forced many consumers to move from the consumer-directed program to Licensed Home Care Services Agencies (LHCSAs)**, significantly increasing the demand on these agencies *without a corresponding increase in state investment*.

Compounding this crisis, LHCSAs are grappling with Medicaid reimbursement rate cuts - **implemented this week**- exacerbating financial strains and hindering their ability to recruit and retain essential home care workers. Despite increases in the home care worker minimum wage, these agencies face skyrocketing operational costs—including workers' compensation, utilities, and other business expenses—that far outpace reimbursements. Consequently, many agencies are operating at a loss, unable to offer competitive wages necessary to attract and retain staff.

**Regardless of which service delivery model is used, the number of people needing care and the amount of care they need haven't changed.**

What **has** changed is the portion of the total case load being shifted to licensed agencies. That means licensed agencies must have staff sufficient to meet the demand.

The current turmoil underscores a persistent imbalance in New York State's support for institutional long-term care providers over home- and community-based care. Despite the legal recognition of the right to live in the community more than 30 years ago (*Olmstead v. LC*), state government policies favor institutional settings.

To address these urgent issues and restore balance to our long-term care system, we urge lawmakers to take the following actions in the state budget:

- Allocate a \$150 million investment in home- and community-based care from the Managed Care Organization (MCO) tax.
- Pass A1112 (Paulin) / S3599 (Rivera) to improve reimbursement rates for home care services by setting a regional minimum base rate and defining rate components to cover care, operations, and administrative costs. It also mandates annual rate adjustments based on a transparent trend factor and requires the Department of Health to implement accountability measures and publish related data.
- Incorporate the Senate's proposal to reject the cap on the Nursing Home Transition and Diversion Medicaid Waiver program.

**Failure to ensure access to home- and community-based long-term services in this year's budget will threaten the rights, dignity, and lives of hundreds of thousands of New Yorkers. We call on you to prioritize these urgent needs as you finalize the state budget.**