



Kathy Febraio
President

20 Corporate Wood Blvd.
Albany, NY 12211
hcp@nyshcp.org
(P) 518.463.1118
(F) 518.463.1606
www.nyshcp.org

December 2, 2024

Governor Hon. Kathy C. Hochul
New York State Capital Building
Albany, NY 12224

Dear Governor Hochul,

The New York State Association of Health Care Providers (HCP) represents a diverse network of home- and community-based care providers across New York State. Our membership includes Licensed Home Care Services Agencies (LHCSAs) and businesses that deliver essential products and services tailored to support the home care industry.

As New York embarks on its budget-making process, HCP underscores the critical role of home care in addressing the state's fiscal, health, and demographic challenges. A significant investment in this sector is not just necessary—it is essential to ensure stability, sustainability, and continued access to high-quality care for New Yorkers in need. HCP requests a meaningful increase in Medicaid payments for LHCSAs.

Medicaid reimbursements to home care providers lag behind the actual cost of delivering care, leaving provider agencies underfunded and disadvantaged in a competitive labor market. Meanwhile provider agencies deliver cost-effective, highly desired care in the community, empowering New Yorkers to age in place. Home is where elders and disabled people invest, spend, vote, and contribute their social capital, and it's where they want to live for as long as possible.

Home care can significantly address the social determinants of health (SDOH) by providing support that goes beyond medical treatment to influence broader factors that affect health outcomes. HCP participated significantly in the Master Plan for Aging (MPA) process and look forward to seeing the ways your administration leverages this work to address SDOH.

The home care sector sits at the intersection of aging, gender equity, cultural diversity, poverty, social justice, and health equity. It offers innovative, cost-effective solutions to the state's financial pressures while meeting the growing demand for care among diverse populations. New York must prioritize home care as an integral part of its health care ecosystem.

The Case for Home Care

Home Care is Cost-Effective

Home care costs significantly less than institutional care. In New York, 20 hours of weekly home care costs 65% less than skilled nursing facility care. Even at 40 hours per week, it is at least 30% more affordable. Investing in home care reduces Medicaid expenditures while maintaining high standards of care, making it a fiscally responsible alternative.

Home Care Serves Millions of New Yorkers

Over 9.3 million residents receive home care annually, with 9.1 million supported by Medicaid. The sector supports New York's 2.2 million family caregivers, enabling them to stay employed while caring for loved ones. Home care alleviates caregiver burdens by assisting with essential activities like bathing, toileting, and meal preparation.

Home Care Respects Patient Preferences

Over 90% of adults aged 50 and older prefer to age in place. Home care enables individuals to maintain their independence and dignity, enhancing their quality of life while strengthening family stability.

Home Care Strengthens Communities and the Economy

Aging in place allows older adults to remain active in their communities, supporting local economies and tax bases.

Home care reduces caregiver absenteeism in the workforce, fosters intergenerational connections, and strengthens social ties.

Differentiating Agency-Based Home Care

Licensed Home Care Services Agencies (LHCSAs): Meeting Long-Term Care Needs

LHCSAs deliver care to patients with chronic, stable conditions, providing:

- Comprehensive care assessments to develop individualized plans.
- Coordination with healthcare providers and family members for seamless care.
- Quality assurance to address feedback and improve care delivery.
- Culturally competent, patient-centered care to enhance satisfaction.
- LHCSAs adhere to stringent New York State Department of Health regulations, ensuring safety and quality.

Certified Home Health Agencies (CHHAs): Managing Acute Care

- CHHAs provide short-term, skilled clinical care for acute conditions, such as wound care, therapy, and recovery support after hospitalizations.
- These agencies focus on restoring independence and reducing hospital readmissions.

Consumer-Directed Personal Assistance Program (CDPAP): Empowering Choice

- CDPAP allows patients to hire and manage their caregivers directly, offering flexibility for those with chronic or stable conditions.
- Fiscal Intermediaries provide administrative support, enabling patients to oversee their care.

Addressing Operational Challenges

Despite its proven value, the home care sector faces significant challenges:

- **Inadequate Reimbursement:** Medicaid rates fail to cover rising operational costs, leaving many agencies financially strained.
- **Rising Expenses:** Worker wages, utilities, regulatory compliance, and inflation contribute to unsustainable financial pressures.
- **Workforce Shortages:** Low wages and benefits hinder recruitment and retention, threatening access to care for vulnerable populations.

Meeting Demographic and Workforce Challenges

Aging and Diverse Population Needs

The growing elderly population and cultural diversity demand expanded, culturally competent home care services.

Rural areas face unique barriers to accessing care, requiring targeted strategies to address geographic disparities.

Competition for Healthcare Workers

Hospitals, nursing homes, and other industries often attract workers with better compensation, intensifying competition.

Many experienced home care workers are nearing retirement, exacerbating workforce shortages.

Reducing Preventable Hospitalizations

Effective home care minimizes hospital admissions by managing chronic conditions and providing timely interventions.

Workforce gaps and care coordination challenges increase preventable hospitalizations and readmissions, straining the healthcare system.

A Call to Action

Investing in home care aligns with New York's fiscal and social priorities. By increasing Medicaid reimbursement rates and addressing operational challenges, the state can:

- Ensure access to high-quality, affordable care for millions of residents.
- Reduce healthcare costs through efficient, patient-centered solutions.
- Enable aging with dignity while supporting family caregivers and communities.

It is time for New York to champion home care with the investment it deserves, recognizing its critical role in strengthening the state's health care ecosystem and improving the lives of all New Yorkers.

Thank you for your continued leadership and commitment to the well-being of New Yorkers. We urge your administration to prioritize the home care sector in the upcoming budget process, ensuring that all residents have access to the care they need to live with dignity, independence, and security. Together, we can build a healthier, more equitable future for our state.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Febraio". The signature is fluid and cursive, with a small mark at the end.

Kathy Febraio, President
New York State Association of Health Care Providers

Cc: Assembly Speaker Carl Heastie
Senate Majority Leader Andrea Stewart Cousins
Assembly Health Committee Chair Amy Paulin
Senate Health Committee Chair Gustavo Rivera

About HCP:

The New York State Association of Health Care Providers, Inc. (HCP) is a statewide trade association supporting the full spectrum of home and community-based care providers through information, advocacy, and education. HCP represents licensed home care services agencies, certified home health agencies, fiscal intermediaries, and related health organizations. Through a strong network of regional chapters and an active State office in Albany, HCP is a primary authority of the home health care industry.