



**UNITED  
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HOUSES**

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**Testimony of United Neighborhood Houses  
Before the New York State Assembly Committee on Aging  
Assemblymember Ron Kim, Chair**

**Home-Based Long Term Care Services**

**Submitted by Tara Klein, Deputy Director of Policy and Advocacy  
December 12, 2022**

Thank you for hosting today's important hearing on home-based long term care services. United Neighborhood Houses (UNH) is a policy and social change organization representing 46 neighborhood settlement houses across New York State that reach over 765,000 New Yorkers from all walks of life. A progressive leader for more than 100 years, UNH is stewarding a new era for New York's settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers.

UNH and its settlement house members employ the philosophy that older adults are valued members of our neighborhoods, whose wisdom and experience are important to the fabric of our communities. UNH members provide a wide variety of services to over 80,000 older New Yorkers each year by operating home- and community-based programs such as senior centers, Naturally Occurring Retirement Communities (NORCs), home delivered meal (HDM) programs, Geriatric Mental Health, case management programs, and others. The New York State Office for the Aging (NYSOFA) may contract directly with these programs, but more often provides funding via local Area Agencies on Aging.

It is crucial that the State invest significantly in the funding streams that support these programs - namely the Expanded In-Home Services for the Elderly Program (EISEP), Community Services for the Elderly (CSE), NORCs, and Wellness in Nutrition (WIN). These programs have been underfunded for years, despite the fact that the aging population in New York State is growing significantly and that older adults generally prefer to age in their homes rather than in institutional settings. In addition, we are concerned about budgetary matters that are quickly reaching crisis levels and will need intervention from the State. These include record-high levels of inflation without adequate government funding to match, growing challenges with recruitment and retention of staff due to low wages and competition from other industries, and growing capital and infrastructure needs. If the State is to support older New Yorkers and their caregivers, we must make sure that the right resources and supports are in place and are easily accessible.

This testimony focuses on how to support state-funded, non-Medicaid aging services, and will focus on Naturally Occurring Retirement Communities, home delivered meals programs, and funding challenges with the aging services workforce. We also support additional investments in local case management and non-Medicaid home care programs, and of course we continue to support the Fair Pay for Home Care campaign to increase salaries for all home care workers.

### **Naturally Occurring Retirement Communities (NORCs)**

NORCs are housing developments or neighborhoods that were not originally designed as senior housing but have naturally become home to a significant number of older adults over time. NORCs receive contracts to coordinate support from housing, social services, and health care providers to promote the health and stability of older adults living in apartment buildings and housing complexes, as well as in slightly lower-density neighborhoods and rural areas (Neighborhood NORCs or NNORCs).<sup>1</sup> NORCs have served as strong partners for older adults throughout the pandemic, helping them stay safe, healthy, and connected - in addition to serving as hubs for COVID-19 relief efforts by offering vaccination, testing, and PPE distribution on-site.

The NORC program is currently funded at a base of \$8.055 million, which is spread out across four budget lines. This supports 43 NORC contracts throughout the State, which includes 14 new programs that were added through a 2019 procurement by NYSOFA.

#### *Healthcare Savings and Avoiding Institutional Care*

Given the vast crisis in New York's nursing homes that we saw at the height of the COVID-19 pandemic, NORCs provide a proven community-based alternative that allows older adults to stay safe and healthy in their homes for longer. In many cases, NORC programs help older people avoid or delay entering institutional settings like nursing homes or emergency rooms.

NORCs are also cost-effective for the State: NORC programs serve residents on relatively small budgets while defraying more substantial costs to the State. For example, the annual cost of a nursing home stay for one individual in New York State can be as high as \$142,000 per year;<sup>2</sup> this amounts to nearly the value of an entire NORC program contract, generally serving hundreds of older adults and helping them remain in their homes for longer. Nursing homes can often be prohibitively expensive, as few individuals can afford to pay out of pocket for care. As a result, nursing home residents become reliant on State and Federal support and subsidies such as Medicaid. Investing in NORCs can help limit these increased costs to the Medicaid system. NORC nurses also divert countless people from more serious healthcare visits through preventative care such as falls prevention workshops and individual counseling.

#### *Pro-Bono Nursing Challenges*

Despite their outstanding work during COVID-19 and beyond, NORCs face a specific funding challenge. Many programs struggle to meet requirements for on-site nursing hours, which are mandated in NYSOFA contracts in the healthcare management and healthcare assistance and monitoring categories. The vast majority of NORCs fill these requirements with nurses. In alignment with the NORC model, these nurses provide vital services that would not otherwise

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<sup>1</sup> Throughout this testimony "NORC" refers to both NORC and NNORC programs.

<sup>2</sup> NYS Dept of Financial Services: [www.dfs.ny.gov/consumers/health\\_insurance/long\\_term\\_care\\_insurance/cost\\_ltc](http://www.dfs.ny.gov/consumers/health_insurance/long_term_care_insurance/cost_ltc)

exist in the community, such as medication education, diabetes testing, flu shots, mobility and balance screenings, and doctor-patient connections. Many residents rely on these nurses as a main source of health care and truly value the consistent, quality care they provide. While no two programs are identical, the average NORC program utilizes 22 nurse hours per week.<sup>3</sup>

At many NORC sites, providers have traditionally secured pro-bono nursing services sourced from hospitals, students, retired volunteers, and other means. These in-kind nursing services maintain the NORC program's founding principle of community-based partnerships and supports. However, these arrangements have become unstable due to changes in the healthcare field, in addition to the growing need for health care as New York's population ages. Further, in 2019 the largest provider of nursing services to NORCs eliminated all of their pro-bono hours. From 2015-2018, NORC programs reported an average loss of 50% of their pro bono hours, from about 12 to 6 hours each week. Consequently, N/NORCs contracts do not fully fund the services required by NYSOFA. In effect, nursing hours represent an unfunded, though important, mandate in NYSOFA contracts.

UNH is grateful to the Legislature for all of its attention and support for the NORC program over the last several years. For the last four budget cycles the Legislature has provided additional funding specifically to support nursing services in NORCs. This supplemental nursing funding was first added by the Legislature at \$325,000 in FY 2019-2020 and FY 2020-2021, was increased to \$1,000,000 in FY 2021-2022 (representing close to the full need), and was reduced to \$825,000 in FY 2022-2023. Each NORC received \$23,256 in their 2022 calendar-year contracts from this funding, and crucially it is not subject to unit of service increases. We strongly urge the Governor to include \$1 million in base NORC funding to be provided in the Executive Budget each year, to ensure stable funding for these programs. Absent of this, we will be calling on the Legislature to restore this \$1 million.

### *NORC Expansion*

There is high demand for the State to increase the number of NORCs to help older adults continue living in their homes and communities. The NORC program last underwent an expansion in 2019, and at that time there were more applicants to the program than the State could afford to fund. With a modest \$1.5 million investment, NYSOFA will be able to create between six to eight new NORC programs across the State, which will serve hundreds if not thousands of older adults. NYSOFA has expressed their support for this expansion, and if funding is available they will issue a competitive procurement to select the new programs. This investment must also be paired with a statute update to increase flexibility on building height restrictions that have limited eligibility in the past. NYSOFA has also expressed support for this change, and we expect this will be introduced in the Legislature in early 2023.

To summarize, to support NORCs in the FY 23-24 budget, the State must restore \$1 million for NORC nursing and invest \$1.5 million in a program expansion (along with a statute update), for a total \$2.5 million investment. It will be important for New York State to examine 2020 Census data to determine areas of the State that have seen a growth in the 60+ population and that could benefit from a NORC program.

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<sup>3</sup> According to a survey of NORC Program Directors completed in November 2018 – note all additional data in this section was compiled from this survey.

## Home Delivered Meals

Home delivered meals programs are a key component of community-based supportive services for older adults, ensuring that homebound seniors have access to both healthy food and social support. As demand for these services have skyrocketed in the last several years since the onset of the COVID-19 pandemic, nonprofit providers continue to grapple with insufficient funding, skyrocketing inflation costs, and periodic wait lists for services. Despite significant funding challenges, settlement houses continue to operate these programs because they are mission-driven, in many cases have worked with their clients for years, and recognize that this delivered meal may be the only nutritious food available to many vulnerable homebound seniors. As the older adult population continues to grow statewide, it is critical for the State to invest in a robust home delivered meals system that keeps older adults in their homes and allows for increased capacity.

Statewide, there has been a huge uptick in demand for home delivered meals since the beginning of the COVID-19 pandemic, as New Yorkers face greater financial insecurity and older adults in particular are more likely to prefer staying indoors. Last year, advocates estimated there was a waitlist of 11,500 older adults waiting for meals and case management services across New York.<sup>4</sup> An analysis of current wait list updates is forthcoming with our advocacy partners and is expected to be similar to last year's numbers.

Record-high inflation is exacerbating chronic underfunding issues for nonprofit home delivered meals programs. According to the Bureau of Labor Statistics,<sup>5</sup> food costs in the New York City metro area, as of September 2022, increased by over 8 percent since the previous year, while the cost of gasoline has skyrocketed – in the spring of 2022 rates had jumped by nearly 50% over the previous year, while as of September they had stabilized somewhat and risen by “only” 14% over the previous year.

HDM providers have been directly hit by these rising raw food and transportation costs. UNH conducted an informal survey of settlement house HDM providers in May 2022, and we estimated that in the past year, raw food costs rose by 7 percent to as high as 50 percent. Providers noted that there are other increased costs that must be budgeted for, including new technology costs and meal bags for deliverers, as well as higher vehicle liability insurance rates and replacement catalytic converters for vehicles that had these parts stolen in recent months. All of these costs have had an impact on staff retention and recruitment: due to contract rates, salaries are forced to be kept low which makes it difficult for providers to hire competitively. One provider noted that “if we do not raise compensation in home delivered meals [contracts], we will lose staff. The costs of gasoline, vehicle insurance, vehicle maintenance, food costs and health insurance limits our ability to raise hourly [wage] rates.”

To reflect higher gas and raw food costs due to inflation, and to meet programmatic wait lists, the State must significantly increase funding for home delivered meals programs in the FY23-24 State Budget. These should be reflected in NYSOFA budget lines that support home delivered meals programs including the CSE, EISEP, and WIN budget lines. We look forward to following up with specific budget requests in 2023.

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<sup>4</sup> Analysis by Association on Aging in New York. Note that case management programs for older adults provide access to home delivered meals and other critical benefits and supports

<sup>5</sup> <https://www.bls.gov/regions/new-york-new-jersey/cpi-summary/ro2xg01a.htm>

## Workforce Issues

While it is crucial to examine the needs of older adults and the supportive programs that allow them to age in place, we must also ensure that the workers providing these services are supported as well. Low wages for aging services positions have contributed to a staffing crisis, and without increased budgets in government contracts to cover wage increases, nonprofits will be unable to recruit and train the next generation of aging services workers, setting future New Yorkers up for significant barriers to accessing services. Our society has devalued care work for far too long, and it is time that we invest in this workforce to ensure that they earn wages that properly compensate them for the skilled and important work they do.

Former Governor Cuomo had deferred the statutory cost of living adjustments (COLA) for human services for many years, only finally providing a 1% COLA in the FY21-22 Enacted Budget. We were therefore very pleased that Governor Hochul included a 5.4% COLA in the FY22-23 Enacted Budget. Unfortunately, the language in this year's budget inadvertently left out a number of programs that support older adults. The budget language<sup>6</sup> only statutorily granted the COLA to three NYSOFA funding lines: EISEP, CSE, and WIN, leaving out every other SOFA program including NORCs, Transportation, Social Adult Day Care, and others. Notably, the Wellness in Nutrition (WIN) budget line was listed out by the program's former name - the supplemental nutrition assistance program - which hasn't been in use since 2012. This was an issue for other human services programs, as well.

Moving forward, we urge the State to update the COLA statute so it includes all aging and human services programs. UNH also supports the #JustPay workforce campaign to support the essential human services workforce who are some of the lowest-paid workers in New York's economy. Specifically, we call on the State to: 1) Establish, fund, and enforce an automatic annual cost-of-living adjustment (COLA) on all human services contracts; 2) Set a living wage floor of no less than \$21 an hour for all State funded human services workers; and 3) Create, fund, and incorporate a comprehensive wage and benefits schedule for government-contracted human services workers comparable to the salaries made by State employees in the same field.

Thank you for the opportunity to submit testimony; for any questions, please contact me at [tklein@unhny.org](mailto:tklein@unhny.org).

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<sup>6</sup> FY 23-24 Enacted Budget, HMMH, Part DD, Section 1, 4, vi