



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

Oversight – The impact of COVID-19 on programs and support services for older adults and their caregivers within the state

**Submitted by Nora Moran, Director of Policy and Advocacy
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Thank you for hosting today's important hearing on the impact of COVID-19 on programs and support services for older adults and their caregivers within the state. United Neighborhood Houses (UNH) is a policy and social change organization representing 45 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.

Older adults are the age group most vulnerable to COVID-19, and settlement houses have acted on the frontlines to meet their emerging needs throughout the pandemic. Since March 2020 settlement house programs provided older people with food via home delivered meals programs, referred and signed people up for GetFood NYC deliveries, and partnered with private sources as well as NYCHA to coordinate free food deliveries in buildings. They assisted older adults in accessing financial benefits through one-on-one case assistance, and provided mental health supports through senior centers and Naturally Occurring Retirement Communities. They have provided older adults with access to COVID-19 tests and vaccines – through referrals, serving as direct enrollers for vaccine appointments, and by hosting their own testing and vaccination sites in partnership with the State and local counties. This all largely took place while congregate settings like senior centers remained closed to in-person activities, and required the organizations operating these programs to be innovative, flexible, and to utilize digital technologies like they never had before.

This testimony focuses on how to support state-funded aging programs such as Naturally Occurring Retirement Communities, home delivered meals, case management, and more. Overall, 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 often prefer to age in their homes rather than in

institutional settings. 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.

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).¹ Currently, the New York State Office for the Aging (NYSOFA) contracts with 43 NORCs throughout the State.

Despite closing physical spaces to older adults and suspending in-person programming during COVID-19, NORCs have continued to work remotely throughout the pandemic. For example, staff provided frequent wellness calls to monitor health and safety and to reduce social isolation. The case management services provided by NORCS continues to assist older adults in accessing food, medical supplies, financial supports, and more. NORC nurses are providing remote support over the phone, particularly focusing around COVID-19 concerns. Other activities have included creating a local information sharing system where residents can disseminate news to their peers, posting flyers to ensure people know about NORC services and events, and providing virtual healthcare workshops run by the NORC nurse. In this remote environment, NORCs served as essential services for older adults, helping them stay safe, healthy, and connected.

Healthcare Savings and Avoiding Institutional Care

Given the vast crisis in New York's nursing homes due to the spread of COVID-19, 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;² 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

Unfortunately, many NORCs are facing a growing challenge as they struggle to meet requirements for on-site nursing hours, which are mandated in NYSOFA contracts. While no two

¹ Throughout this testimony "NORC" refers to both NORC and NNORC programs.

² NYS Department of Financial Services: www.dfs.ny.gov/consumer/ltc/ltc_about_cost.htm

programs are identical, the average NORC program utilizes 22 nursing hours per week.³ These nurses provide important services that would not otherwise exist in the community, such as medication education, diabetes testing, flu shots, mobility and balance screenings, and helping clients get in touch with doctors - and they continued to operate many of these services remotely during the pandemic. Many residents rely on these nurses as their main source of health care and truly value the care they provide.

At many NORC sites, providers have traditionally secured pro-bono nursing services using 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 are becoming unstable in the wake of recent Medicaid Redesign and billing changes, in addition to the growing need for health care as New York's population ages. Many nursing services have been cutting back on their pro-bono hours, and of those that remain, nursing providers and NORC programs are worried about being able to maintain these arrangements. From 2015-2018, NORC programs reported an average loss of 50% of their pro bono hours, from about 12 to 6 hours each week. Further, in July 2019 the largest provider of NORC nursing services (Visiting Nurse Services of New York) eliminated all of their pro-bono hours. Consequently, NORC contracts do not fully fund the services required by NYSOFA. In effect, nursing hours represent an unfunded, though important, mandate in NYSOFA contracts.

Funding Needs

UNH is grateful to the Legislature for all of its attention and support for the NORC program over the last several years. The FY21-22 Enacted Budget added \$1 million in funding for classic NORCs and Neighborhood NORCs. This supplemental funding was first added by the Legislature in FY 2019-2020 to help address the loss in pro-bono nursing services, and was funded at \$325,000 for the last two years. Importantly, NYSOFA recently notified NORC providers that this additional funding would not impact unit of service requirements (which require a certain number of service hours depending on the funding range), and that they would broaden the allowable matches for the program in general. This is an important step to ensuring these programs .

In FY 22-23, the State must restore the \$1 million in new funds from last year, as well as work to expand the NORC program through statute updates, additional budgetary investments, and a competitive bidding process for new programs. 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.

Home Delivered Meals and Case Management

Home delivered meal and case management 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 during the COVID-19 pandemic, nonprofit providers grapple with insufficient funding and periodic wait lists for services. As the older adult population continues to grow statewide, it is critical for the State to invest in a robust home delivered meals and case management system that keeps older

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

adults in their homes and allows for increased capacity.

The Need for Home Delivered Meals and Case Management: COVID-19 and Beyond

Statewide, there has been a huge uptick in demand for home delivered meals throughout COVID-19 as New Yorkers face greater financial insecurity and older adults in particular are advised to stay indoors. Earlier this year, advocates estimated there was now a waitlist of 11,500 older adults waiting for meals and case management services across New York.⁴ This follows a \$15 million investment in EISEP in the FY 19-20 State budget, which cleared previous waiting lists. While emergency federal funding has supported these programs to an extent, it is neither sufficient nor stable. As we continue to learn about the impacts of COVID-19, it is likely that needs will continue to grow.

In NYC, home delivered meal providers indicated a 20-30% increase in demand for home delivered meals early in the pandemic. Notably, matters became more complicated in the City as the NYC Department for the Aging (DFTA) instructed providers to stop signing up new people in May and instead to refer them to the broader emergency feeding program (GetFood NYC), which does not include a social service component and has faced quality challenges. The City also re-procured its home delivered meals system in the midst of the pandemic and faces strong ongoing criticism for chronically underfunded contracts. Notably, the average per-meal reimbursement rate paid to nonprofit providers by DFTA is 20% less than the national average cost of a home delivered meal in urban areas,⁵ leaving nonprofits with significant financial damage where contracts do not cover the full cost of the program. Despite losing money, 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.

Funding Needs

These services are funded in large part through the NY State Office for the Aging (NYSOFA), primarily through the Community Services for the Elderly (CSE), Expanded In-Home Services for the Elderly (EISEP), and Wellness in Nutrition (WIN) budget lines. The FY21-22 Enacted Budget included an \$8 million investment to help meet this need, but more is needed to fully support the growing need for services. The full need is closer to \$27 million to serve over 11,500 older New Yorkers on waiting lists for services. It is crucial that the FY22-23 Executive Budget include investments in these funding streams to ensure access to home delivered meals and case management across the state.

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. Our society has devalued care work for far too long, and it is time that we

⁴ 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

⁵ NYC budget, FY 2021; Mathematica Policy Research report, "Older Americans Act Nutrition Programs Evaluation: Meal Cost Analysis," September 2015:

<https://www.acl.gov/sites/default/files/programs/2016-11/NSP-Meal-Cost-Analysis.pdf>

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. This is wholly insufficient, and we encourage Governor Hochul to ensure that human services contracts receive the 2% COLA at a minimum.

UNH 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:

- Establish, fund, and enforce an automatic annual cost-of-living adjustment (COLA) on all human services contracts;
- Set a living wage floor of no less than \$21 an hour for all State funded human services workers; and
- 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.

Homecare

Though this hearing focuses on supports for older adults under NYSOFA's purview, the state's Medicaid-funded homecare system also plays a crucial role in keeping older adults healthy and safe in their communities. UNH offers the following policy recommendations to stabilize and strengthen the home care workforce. These solutions all require some financial investment. However, the sector's employees are currently forced to accept dire wages because of State regulations; it is therefore the State's responsibility to cover these costs and rectify a system it has neglected for decades, to the detriment of workers.

Eliminate the Medicaid Global Spending Cap

Any significant home care pay reform will require additional funding and Medicaid support. This cannot happen without increasing or eliminating the Administration's policy of a Global Cap on annual spending increases that is tied to medical inflation rates.

Support Fair Pay for Home Care (S.5374/A.6329)

UNH supports S.5374 (May) / A.6329 (Gottfried), the Fair Pay for Home Care bill, which would ensure home care workers are paid uniform and fair wages across the State. This bill would establish a base wage for home care workers at 150% of the regional minimum wage, whether that wage is set by statute or a wage order, and requires annual adjustments via the Department of Health. Critically, the bill includes a funding mechanism by establishing the Fair Pay for Home Care Fund and subsidizing Medicaid payment rates when necessary. This will ensure pay rates are funded through reimbursement rates and do not unfairly fall on providers.

This bill will not be feasible without a financial commitment, which likely includes an adjustment to the Medicaid Global Cap. However, the bill is ultimately an economic development program. A recent report from the CUNY School of Labor and Urban Studies found that this legislation would

create 20,000 additional home care jobs per year for the next decade, create nearly 18,000 new jobs within local businesses due to the increased spending capacity of these home care workers, and result in net economic gain of billions of dollars for the State.⁶

Support Split Shifts (S.359/A.3145A)

UNH supports S.359 (Persaud) and A.3145A (Epstein) (not currently same-as), which would cap home care worker shift hours at 12 hours in most cases (informally known as split shifts). This bill seeks to rectify the unfair pay structures that result from the Department of Labor's 13-hour rule by capping the number of hours an employer can require a home care worker to work at 12 hours, with a cumulative limit of 50 hours of work per week (shorter shifts would also be permissible, such as 8 hours). There are limited exceptions to go over this cap, with clear worker protections added for these cases including an anti-retaliation clause and a right to civil action for law violations. The bill would massively reduce if not eliminate the number of 24-hour shifts.

We believe that shorter shifts should be the norm and not the exception for individuals who require 24-hour care. We recommend that the Legislature also consider funding and staffing when it comes to this bill. There is a major fiscal component to the bill, and industry-wide estimates to cover existing 24-hour cases for 24 hours of work have been cited at an additional \$1-1.2 billion at current wage levels, and this figure could be similar for split 12-hour shifts, even with the likelihood of reduced overtime hours. It is crucial that the bill be partnered with a significant financial investment. The bill also requires more workers to fill the split 8- or 12-hour shifts which are currently filled by one 24-hour worker. Steps must be taken to ensure that the homecare workforce is increased to prevent any potential staffing shortages that could negatively impact clients.

End the 13-Hour Rule, Fully Fund 24-Hour Care, and Adjust Pay Structures

Home care workers should be paid for every hour they work, even if that means 24 hours in a 24-hour shift. Without additional industry reforms or legislation, this is a necessary reform to address the current exploitative working conditions perpetuated by the State. This will require a multi-pronged approach. First, the Department of Labor must end the 13-hour rule so that Medicaid and MLTCs can legally reimburse for all 24 hours in a 24-hour shift. This could happen through the Executive rule-making authority or attempted to be legislated by the Legislature. Second, the State should increase Medicaid reimbursement rates to cover the full and actual hours worked, including potential overtime hours that may result from these 24-hour shifts. The cost to fully cover current 24-hour workers under current wage levels has been estimated at between \$1 billion to \$1.2 billion per year industrywide, and this must be included in the State Budget along with accompanying changes to Medicaid policies. Finally, the criteria currently used by Medicaid plans to evaluate need and approve coverage for round-the-clock care needs reevaluation so more New Yorkers in need can receive care.

Thank you for the opportunity to testify; for any questions, please contact me at nmoran@unhny.org.

⁶<https://static1.squarespace.com/static/58fa6c032e69cfe88ec0e99f/t/6022ae8312cfd1015354dbee/1612885635936/Executive+Summary+CUNY+REPORT.pdf>