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UNH State Fiscal Year 2019-20 Budget & Policy Priorities **Naturally Occurring Retirement Communities (NORCs)**

Naturally Occurring Retirement Communities (NORCs) – NORCs and Neighborhood 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 coordinate support from housing, social service, 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). **UNH recommends maintaining \$8.06 million for NORCs to support communities with a high number of older adults and adding an additional \$775,000 to cover reductions in pro-bono nursing hours.**

Funding History

- Executive FY 2019-20: \$8.06 million
- Enacted FY 2018-19 Budget: \$8.06 million
- Enacted FY 2017-18 Budget: \$6.05 million

Challenge and Opportunity – NYSOFA-funded NORCs have experienced some contracting volatility over the last few years, including a Request for Applications (RFA) in 2017 that was withdrawn after awards were announced. Meanwhile, the FY 2018-2019 budget allocated an additional \$2 million to fund new and existing NORCs, and an RFA for new programs was recently released. This has underscored the need for stability in funding and contracting.

At the same time, many NORCs are facing a growing challenge as they 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, who 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. 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 secure pro-bono nursing services using hospitals, students, retired volunteers, and other means. 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. In fact, since 2015 NORC programs have reported an average loss of 50% of their pro bono hours. Consequently, NORCs are spending more to maintain the same level of service they have continuously been providing. In effect, nursing hours represent an unfunded, though important, mandate in NYSOFA contracts.

UNH recommendation: Maintain \$8.06 million for the NORC program to fully cover contracts for existing NORCs and new NORC programs established under the new RFA; add \$775,000 to cover the loss in pro-bono nursing services as required in NORC contracts without adjusting mandated units of service requirements and while avoiding issues involving the statutory cap for individual programs of \$200,000.

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