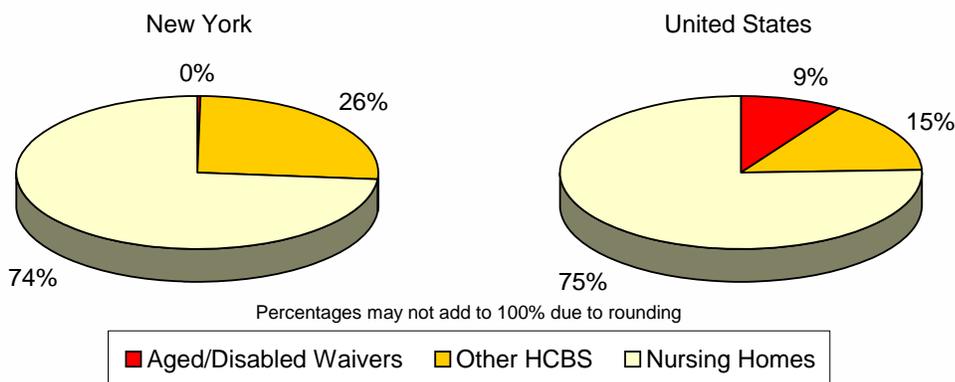


State Long-Term Care Reform in
NEW YORK

Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in New York and the U.S., 2006



Similar to the U.S. average, New York allocates a greater percentage (74 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, New York spent less than 1 percent on waiver services and 26 percent on personal care services (PCS).

| Type of Service | Medicaid Participants ¹ | | | Expenditures (millions) | | |
|-----------------|------------------------------------|---------|---------|-------------------------|---------|--------|
| | 1999 | 2004 | Change | 2001 | 2006 | Change |
| HCBS | 109,309 | 107,705 | -1,604 | \$1,897 | \$2,496 | +\$599 |
| Nursing Homes | 139,509* | 200,446 | +60,937 | \$6,392 | \$6,951 | +\$559 |

From 1999 to 2004, the number of participants receiving home and community-based services (HCBS) decreased slightly, while the number of participants receiving nursing home services increased. From FY 2001 to FY 2006, Medicaid spending on both HCBS and nursing homes increased. FY 2006 expenditures for HCBS are most likely underreported and are likely to increase as the state submits more prior period adjustments.

¹ This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

* The number of nursing home participants reported in 1999 was unusually low. It is likely that this is a reporting abnormality. From 2000 through 2004, the number of participants was approximately 200,000 per year.

Medicaid is not the only source of funding for LTC in New York. The Expanded In-Home Services for the Elderly Program served almost 43,000 older persons, with expenditures of \$52.5 million in FY 2007. Services include case management and personal care and homemaker services. Program participants may be required to pay a share of costs on a sliding-fee scale, depending on their income.

Major Initiative

New York has been working on an LTC restructuring initiative for several years. In 2003, then-Governor George Pataki called for comprehensive efforts to reform the state's LTC institutional system. He also convened a Health Care Reform Working Group to review the state's health care system, especially its hospitals and nursing homes.

Long-Term Care Restructuring Advisory Council

New York has been working to restructure its institutional LTC system, especially with hospitals and nursing homes. A Health Care Reform Working Group recommended closing 3,000 nursing home beds while creating more HCBS alternatives. The state allocated \$1 billion, plus \$1.5 billion from federal grants, to fund this restructuring and these nursing home closing costs.

Among its many recommendations, the Working Group proposed a reduction of 3,000 nursing homes beds, almost 3 percent of the state's supply, while creating home and community-based alternatives. The state allocated \$1 billion, combined with \$1.5 billion from the federal government, to fund system restructuring and facility closing costs.

New York's LTC restructuring initiatives include creating a Long-Term Care Restructuring Advisory Council in May 2006 to assist the Department of Health in balancing the scope and delivery of LTC services. In 2006, the department conducted sessions throughout the state to elicit citizen input about the LTC system and needed changes.

Another major project is NY Connects, a local link for consumers to LTC services and resources in every county in the state. Local offices for the aging and departments of social services are collaborating to develop the program.

Other Developments

Diversion Program. In 2006, the state received federal approval of a Medicaid Nursing Facility Transition and Diversion program, with a goal of 1,000 community placements in the first year. The Department of Health contracts with nonprofit Regional Resource Development Centers to administer non-financial waiver eligibility determinations, conduct needs assessment, and approve service plans.

Money Follows the Person. In 2007, the state was awarded a \$27 million, five-year federal Money Follows the Person Demonstration grant to move 2,800 persons from nursing homes to community settings. State officials also planned to use the grant to establish a housing task force to address housing barriers to community integration, and to coordinate efforts with the NY Connects program to avoid unnecessary hospital discharges to nursing homes.