

February, 2011

The Honorable Andrew M. Cuomo  
Governor of New York State  
New York State Capitol Building  
Albany, NY 12224

Dear Governor Cuomo,

I am gravely concerned about the impact of across the board revenue cuts on nursing homes serving thousands of frail New Yorkers. According to the New York State Association of Homes & Services for the Aging (NYAHSAs), it is estimated that your **proposed 2011-2012 Medicaid cuts will result in a revenue loss of \$786,000 to The Friendly Home, a non-profit, mission-driven skilled nursing care provider.**

Though the budget proposal refers to a 2% reduction to Medicaid, in actuality the Medicaid Redesign Team must eliminate \$2.85 billion more of Medicaid spending this year, which would be a 10% cut. It is hard to imagine how the Medicaid Redesign Team will accomplish nearly \$3 billion in cuts without impacting access to needed services and quality care. Please consider this:

- *Labor accounts for 70% or more of nursing home cost.* A 10% cut in Medicaid payments to providers could lead to 22,000 jobs lost in long term care, seemingly saving Medicaid dollars but most likely increasing unemployment and Medicaid enrollments, as laid-off workers turn to the safety net for health care coverage.
- *1/3 of our costs are not reimbursed in our current Medicaid rate.* The Home's daily rate is currently at \$152.94, \$18.00 a day less than a Legislator's per diem. Our reimbursement is based on 1983 cost. You voted to change that in 2006 and the rebasing law was passed. It is not being followed. This is not right and it is not legal.
- *Current rhetoric fails to note that Medicaid enrollment is growing rapidly with state directed health coverage initiatives and laws that enable abandoning personal responsibility for care.* If the state does not address enrollment and benefit levels, and resorts only to broad-based cuts to providers, this will profoundly affect real people -- people who need services and their caregivers. I urge you to address the state's expansive eligibility standards, expensive benefit levels and stifling regulations.

While New York must address a significant deficit, balancing the budget on the backs of the frail and elderly is not the answer. The Friendly Home and other not-for-profit providers are working to transform elder care and housing programs into senior-focused, flexible, engaging places to live, while reducing cost and the burden on the state. This budget proposal would throw most providers into chaos and cause them to focus simply on survival, not transformation that would benefit the frail and elderly, and the state's fiscal health.

Governor Cuomo, I strongly urge you to remove the Medicaid cuts as proposed in the 2011-2012 budget. Thank you for your support and I look forward to your continued advocacy on behalf of New York's frail elderly.

Sincerely,

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Signature

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Please Print Name Here

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Address (Please Print)

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City, State, Zip (Please Print)