



# THE WESLEY COMMUNITY

J. Brian Nealon, CEO

[www.thewesleycommunity.org](http://www.thewesleycommunity.org)

January 11, 2022

Dear Friend of Wesley Health Care Center,

As we begin 2023, I am hopeful the year ahead will bring you good health and happiness.

I am writing to ask for your help and to make you aware of an urgent need for advocacy related to New York State's inadequate funding of the Medicaid system. The lack of funding for nursing homes to keep pace with inflation over the past 15 years has created substantial challenges in the healthcare system statewide and here in our region, including impacting operations at Wesley Health Care Center. Imagine a nursing home business model with costs that increase every year for supplies, medical equipment, and capable staff to care for residents while most of its revenue remains flat for 15 years and its administrators are powerless to intervene. That is our reality.

**In response, a coalition of non-profit nursing homes from throughout New York State and statewide industry associations are asking Governor Kathy Hochul to provide a 20% increase to Medicaid funding for nursing homes in her Executive Budget Proposal, which is typically delivered in mid-to-late January. In addition, we are asking that the basis for nursing home Medicaid rates be updated from 2007 to current day costs. We are seeking your help in advocating for this critical investment in the care of our State's elders. We are asking for your help by Friday, January 20<sup>th</sup>.**

Here are the reasons we are asking for this:

- **New York State has gone 15 years without increasing its Medicaid rates for nursing homes.** Additionally, New York State is reimbursing nursing homes based on 2007 costs despite the fact that inflation has increased by 42% during that time.
- During the pandemic, 26 states increased Medicaid funding while 23 others maintained their funding at current levels. **Only one state reduced reimbursement rates: New York State.** By contrast, Pennsylvania increased Medicaid rates by 17.5% and New Jersey and California each by 10%.
- Approximately 75% of the nursing home residents at Wesley Health Care Center are funded by Medicaid. **On average, Wesley is reimbursed \$106 less than it costs to deliver care per day, per Medicaid resident.** This adds up to underfunding of more than \$8.5 million per year.
- Our operation runs very lean to keep costs as low as possible while still providing quality, dignified care. Through strong financial management, philanthropy, and revenue from other operating streams we have been able to get close to a balanced budget year after year despite this total lack of support from New York State; however, the pandemic and rapidly rising inflation have created a tipping point.
- Rampant inflationary pressures have driven many long-term care providers across New York State to the brink of closure. **Recently, Wesley had to close two units for the first time in our history due to a lack of staffing to care for residents the way we believe is the right way – with dignity, support, quality, and compassion.** This equates to 88 beds that are not available to care for residents out of the 342 for which Wesley is licensed. Across the state, approximately 6,700 nursing home beds are closed for similar reasons. In Saratoga County, over the past decade, 2 nursing

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homes have closed. Total nursing home beds in the County have declined from 833 a decade ago to only 374 as of today.

- **We continue to invest in our staff with the limited resources we do have**, however, the funding New York State's Medicaid system provides is simply not enough to keep pace. In just the last two years, our labor costs have increased by more than 16%.
- New York State's lack of support impacts not only long-term care but also our hospital systems who cannot discharge patients who would have traditionally gone to a nursing home after their hospital stay. **This puts pressure on the entire system, backing up Emergency Rooms and limiting available beds for inpatient care.** This may impact you directly if you need care at one of our local hospitals and no beds are available.

**Please help support our coalition of non-profit nursing homes from throughout New York State, along with statewide industry associations, in asking Governor Hochul to provide a 20% increase to Medicaid funding for nursing homes in her Executive Budget Proposal and that the basis for nursing home Medicaid rates be updated from 2007 to current day costs.**

- We are asking you to make your voice heard by contacting the Governor and your state legislators by Friday, January 20th.
- We have setup an easy way for you to contact them on our website. This shortened link will lead you directly there:

**<https://tinyurl.com/yeynhrht>**

We are fully committed to our mission and have been for the past 50 years. It's why we have done everything in our power to navigate this lack of funding by New York State yet still offer a safe, compassionate option for local residents who need long term care. With appropriate funding, we look forward to serving this great community for another 50 years and beyond.

**Thank you for your steadfast support.**

Sincerely,



J. Brian Nealon  
CEO