HCANYS
Home Care Association of New York State

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The mission of the Home Care Association of New York State, Inc (HCANYS) is to promote and enhance the quality and accessibility of health care and support at home.

HCANYS, New York State's premier home care association, represents over 300 providers, health plans, organizations and individuals who collectively provide healthcare at home to hundreds of thousands of New Yorkers.

HCANYS Members include:

- Certified Home Health Agencies
- Licensed Home Care Service Agencies
- Long Term Home Health Care Programs
- Hospices
- Managed Long Term Care Plans
- Waiver programs, allied health & health management organizations, and others

MEMORANDUM

TO: **HCANYS Members**

SUBJECT: **SFY 2025-26 EXECUTIVE BUDGET ANALYSIS**

DATE: **January 27, 2025**

Overview

This memorandum provides a preliminary analysis of Governor Hochul's proposed 2025-26 State Fiscal Year (SFY) Budget, presented on January 21, with particular emphasis on the Medicaid and health-related provisions.

Further analysis will follow from HCANYS and our Government Relations team at Hinman Straub as further budget insights and developments become available.

Total Budget & Overview

This year's proposed state budget totals $252 billion, $15 billion higher than last year's final, enacted State Budget, which was the largest ever. It maintains $21.1 billion in reserves. The Executive proposal prioritizes investments described in her State of the State address last week, extensively focused on proposed new economic supports to help the affordability of goods and on measures to address New Yorkers' concerns for public safety and protection.

The budget contains substantial proposed healthcare spending. The Governor has proposed a total Medicaid budget approximately $123.8 billion, significantly more than last year's $96.9 billion.

Medicaid Overall Spending and Overview

According to the Governor, approximately 7 million individuals receive Medicaid-eligible services through a network of more than 80,000 healthcare providers and more than 35 fully and partially capitated managed care plans. In FY2025-2026, the proposed all-funds amount for the State's Medicaid program exceeds $123.8 billion. This includes $70.9 billion in Federal spending and $44.1 billion in State spending.

The proposed budget reflects the continuation of the Medicaid Global Cap and recommends funding consistent with last year's update to the allowable growth calculation.

Governor Hochul's proposed budget includes provisions that would take the following actions:

Home Care Proposals

- permit general hospitals to provide "off-site acute care medical services" through a "Hospital at Home" program. The proposal would allow a hospital to provide the acute services at home directly, without obtaining a license as a home care agency, and to collaborate with home care agencies for post-acute care. HCANYS will continue to maintain that Hospital-at-Home services that are "home care," whether pre-acute, part of the acute episode, or post-acute, must be provided through or in conjunction with an Article 36 providers.

- cap enrollment in the Nursing Home Transition and Diversion Program, which is an important service option in the home and community-based services system provided by HCANYS member providers and service organizations

- extend the Limited LHCSA Program Authorization until June 30, 2027

- permanently extend the authority of episodic payments for CHHAs

- permanently extend authorization of CHHA Bad Debt & Charity Care allowances

- extend the Home-Based Primary Care for the Elderly demonstration program through January 1, 2031

- permanently extend the authority to cap CHHA and LTHHCP administrative and general cost reimbursement not to exceed a statewide average.

Workforce

- provide $39M for the Caregiver Flexibility for Direct Care Workers (which includes funding for the Direct Caregiver Flexibility Program RFA #20422, SFS# DCF2025 launched by DOH in late 2024)

- offer $47M for financial burden relief for healthcare workers (which has underwritten Nurses Across New York, Healthcare Education and Life-Skills Program (HELP) and Healthcare Workers are our Future scholarship program)

- implement the NEW YORK OPPORTUNITY PROMISE SCHOLARSHIP making SUNY and CUNY community college free for students ages 25-55 pursuing select associates degrees in high demand occupations, including the field of nursing. The State would cover the costs of tuition, books, and fees for participants in this program and would increase funding for career support infrastructure to connect students with job opportunities.

- launch a new Department of Labor (DOL) initiative to support employer-led training. Participating businesses would be reimbursed 50 percent of the trainee wages during the program, with the requirement that these employees remain on the job for at least one year after completing the training.

- leverage the two workforce development initiatives launched under the State's federal Medicaid 1115 waiver, the Career Pathways Training (CPT) program and the Student Loan Repayment Program. The CPT program, administered by the three regional Workforce Investment Organizations, covers tuition, textbooks, and educational and career supports and place individuals in high-demand titles including LPN, Associates and Bachelor's prepared RNs, Master Social Workers, Respiratory Therapists. The Student Loan Repayment Program (SLRP) launch is forthcoming and will provide loan payments for psychiatrists, primary care physicians, dentists, nurse practitioners, and pediatric clinical nurse specialists. Participants make a three-year (CPT) or four-year (SLRP) service commitment to work at providers that serve at least 30 percent Medicaid or uninsured members.

- expand support for healthcare training programs under the Increasing Training Capacity in Statewide Healthcare Facilities grant program, with a distinct focus on nursing training programs. The initial Increasing Training Capacity in Statewide Healthcare Facilities grant was launched in 2023 with a contract period that extends through September 2025 and was only made available to Hospitals and Nursing Homes.

- continue funding for Area Health Education Centers, which are local training programs that recruit younger individuals from underrepresented populations into healthcare profession

- launch Health Workforce Connects, a portal that will engage individuals in new and growing careers in healthcare

- introduce the Monroe (County) Ladder Demonstration Program to test a model aimed at mitigating the “benefits cliff” which can lead lower-wage workers to sometimes decline promotions or opportunities to transition from part-time to full-time work because of concerns that increases in income will be offset by reductions in public benefits. The program would help to address any real or perceived loss of means-tested public benefits through the provision of work incentive payments and provide funding for evaluation of impact on participating workers, their families as well as employers.

Managed Care Related Proposals

- invest an additional $1 billion in capital support and $300 million in operating resources to expand the existing Safety Net Transformation Program, which is designed to encourage partnerships between Safety Net hospitals and established health care facilities

- include $1.4 billion State-share from the recent CMS-approved Managed Care Organization (MCO) tax for targeted investments including (1) $305 million for hospitals (e.g. outpatient rates, investments in hospital quality, maternal quality programs), (2) $200 million for investment in nursing homes, assisted living programs, and hospice programs, and (3) $50 million to continue funding for the Mainstream Medicaid Managed Care Quality Program. On first review of the Governor’s Budget message, there does not appear to be similar funding for home care like what is being proposed for virtually every other sector, and in what would be the third successive year of such inequity. In meetings with the Administration through the fall and into January, HCANYS has been urging vital funding for home care. In next steps, HCANYS will determine, based on further review of the budget bills, documents, and score sheets, the definitive status of the Governor’s home care intentions, and her receptivity to including our sector in the new budget’s funding proposals. We will then direct our advocacy, and your grassroots outreach to her office, the Division of Budget and the State Health Department accordingly. Meanwhile, HCANYS continues daily meetings with the Legislature to build their support for including home care-specific funding in the new budget.

- update the Medicaid Model Contract between Managed Care Organizations (MCOs) and New York State to spell out the services and benefits which MCOs must provide Medicaid beneficiaries; impose additional fines on plans that fail to meet Medicaid Model contract requirements

- align State law with Federal law that excludes Medicaid from the Federal Independent Dispute Resolution (IDR) process in connection with fees billed by providers in emergency settings

- restructure the Managed Care Quality Incentive Pools by shifting the costs of the Mainstream Managed Care organizations (MMC) quality pools from the Global Cap to the Healthcare Stability Fund

- require long-term stay nursing home residents to be transitioned from Mainstream Managed Care to Fee-for-Service.

Scope of Practice and Licensure Changes

- allow New York to enter the Interstate Nurse Licensure Compact for RNs and LPNs

- expand the scope of practice of Certified Nursing Assistants to administer routine medications in nursing homes and allow physician assistants to practice more independently

- move the process for issuing physician licenses and providing physician and physician assistants oversight to DOH.

Maternal

- include nearly $5 million to extend coverage for fertility preservation services to Medicaid members undergoing medical treatments that may lead to infertility, and expand eligibility for the Infertility Reimbursement Program

- invest $9.5 million to support new enrollees in the State's Women, Infants, and Children (WIC) program.

- Provide $1.5 million to expand maternal mental health services by integrating behavioral health services into OB-GYN practices in underserved communities.

Medicaid 1115 Waiver Amendment

- continue implementation of this effort to advance health equity, reduce health disparities, and strengthen access to primary and behavioral health care across the state, including the following major highlights

- provide $500 million for screening and navigation for Medicaid members through the new Social Care Networks to a range of social care services, including enhanced benefits for certain populations. Services include housing support, food and nutrition assistance, transportation support, and navigation to other resources for education, employment, interpersonal safety, and more

- include $125 million to support new health planning and data infrastructure through a new Health Equity Regional Organization (HERO). Investments in the HERO are designed to lay the groundwork for a new statewide data infrastructure that can be used to support the design and development of new policies, interventions, and targeted investments to improve outcomes, reduce health disparities, and help the State develop and evaluate metrics of success for existing and future programs, including extraordinary new investments in health-related social needs services

- include $694 million for implementation of two workforce programs to support training and education for new workers as well as support career advancement for existing workers through tuition payments and student loan repayment.

Aging Programs

- provide additional funding of $45 million in non-medical in-home services provided through the Office for the Aging to reduce the number of older adults waiting for services

- provide $1.6 million for a pilot program to assist older adults living in Community Residence Single Occupancy (CR-SRO) units, with activities of daily living (ADLs).

Ensure Access to Emergency Medical Services

- invest $5.6 million directly to counties to develop their EMS plans with oversight under the Statewide EMS task force.

Deploy State Funding to Support Healthcare Training Programs

- expand support for healthcare training programs under the Increasing Training Capacity in Statewide Healthcare Facilities grant program, with a distinct focus on nursing training programs.

Mental and Behavioral Health

- invest approximately $1 million into the creation of clinical comprehensive assessment hubs, providing multidisciplinary evaluations and support for children with complex behavioral and clinical needs, to connect them to needed services without requiring hospitalization.

Other Noteworthy FY2025-26 Budget Proposals Affecting the Healthcare Delivery System

- expand Medicaid coverage to provide pre- and post-release services for juveniles in carceral settings under 21 years of age and up to 26 for those formerly in foster care

- permit paramedics to administer buprenorphine

- extend authorization for the community-based paramedicine program for an additional two years. HCANYS is currently in the fourth year of working with member home care agencies, hospitals, paramedics, physicians and other allied services, along with the Iroquois Healthcare Association and IPRO, on a seven-region pilot program in Community Medicine and Paramedicine supported by Mother Cabrini Health Foundation grants. HCANYS will determine the impact of the Governor's budget proposal on this growing community medicine collaboration that we and other partners have been piloting.

Advocacy & Next Steps

HCANYS will continue to analyze this Executive Budget and the impact its provisions are likely to have on the membership, the State's home and community-based care continuum, and healthcare broadly. We will also actively gather additional insights to develop positions and advocate strongly on behalf of HCANYS members and the critical needs of their patients.

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