

Testimony of Morningside Retirement and Health Services (MRHS)

Joint Legislative Budget Hearings

Fiscal Year 2026-2027 Executive Budget Proposal
Health and Human Services

Submitted by Ron Bruno
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Thank you for the opportunity to provide testimony on the impact of health and human service programs in New York State, particularly those that support older adults in their communities. My name is Ron Bruno, Executive Director, Morningside Retirement and Health Services (MRHS), and my comments today will focus on the important supportive service programs that Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs provide for older New Yorkers.

First, thank you to the Legislature, for its ongoing and significant support for N/NORCs. Because of your enthusiasm for this program, we have been able to bring resources and attention to the needs of a large and rapidly growing older adult population. The Governor's recent commitment to double N/NORC funding, bringing the total value to \$16.055 million, is a testament to the Legislature's long-standing support for this program.

We ask that the Legislature continue to champion N/NORCs in the FY26-27 State Budget, by supporting this historic increase— \$4 million for NORCs and \$4 million for Neighborhood NORCs— and including an additional \$1 million to address increasing healthcare costs. Furthermore, the Legislature must invest in the human services workforce with a 2.7% Targeted Inflationary Increase (TII) and ensure all nonprofit human services workers are eligible for this funding, as laid out in S.1580A (Persaud)/A.2590A (Hevesi).

N/NORCs are integrated care models bringing together social services and health care to support older adults in their homes and communities, promoting aging in place with dignity. N/NORCs were founded with the ultimate goal of transforming residential complexes and neighborhoods to meet the needs of a growing cohort of older residents and enable them to remain living independently in their homes, thrive in their communities, and delay hospitalization or nursing home placement. N/NORC programs provide case management services; health and nursing services; recreational, social and cultural activities; volunteer opportunities, and ancillary services tailored to meet the needs of each community. Programs actively encourage healthy aging by providing access to health care, promoting health and wellness activities, addressing disease prevention, and responding to chronic health conditions.

MRHS serves more than three hundred older adult residents of the Morningside Gardens housing complex in Morningside Heights/West Harlem in Manhattan each year. MRHS was incorporated in 1966 and was one of the ten original NORC programs selected for support by New York State in 1996. MRHS has kept many older adult residents out of institutional care over the years, while providing a range of programs that enhance the quality of life of all NORC residents, including those with cognitive decline. Many of our residents are able to live at home and in their community safely and comfortably thanks to the case management and healthcare management services provided by our social workers and nurse, with an arrangement with Mt. Sinai Hospital visiting doctors for home visits.

A key component of the N/NORC program model is health care management and assistance, and most programs employ nurses to fulfill this requirement. Nurses provide services to N/NORC residents that might 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 services as a main source of health care and value the consistent, quality care they provide. Despite this service being required by NYSOFA contracts, it remains an unfunded mandate.

N/NORCs were previously able to secure nursing hours pro-bono by partnering with hospitals, retired nurses, or supervised student nurses. However, following Medicaid Redesign and billing changes, these arrangements are now unstable, and many nursing service providers have cut their pro-bono hours. With many of these partnerships greatly diminished or fully terminated, N/NORCs must find funding to pay for hours that were previously free, essentially spending more to maintain the same level of service. In addition, rising nursing labor costs and workforce pressures have further increased the cost of providing these required services.

Our NORC nurse, Stacia Steen, provides an invaluable service through her home visits and coordination of healthcare providers. Ms. Steen assesses the needs of our older adult NORC residents, monitors their conditions, oversees their home health care when needed, and communicates with the hospital for safe transfers and discharges back to the community, with follow-up care. The cost of our arrangement with VNS Health, who provides MRHS with Ms. Steen, has continued to rise.

Since FY19–20, the Legislature has provided additional funding specifically to support nursing services in N/NORCs, most recently at \$1 million. Each N/NORC receives \$23,256 from this funding, and crucially it is not subject to unit of service hour increases. We respectfully urge the Legislature to continue this investment by including \$1 million for N/NORC nursing supports in the FY 26–27 budget to help address the reduction in pro-bono nursing hours, rising nursing costs, and the growing demand for health care services in N/NORCs as the State's population grows older.

N/NORC programs are incredibly cost effective for the state as compared to alternatives. In New York, a private room in a nursing home can cost nearly \$159,000 a year, according to Genworth's 2021 Cost of Care Survey. Meanwhile, NYSOFA estimates the average cost of serving an older adult in a New York State N/NORC program is just \$480 a year. If the N/NORC were not there, that person might require nursing home placement or increased visits to the emergency room, adding even more costs. Few individuals can afford to pay out of pocket for nursing home care. As a result, nursing home residents become reliant on State and Federal support and subsidies such as Medicaid. Investing in N/NORCs limits these increased costs to the Medicaid system.

There is high demand for the State to increase the number of N/NORCs to help older adults continue living in their homes and communities. The N/NORC program last underwent an expansion in 2019, adding 14 new programs into NYSOFA's portfolio of 43 total N/NORCs. At that time there were more applicants to the program than the State could afford to fund. With this significant investment as proposed by the Governor, NYSOFA will be able to open several new N/NORC programs across the State, which will serve hundreds if not thousands of older adults. Notably, in 2023 the Governor signed S.3392 (May)/A.5915 (Kim), which updates the NORC statute to increase flexibility on building height restrictions that limited eligibility for the program in the past. This update is especially relevant for upstate cities, where certain buildings

have expressed interest in becoming NORCs or Neighborhood NORCs in the past but were ineligible.

To sustain critical N/NORC programs, the Legislature must also invest in the human services workforce with an 2.7% targeted inflationary increase (TII) in the FY26–27 budget, and ensure that all human services workers can receive the TII, as laid out in S.1580A/A.2590A. The TII (formerly known as a COLA) is one essential tool to provide the necessary resources to address rising costs from inflation, such as food, supplies, and utilities, and ensure livable wages for human services workers, such as case managers who are integral to N/NORC programs. For many years, the TII was deferred, and while recent TII increases have been a step forward, they have not kept pace with rising costs across the human services sector. More significantly, when the State does provide a TII, N/NORCs are never included. There is no justification for this exclusion. This means N/NORC budgets have remained flat for years, which has contributed to an industry-wide staffing crisis and high turnover that negatively affects consistency of care for older adults.

Older adults across New York State rely on N/NORC services to remain healthy and stably housed, while defraying millions in Medicaid costs to the State. Thank you for your consideration.

For further questions, you may contact Ron Bruno at 212-666-4000 or ronb@mrhsny.org.