Conclusion

New York’s law, requiring nursing home providers to spend 70 percent of their revenue, largely taxpayer dollars, on resident care, of which 40 percent must be on staffing, was a critically needed, reasonable, and carefully targeted solution to address the failure of too many nursing home operators to provide sufficient staffing and supplies to meet the basic needs of their residents. The reporting and auditing requirements in the law will help provide basic transparency that has been sorely missing, and the enforcement authority provided to regulators will help ensure accountability.

Setting a required baseline spending amount has established precedents for health care providers in New York and throughout the country. Minimum Loss Ratios have been required of Medicare Supplement plans since 1990 of small and large group plans by the ACA since 2010, and by State Medicaid Managed plans since 2019.

With millions of dollars having been received by facilities for COVID relief, and with the nursing home industry currently seeking further increases in reimbursement to meet the challenges of staff shortages and other COVID-related expenditures, now is the optimum time to ensure transparency and accountability for this funding. This law will ensure that a reasonable amount of the money that New Yorkers provide to nursing homes are actually used to meet the needs of nursing home residents.