

Long-term care providers seek \$50M fix to New York funding formula



By Samuel King, May 01, 2026

For years, New York's long-term managed care system has allowed the chronically ill or disabled to receive care in their homes. But some in the system say the math is no longer adding up.

Changes to a state formula that pays providers now favor patients with fewer medical needs as opposed to those with dementia or who have significant mobility limitations, providers say.

"So this math essentially took money from the people that need it the most and push(ed) it over the people that don't need it as much," said Dan Savitt, CEO of VNS Health, the state's largest nonprofit provider of home- and community-based healthcare.

They're seeking \$50 million in the state budget to address the issue in the short term, while lawmakers work on a long-term fix.

"If you're not able to treat them at home and make sure that they're getting everything they need, where do they wind up?" asked state Sen. Cordell Cleare, D-Manhattan, chairperson of the Senate Aging Committee. "They wind up in our facilities. They wind up in the hospital."

Cleare is working on legislation with Assemblymember Amy Paulin, who leads the Assembly's health committee, that would stabilize the funding pool.

Another bill, sponsored by state Sen. Gustavo Rivera, D-Bronx, leader of the Senate Health Committee, would scrap the managed long-term care system altogether and revert to a fee-for-service model. In a memo outlining justification for the change, Rivera argues the system is not working as intended.

The bills are currently in committees in their respective chambers.

As for the budget, lawmakers are continuing negotiations. No deal is expected until the first week of May, at the earliest.

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