



Budget Priorities 2019

Don't Jeopardize Health Care Access with Drastic Cuts

Hospital and health system reimbursements have been intentionally depressed since 2011 by the Medicaid global cap. It also has been more than a decade since the last across-the-board rate increase and, as the governor highlighted in his initial 2019 Executive Budget proposal, the state's investments in the healthcare sector have lagged far behind state funding for education. Nevertheless, the amended budget proposal targets only healthcare for cuts, rolling back a promised 2 percent rate increase, reducing reimbursements by an additional 0.8 percent, and diverting both Medicaid funds and a portion of the proceeds of the Fidelis/Centene conversion to non-healthcare spending.

Oppose Unprecedented Cut Targeted at Suburban Hospitals

The burden of caring for uninsured or low-income patients is not exclusive to rural and urban areas; public and safety net hospitals in the suburban regions are challenged by this population as well. Suburban hospitals also face the same challenges to modernization as facilities in other parts of the state – i.e. outmoded facilities, landlocked campuses that make it difficult to expand or repurpose existing properties, access to capital. Uninsured and low-income patients in the suburbs generally have fewer social supports available to them than in urban areas.

Almost half of the hospitals specifically targeted by the governor for Indigent Care Pool cuts are located on Long Island and in Westchester — a \$57 million hit.

than \$1 billion in uncompensated care and other community benefits last year, otherwise meet the criteria for ICP funding. This is a significant redistribution of funding away from essential downstate providers.

Address Behavioral Health and Substance Abuse Crisis

New York's behavioral health system is badly overburdened and underfunded. Since 2015, 650 inpatient treatment beds have been eliminated. Emergency rooms are crowded with patients in crisis, for whom insufficient community resources are available to address their needs. Hospitals struggle to discharge patients to appropriate care settings due to lack of capacity, and frequently become the *de facto* residences for group home or nursing home patients that state-licensed or state-owned facilities refuse to repatriate once a behavioral health diagnosis is made.

Hospitals have contributed more than their fair share toward slowing the growth of state spending and improving the efficiency of New York's Medicaid program. The budget would hit suburban hospitals with an additional \$225 million in cuts. Enough is enough.

Hospitals truly are the primary safety net for this population.

In an unprecedented proposal, the governor's amended budget includes a \$285 million cut targeted expressly at downstate hospitals. Instead of introducing a new statewide formula for the Indigent Care Pool or proposing equitable cuts to the program, the executive budget calls for an artificial cap of \$10,000 for certain hospitals located on Long Island, in the Hudson Valley and New York City. These hospitals, 18 of which are located in the suburban regions and provided more

Increased Medicaid reimbursement, regulatory flexibility to allow the development of new models of care and better coordination among state agencies are needed to address New York's behavioral health crisis.

The Executive Budget proposes a variety of new substance abuse treatment programs; however, it largely ignores the critical role of hospital-based programs in meeting the needs of the mental and behavioral health population. Medicaid, which covers the majority of behavioral health patients at most facilities, pays only a fraction of the cost of providing care. The budget's \$1.3 billion in total Medicaid cuts will only deepen this crisis.

Build on Health Coverage Expansion Success

New York has been among the most successful states in the country at providing access to health insurance by expanding Medicaid, establishing the Essential Plan for individuals with modest incomes, establishing its own health insurance exchange, aggressively holding down insurance premiums, and requiring expansive hospital charity

care policies for those who are uninsured. As a result, approximately 95 percent of New Yorkers have health coverage. Suburban Hospital Alliance members have supported and participated in these efforts, and firmly support access to affordable coverage for all. Our focus now should be on ensuring that the remaining 5 percent of the population has access to affordable coverage, building on the successes of the Affordable Care Act and the state's own initiatives. We welcome the governor's proposal to establish a Universal Access Commission to assess the most practical and effective ways to expand coverage, and support the codification of the Affordable Care Act's consumer protections and health insurance marketplace.

Strong and Modernized Workforce, Not Rigid Staffing Ratios

Our rapidly evolving healthcare system demands a modern, flexible workforce. The state should support worker retraining, stronger education requirements and expanded scopes of practice, not inflexible mandates like staffing ratios. We oppose the Safe Staffing for Quality Care Act, which would legislate specific staffing levels that every provider would be required to maintain. The same ratios would apply to every unit of every hospital in the state, every hour of the day, without any flexibility to account for the severity of their patients' illnesses or the skill set and experience levels of their workforce. Appropriate staffing levels should be determined by management in consultation with its nursing workforce -- as has been the case in several high-profile collective bargaining agreements settled in recent years -- not by the Legislature.

Maintain Funding for Population Health Improvement Program

Recognizing that every community and every neighborhood is unique, the Population Health Improvement Program was established by the Legislature in the 2014 budget to engage community partners in addressing social determinants of health. The eleven PHIP grantees were tasked with bringing providers, local governments, community health organizations, businesses and health plans together to meet the state's Prevention Agenda goals. The Nassau-Suffolk Hospital Council's PHIP program has convened more than 100 community stakeholders, including all of the hospitals and the two county governments, all aligned in their efforts to reduce obesity and chronic disease incidence. Among its activities, the Long Island PHIP has engaged more than 15,000 individuals in a community health needs survey, the results of which then help the county departments of health and the region's 22 hospitals focus their programs and services. The Executive Budget eliminates funding for the program. We urge the Legislature to restore \$7.75 million in 2019-20 funding for the statewide program.