



STAT News

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FEDERAL UPDATE: Supreme Court Upholds Subsidies

The Supreme Court's decision to uphold or abolish federal exchange insurance subsidies was never a threat to New Yorkers whose coverage is subsidized because New York operates its own health insurance exchange. The nation's highest court, however, ruled on June 25, 2015 that subsidies granted to individuals who purchase insurance from an exchange in one of the 34 states that use the federal health insurance marketplace are indeed legal and will continue. This ruling further solidifies the Affordable Care Act (ACA) and preserves subsidized coverage for about six million Americans. What was a great concern to New Yorkers and indeed to all Americans was the negative effect a Supreme Court decision to strike down subsidies would have had on the insurance market. Had the court ruled this way, it is very likely that New York and all states would have been affected by a "death spiral" in insurance rates. The King vs. Burwell decision favors stable insurance markets, which benefit both consumers and healthcare providers.

Looking ahead . . . House and Senate Republican leaders are expected to continue efforts through the budget process to seek changes to elements of the ACA, such as the individual and employer mandates and the essential health benefits requirement. The hospital industry is wary of such actions, as these could result in Medicare and Medicaid payment reductions to providers.

STATE UPDATE: Session Ends, Harmful Regs Avoided

The 2015 New York State legislative session came to a close on Thursday, June 25, 2015 without passage of harmful medical malpractice or nurse staffing ratio legislation. These proposed measures would have been both costly to hospitals and cumbersome to implement. The statute of limitations bill would have allowed plaintiffs to file a lawsuit up to 10 years (current law is two and a half years) after the date of injury. This would have dramatically increased medical liability premium costs for providers. Nurse staffing ratio legislation, which sought to create specific staffing ratios for nurses and other direct care staff in hospitals and nursing homes, would have been equally difficult and expensive to enact. Research confirms that the implementation of rigid staffing ratios is not in the best interests of patients. Mandated ratios would severely restrict hospitals' ability to provide a dynamic care team that responds to the changing needs of patients over the course of a day and even hours. Hospitals would have been forced to reduce other positions, such as patient care aides, in order to meet the fiscal requirements of the mandate.

Looking ahead . . . The Senate will continue efforts post-session to consider reform of medical malpractice, including consideration of a cap on pain and suffering and expansion of the medical indemnity fund.

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