

# STAT News

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## FEDERAL UPDATE: Tax Reform Remains Harmful to Hospitals

**Tax Reform:** The House and Senate conference committees report they have reached agreement on a bill that will overhaul the nation's tax code. At present, the plan is to vote on the bill in the House and Senate early next week and deliver the bill to the president by Christmas. There are a host of sweeping reforms, including the elimination of the individual mandate to purchase health insurance. According to the Congressional Budget Office (CBO), repeal of the individual mandate would increase the ranks of the uninsured by 13 million between 2018 and 2027, five million of whom would be Medicaid beneficiaries. CBO also estimates that insurance premiums in the individual market would increase by about 10 percent in most years over the next decade. Additionally, with more uninsured, those with insurance – whether purchased independently or provided by an employer – would see their premiums rise as they unknowingly offset society's costs for treating the uninsured. For hospitals, more uninsured means more people will turn to emergency rooms for non-emergent care. This will also increase overall healthcare costs. Under federal law, hospitals must treat everyone who presents at the ED, regardless of insurance status.

The elimination of the mandate also undermines the agreement reached between hospitals and the former administration. Hospitals nationwide voluntarily agreed to hundreds of billions of dollars in federal Medicaid cuts, over the course of 10 years, as one way to fund the Affordable Care Act (ACA). The agreement was premised on the fact that the ranks of the uninsured would grow and hospitals would face much less bad debt and uncompensated care. Those cuts, initially delayed several years, went into effect October 1, 2017. The loss to New York's hospitals is \$5.2 billion over 10 years. The current House/Senate conference bill does not repeal these cuts, even though the individual mandate would be eliminated.

The bill swells the nation's debt by about \$1.4 trillion. This places pressure on lawmakers to find ways to chip away at debt. Medicare and Medicaid are likely targets. Leading economists have agreed that the tax plan would not grow the economy at the pace promised over a sustained period, leaving the cost of the tax cuts Americans may receive to be borne by cuts in other programs.

"Although all details of the tax reform bill are not yet known, it is clear that hospitals are placed in a precarious position and by extension so are the patients served by these institutions," said Kevin Dahill, president/CEO of the Suburban Hospital Alliance.

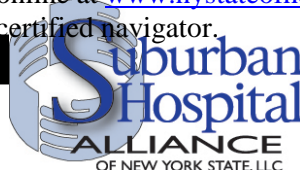
**CHIP Funding:** Funding for the Children's Health Insurance Program (CHIP) is also unresolved. Without re-authorization of CHIP, nearly 300,000 children in the state could lose insurance, including 99,119 children in the nine counties that comprise the Suburban Hospital Alliance.

**Cost Sharing Reduction (CSR) Payments:** The Trump administration ended CSR payments to insurers on October 12, 2017. These payments help low-income Americans afford their co-payments and deductibles. Maine Senator Susan Collins was given assurance that funding for these subsidies would be included in the upcoming government funding bill. Funding for the federal government expires December 22, 2017, when the temporary bill passed on December 8, 2017 expires. Collins says she will vote for the tax bill, if the CSR payments are continued.

## STATE UPDATE: \*\*\*Marketplace Enrollment Underway\*\*\*

Enrollment for year five of the Affordable Care Act's (ACA) marketplace-based insurance exchanges began November 1, 2017. **Enrollment remains open until January 31, 2018 on the New York State of Health marketplace.** On Long Island, the Nassau-Suffolk Hospital Council is one of three state-appointed navigator agencies for the region. The Hudson Valley is serviced by the Community Service Society of New York, Maternal Infant Services Network of Orange, Sullivan, and Ulster counties, and the Westchester County and Rockland County Departments of Health. The Hospital Council maintains a user-friendly, bilingual website – [www.coverage4healthcare.org](http://www.coverage4healthcare.org) - that lists enrollment sites and dates and other helpful information. Shop online at [www.nystateofhealth.ny.gov](http://www.nystateofhealth.ny.gov), call the state's customer service number at 855-355-5777, or meet with a state-certified navigator.

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