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Fiscal crisis impacts care in Hudson Valley, on Long Island

- ➔ More than one-third of suburban hospitals have negative operating margins. Nearly all – 98% – reported negative or unsustainable margins. The median operating margin without the help of now-expired federal funding is -1.5%.
- ➔ 34% have had to reduce or eliminate services due to staffing, in order to maintain the most crucial services.
- ➔ The impact of inflation on pharmaceuticals (+42%), energy (+36%) and supplies (+18%) and total staffing costs (+18%) has compounded the crisis.
- ➔ Despite doing everything they can to ease the staffing crisis – 100% of suburban hospitals have offered financial incentives to retain and attract employees and 64% are training staff for higher-level positions – every single suburban hospital has RN positions it cannot fill.



Under-investment by public payers



Workforce shortage



Inability to increase revenue to offset inflationary pressures



Health plans' bad behavior

It's not just the pandemic

Suburban Hospital Alliance 2023 Budget Priorities

Increase Medicaid rates on par with inflation.

The proposed 5 percent increase in Medicaid rates is welcomed, but still leaves a sizeable gap between the cost of providing care and reimbursement. Medicaid only pays hospitals in the suburban regions 60% of what it costs to provide the care.

With 40% of New Yorkers enrolled in Medicaid or a Medicaid-like product in the NY State of Health, that shortfall damages the stability of healthcare providers more and more each year.

Medicaid rates have increased only 1 percent in a dozen years. Inflation increased 7 percent just last year. Other provisions in the Executive Budget that reduce hospital reimbursements further eroding the value of the proposed increase. We also are concerned about increasing Essential Plan premiums to the payers, who have not previously passed such investments on to providers as intended.

This is unsustainable for all hospitals and devastating to safety net institutions. Medicaid rates must keep up with inflation.

Support the healthcare workforce and grow the next generation of caregivers

The pandemic exacerbated longstanding workforce shortages and created new ones. Every hospital is struggling to recruit not just nurses but nurse's aides, respiratory therapists, lab technicians, imaging technicians, pharmacists and many other job titles. These shortages will last years beyond the current crisis.

Emergency workforce waivers must continue until long-term solutions are in place. While we continue to work in partnership with local educational institutions, community and business leaders to expand the pipeline of workers, we need a bridge to ensure that hospitals may continue operating safely – and without having to shut down needed but non-emergent services. We support:

- Joining the **Interstate Licensure Compact** and **Nurse Licensure Compact** to ensure access to staffing in an emergency and expedite recruitment of clinical professionals to New York.
- Making **permanent scope of practice expansions** for nurses, EMTs, nurse aids, lab techs and others so that they can work to the fullest extent of their education and training, as they have for nearly three years.
- Continuing investments in **scholarships and loan forgiveness** to grow the future healthcare workforce.
- **Increasing flexibility** by SED so health systems can develop **in-house education programs** that allow students to earn a salary in an entry-level position while integrating classroom and practical training for a new job.

Hold health plans accountable

Health plans are padding their bottom lines by delaying care and delaying payment for care already provided.

Health care is the only segment of the economy where all parties agree a service was necessary and provided correctly, but payment is delayed or denied after the fact.

The default should be that services are reimbursed; plans and providers can convene periodically to address any concerns about individual claims. We support the "Pay and Review" proposal in the Executive Budget.

Too many families are struggling with access to behavioral health care. Health plans must be required to **expand their behavioral health coverage** and adhere to **strong network adequacy standards**, as proposed in the Executive Budget. We also support a proposal to limit health plans' efforts to **steer patients away from hospital outpatient sites against the recommendations of their doctors.**

Oppose new cuts and unfunded mandates

Carving out the Medicaid prescription drug benefit badly hurts hospitals – especially safety nets – participating in the 340B drug discount program. This policy **must be reversed.**

We also are concerned about a proposal in the Executive Budget to **reduce indigent care pool payments to voluntary hospitals** – on the heels of a \$150 million cut at the beginning of the pandemic.

Recent years' medical malpractice reforms, including last year's wrongful death legislation, **have significantly tipped the scales in favor of plaintiffs' attorneys.** These efforts only add more cost to the system. We urge the Legislature to pause action on additional malpractice bills.

Support access to quality care. Support good-paying jobs in your community. Support hospitals.