Nassau-Suffolk Hospital Council

Phone: 631.435.3000

suburbanhospitalalliance.org/nshc

Wendy D. Darwell, President and CEO

Member Hospitals

Catholic Health
Good Samaritan University Hospital
Mercy Hospital
St. Catherine of Siena Hospital
St. Charles Hospital
St. Francis Hospital & Heart Center
St. Joseph Hospital

Mount Sinai South Nassau

Nassau University Medical Center

Northwell Health
Glen Cove Hospital
Huntington Hospital
Long Island Jewish Valley Stream Hospital
Mather Hospital
North Shore University Hospital
Peconic Bay Medical Center
Plainview Hospital
South Shore University Hospital
Syosset Hospital

NYU Langone Health
Long Island Community Hospital
NYU Langone Hospital - Long Island

Stony Brook Medicine
Stony Brook Eastern Long Island Hospital
Stony Brook Southampton Hospital
Stony Brook University Hospital

December 10, 2024

Dear Members of the Long Island Congressional Delegation:

On behalf of the Nassau-Suffolk Hospital Council's member institutions, I thank you for your steadfast support of the hospitals and health systems on Long Island and the patients they serve. We ask for your attention to a number of urgent issues that may be addressed in the final weeks of the 118th Congress.

Hospitals and health systems in the Hudson Valley and across the state continue to face financial challenges. The cost of drugs, energy, supplies and contract labor have increased exponentially. Although the pandemic-driven workforce shortage has begun to ease, providers still face a generational shift that continues to exert upward pressure on wages. Compounding the financial stress, Medicare and Medicaid patients account for more than two-thirds of hospital services provided in the suburban regions, and both programs reimburse providers at less than the cost of providing care.

The result, according to the statewide survey on which we recently partnered with the Healthcare Association of New York State (HANYS) and other association colleagues, is a projected median operating margin of 0.0 percent, with 75 percent of hospitals projecting negative or unsustainable margins this year. Institutions that are barely breaking even will struggle to maintain the essential services on which our communities rely, let alone have the resources to invest in their workforce, modernize facilities and technology, and conduct research.

For these reasons, we urge you to support our hospitals' key priorities in the remainder of this legislative session, including:

Preventing a Medicaid Disproportionate Share (DSH) cut. The DSH program provides critical support to institutions treating Medicaid beneficiaries and uninsured New Yorkers. Every New York hospital receives some level of DSH funding based on the percentage of high-need patients they treat. If Congress does not take action before the end of the year, funding to the state's hospitals will

be cut by nearly 60 percent – a loss of approximately $1 billion to providers next year alone.

Modifying the harmful Medicaid Disproportionate Share Hospital (DSH) cap policy. Section 203 of Title II of the Consolidated Appropriations Act of 2021 changed how hospital-specific Medicaid DSH funding caps (the maximum amount of Medicaid DSH funding a hospital can receive) are calculated. This policy will severely impact access to essential federal supplemental support for many of New York's public safety net hospitals, eventually including Stony Brook University Hospital and Nassau University Medical Center, that care for the highest share of low-income and uninsured individuals in the state. If Congress does not act, CMS will fully implement this policy change in January, slashing funding to New York's public institutions by approximately $300 million. Thank you again for introducing the Save Our Safety Net Hospitals Act and for supporting its inclusion in another legislative vehicle before the end of the year.

Extending Medicare telehealth waivers and the acute Hospital at Home program. The need to create additional capacity, reduce transmission risk and better utilize the clinical workforce during the COVID-19 pandemic led to important innovations in care. Two of these – the broad expansion of telehealth services to Medicare beneficiaries and the Medicare Acute Hospital Care at Home program – continue to be popular with patients and provided needed flexibility to hospital providers but will expire at the end of the year. We continue to support making these programs permanent, but in the meantime ask for another legislative extension.

Opposing new cuts. We are deeply concerned that hospitals' outpatient clinics will be vulnerable to new "site-neutral" payment cuts as an offset to other spending in a year-end budget agreement. Freestanding legislation is already pending that would limit some reimbursements to the physician rate, ignoring the significant and expensive regulatory burdens that only a hospital-owned outpatient practice must bear. In addition, hospital-owned services must accept all patients, regardless of insurance or lack thereof. Any new cuts threaten access to care for vulnerable populations and inhibit providers' ability to bring care closer to the patient.

We are also deeply concerned about a proposal that would require that all outpatient services in a hospital-owned facility be billed under a separate National Provider Identifier (NPI), a unique 10-digit code. This requirement would be administratively burdensome and unnecessary, as hospitals already use codes on their outpatient claims that identify the location of services provided. However, this would provide a mechanism for health plans to impose their own site-neutral payment reductions on hospitals – a back-door mechanism for implementing cuts.

Avert PAYGO cut to Medicare. Medicare reimbursements are also in line for a steep sequestration cut if Congress does not act to avert the implementation of PAYGO cuts by January 1. Medicare is slated for a 4 percent sequestration reduction – a nearly $600 million cut to New York providers – if PAYGO is not addressed.

Hold health plans accountable. Despite regulatory action, Medicare Advantage plans continue to employ aggressive tactics to inappropriately deny or delay prior authorization of services and deny claims. Patient care is delayed and providers waste needed financial, clinical and administrative resources on getting health plans to fulfill their contractual obligations. The

Improving Seniors Timely Access to Care Act (H.R. 8702/S/4532) would address many of these issues by requiring Medicare Advantage plans to modernize and streamline their processes.

Thank you again for your continued commitment to quality care in our communities and the stability of local healthcare institutions. If you have any questions on these or other policy matters, please do not hesitate to contact me.

Best regards,

s/Wendy Darwell

Wendy D. Darwell
President and CEO