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## **Statement on 2025 – 2026 Proposed State Budget**

***Wendy Darwell, President/CEO Suburban Hospital Alliance of New York State***

Hauppauge, NY (January 21, 2025): The Executive Budget proposal includes the promise of a much-welcomed increase in Medicaid outpatient rates, taking another modest step toward closing the gap between reimbursement and the cost of providing care. We also appreciate Governor Hochul’s proposed increase for the Safety Net Transformation Program, recognizing that there is far more need than the current budget could fulfill. In the suburban regions, we urge the state to recognize that growing Medicaid and Essential Plan enrollment has fundamentally shifted the economics of healthcare, threatening to pull additional hospitals into the safety net category. Closing the gap and expanding the criteria for assistance is essential to stabilizing the market, as is additional capital investment.

The financial condition of hospitals remains fragile, as evidenced by data collected late last year in the report we released with our partner associations in December. That report found that the median hospital operation margin, even when including the current state level of supportive funding for safety nets, was 0.0 percent. Any negative financial change, be it a reimbursement cut, burdensome regulation or pattern of inappropriate payment delays by health plans, pushes hospitals back into the red. The new investments proposed in the Executive Budget are critically important, as is maintenance of current federal funding that supports our healthcare safety net.

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### **About the Suburban Hospital Alliance of New York State**

*The Suburban Hospital Alliance of New York State advocates on behalf of hospitals in the Hudson Valley and Long Island regions. It engages key lawmakers and regulatory decision-makers in Albany and Washington to ensure reasonable and rational health care policy prevails.*

### **About the Nassau-Suffolk Hospital Council (NSHC)**





*The [Nassau-Suffolk Hospital Council](#) represents the not-for-profit and public hospitals on Long Island. It works in conjunction with the [Suburban Hospital Alliance of New York State](#) to advance legislative and regulatory priorities. NSHC serves as the local and collective voice of hospitals on Long Island.*

**About the Northern Metropolitan Hospital Association (NorMet)**  

*The [Northern Metropolitan Hospital Association](#) represents the not-for-profit and public hospitals in the Hudson Valley region. It works in conjunction with the [Suburban Hospital Alliance of New York State](#) to advance legislative and regulatory priorities. NorMet serves as the local and collective voice of hospitals in the Hudson Valley.*