
March 24, 2025

Dear Senate Majority Leader Stewart-Cousins, Speaker Heastie and members of the Legislature:

On behalf of the hospitals and health systems on Long Island and in the Hudson Valley, I thank you for demonstrating your continued commitment to a strong healthcare system for all New Yorkers. We are grateful for the increased investments included in your budget resolutions, which will help to preserve access to care, stabilize financially fragile institutions and continue narrowing the gap between Medicaid cost and reimbursement. As you enter the final weeks of budget negotiations, I ask for your ongoing support of our priorities:

- Sustain and strengthen hospitals and health systems;
- Grow the healthcare workforce;
- Hold health plans accountable; and
- Support innovation and regulatory relief.

Sustain and Strengthen Hospitals and Health Systems

Thank you for supporting a meaningful Medicaid rate increase for hospital outpatient services. As you know, the \$525 million appropriated by the Legislature for a hospital rate increase in the current budget has never been distributed, setting hospitals back relative to inflation yet again. We urge you to fight for an increase above the \$425 million proposed in the Executive Budget for the 2026 fiscal year, as proposed in your respective budget resolutions.

Closing the gap between Medicaid reimbursement and the cost of providing care is essential to the sustainability of our healthcare safety net. Hospitals in the suburban regions are reimbursed an average of 68 cents for every dollar of care provided. Investing in Medicaid rates improves the affordability of healthcare for all New Yorkers, bolsters safety net institutions, helps address healthcare disparities and strengthens access to mental health services.

We also appreciate the direct support for distressed institutions through the restoration of \$500 million in Vital Access Provider Assurance Program (VAPAP) funds by the Legislature and ongoing support for the the Safety Net Transformation Program, under which distressed institutions are eligible to apply for funding and regulatory flexibility with a partner organization to create a five-year plan toward sustainability. Suburban Hospital Alliance supports the allocation of \$300 million in operating funds and \$1 billion for capital for this program, and also supports the additional, more flexible \$200 million included in the Senate budget resolution.

Access to capital continues to challenge all hospitals and health systems, as they try to grow and modernize to meet the needs of their communities. Statewide Health Care Facility Transformation Program awards are the only supplemental state funds available to most institutions. We support the Assembly's call for \$1 billion in new funds for this program.

New York's extraordinary medical liability costs contribute to the financial challenges of its hospitals. The excess medical malpractice insurance program helps mitigate this burden. We thank the Legislature for rejecting an Executive Budget proposal that would reduce state support for the program and increase premiums by 50 percent.

We also thank the Legislature for recognizing the urgent need to address the structural funding imbalance in the Medical Indemnity Fund. As you know, the fund was forced to stop accepting new claims last spring due to the funding shortfall, requiring a transfer of emergency funds by the Division of Budget. This crisis must be averted.

Finally, we oppose any effort to increase the MTA payroll tax on employers, especially non-profit employers, in the suburban regions. This tax is already a burden on suburban hospitals that receive no meaningful benefit from transit services.

Grow the Healthcare Workforce

Healthcare providers nationwide continue to struggle with a workforce shortage that is expected to worsen in the coming years due to demographic shifts. A joint survey conducted by Suburban Hospital Alliance and its colleague associations late last year found that 97 percent of hospitals experienced a nursing shortage, and 89 percent struggled to fill other positions. We continue to work locally with academic, labor and community partners to bolster the next generation of clinicians. However, to maximize the skill sets of our existing workforce and be competitive in the national marketplace, New York must modernize its scope of practice and licensure laws.

We are disappointed that both chambers rejected provisions in the Executive Budget that would have made progress toward this goal. The Suburban Hospital Alliance supports allowing physician assistants to practice more independently, authorizing registered pharmacy technicians to administer vaccines under the supervision of a licensed pharmacist, allowing trained medical assistants to administer immunizations in outpatient settings, and giving specially trained nurse practitioners the authority to order involuntary commitment.

It's also imperative that New York pursue joining both the Interstate Medical Licensure Compact (IMLC) for physicians and the Nurse Licensure Compact (NLC). These compacts ease recruitment of clinicians to the state and facilitate telehealth services. We support the Executive Budget proposal to join the NLC and ask that companion language for the IMLC be included in the budget.

Hold Health Plans Accountable

Health plans continue to pad their bottom lines by delaying care, delaying payment for care already provided and limiting access by failing to establish adequate networks, including in the Medicaid managed care, Essential Plan and health insurance exchange products.

The Executive Budget proposed modest reforms, including authorizing the Department of Health to fine Medicaid managed care plans that do not meet contractual obligations. We support the stronger language proposed by the Senate.

We also support the Governor's call for workers' compensation insurance reforms, including expanding the types of practitioners that can treat patients covered by this insurance, permitting providers to submit a denied bill from an employer to the patient's health insurance plan, allowing employers to make temporary medical treatment payments for up to a year without admitting liability, and directing insurers to cover workers' compensation claims while they are being contested. We urge that these reforms be included in the final budget agreement.

We do not support a provision in the Executive Budget that would exclude from the independent dispute resolution process health services paid for by Medicaid. We thank the Legislature for rejecting it.

We look forward to discussing our robust agenda of other managed care reforms with you during the post-budget legislative session.

Support Innovation and Regulatory Relief

At a time when the statewide median operating margin is 0.0 percent, any cut or new regulatory burden will tip the hospital sector back into the red. Instead, we need flexibility to implement new innovations in care and to allow hospitals to operate more efficiently.

Two key innovations were proposed in the Executive Budget and should be enacted. We support making permanent the community paramedicine demonstration program that extends the reach of healthcare providers, allowing paramedics to treat patients safely and efficiently in the field when clinically appropriate. This can ease emergency department overcrowding and provide care at lower cost. We also support the governor's call to establish a Medicaid Hospital at Home program, which would create a Medicaid companion to the recently extended Medicare program.

We urge you to reject the creation of a duplicative community benefit reporting requirement. The Executive Budget proposes to establish a new reporting requirement for hospitals that mirrors an existing federal filing, IRS Form 990 Schedule H, which already is disclosed publicly and to the DOH. This provision creates an unnecessary regulatory burden with no practical benefit to the state or community members.

Finally, we are concerned about the proposal to require every hospital to have an appropriately trained Sexual Assault Nurse Examiner (SANE) available 24/7. Hospitals are committed to providing this very sensitive care and ensuring that evidence is handled appropriately. However, no funding is proposed to support this added expense. The Executive Budget language also does not accommodate the use of telehealth consultation, which can help hospitals provide SANE coverage more efficiently, especially small and low-volume facilities.

Thank you again for your continued support of the hospitals and health systems that serve the communities you represent. If I can provide you with any additional information, please do not hesitate to contact me.

Best regards,

/s/ Wendy D. Darwell

Wendy D. Darwell
President and Chief Executive Officer