



May 6, 2026

Dear Hudson Valley and Long Island delegation members:

As you proceed with final negotiations on the 2026-27 budget, the hospitals and health systems in the suburban regions urge you to take steps to mitigate the damage to consumers and providers resulting from H.R. 1, stabilize the healthcare safety net, and invest in a sustainable future by:

- **Maintaining last year's Medicaid rate increases and dedicating MCO tax receipts for additional rate increases in FY27 and FY28;**
- **Providing ongoing support for distressed and safety net providers, including replenishing the Safety Net Transformation Program and restoring funding for the Vital Access Provider Assurance Program (VAPAP);**
- **Investing \$1 billion in a Statewide V round of Healthcare Facility Transformation Program awards – and insisting upon regional parity in their distribution;**
- **Defending nonprofit providers from attacks by Big Pharma by incorporating the 340B Anti-Discrimination Act (A.6222/S.1913) in the budget; and**
- **Supporting innovations that will allow care to be delivered more efficiently, like the Executive Budget's Hospital at Home proposal and scope of practice expansions.**
- **Addressing gaps in affordable health coverage.**

Continue the commitment to closing the gap between Medicaid cost and reimbursement. Build on the 10 percent Medicaid outpatient rate increase enacted in the FY26 budget with a minimum of \$1.5 billion (including federal share) in new investments for FY27, directed toward hospital and nursing home investments. These investments will help shield against providers' growing uncompensated care expenses and other H.R. 1 impacts. We urge that these new investments be distributed as across-the-board rate increases.

Fund the Safety Net Transformation Program. Support \$330 million in operating funds and \$1 billion in capital to replenish the Safety Net Transformation Program, which puts distressed providers on a pathway to sustainability. Demand for this program continues to outstrip available funding.

Restore \$520 million in VAPAP funding and increase flexibility. Preserve the Senate and Assembly budget resolution restorations of funding for this program, which provides temporary operating assistance to financially distressed providers. The DOH has terminated VAPAP support for several suburban institutions in recent years, despite their acute financial distress.

Provide \$1 billion for a Statewide V round of Health Care Transformation awards and ensure regional parity. Governor Hochul did not include any new funds for general healthcare capital projects in her budget. Capital funding is the only assistance available to the majority of hospitals and health systems. It is essential support for nonprofit institutions, many of which would otherwise struggle to raise funds in the private markets for expansion and modernization. Directing the DOH to award capital dollars in a geographically equitable manner is also essential. **Although the nine-county suburban region includes more than one quarter of the state's population and hospitals, only 11**

percent of Statewide IV dollars went to the suburban regions – 10.5 percent to the Hudson Valley and 0.5 percent to Long Island. We urge support for the Assembly’s \$1 billion capital allocation in the final budget agreement.

Authorize Hospital at Home. Both the Executive and Senate budgets would establish Medicaid coverage for a Hospital at Home program, creating a state companion to the Medicare initiative that has now been extended through 2030. The Suburban Hospital Alliance continues its support for this proposal.

Extend and expand the community paramedicine demonstration program. Both the Executive and Senate budgets would extend this demonstration program through May 2031. These regulatory flexibilities extend the reach of healthcare providers, allowing paramedics to treat patients safely and efficiently in the field when clinically appropriate and reducing emergency department overcrowding. This emerging care model was utilized under COVID-19 pandemic waivers to leverage an already mobile healthcare workforce.

Expand scope of practice. It's imperative that today’s clinicians be allowed to work to the fullest extent of their education and training so that we can maximize the workforce we have. We support proposals in the Executive Budget to allow physician assistants to practice more independently, authorize EMS to administer immunizations under non-patient-specific orders, and allow trained medical assistants to administer immunizations in outpatient settings.

Pursue alternatives to preserve low- and no-cost coverage options. We urge the Legislature and Executive Branch to work together and with stakeholders on alternative coverage options for families with modest incomes. An estimated 460,000 New Yorkers with incomes between 200 – 250% of the FPL are losing coverage in the state’s transition from the Essential Plan waivers to the Basic Health Plan. Early evidence suggests that many Marketplace enrollees are purchasing lower-level plans with deductibles they cannot afford to pay. Legally residing immigrants with incomes above 138 percent of the FPL also lack coverage options, and others will face gaps in coverage under new federal work requirements that take effect in 2027. Because the Hospital Financial Assistance Law requires charity care for both the uninsured and underinsured, hospitals will see their uncompensated care costs surge.

Enact the 340B Anti-Discrimination Act. The federal 340B program allows hospitals, clinics and other providers serving a disproportionate share of low-income patients to purchase drugs from manufacturers at reduced prices. Some providers utilize community-based contracted pharmacies to dispense the drugs, making the benefit more convenient to their patients. Participating safety net providers are then able to reinvest the savings back into the communities they serve. Pharmaceutical companies and pharmacy benefit managers (PBMs) are using increasingly aggressive tactics to restrict providers’ ability to operate their 340B programs effectively and erode the savings intended. With the 340B program under assault at the federal level, urgent action is needed here. Therefore, the Suburban Hospital Alliance urges your support for the inclusion in the budget of A.6222/S.1913, which would address these abuses.

Reject Independent Dispute Resolution (IDR) changes. The Executive Budget proposes to carve out all Medicaid managed care claims from the IDR process and set caps on maximum payment rates. We appreciate that both the Senate and Assembly budget resolutions rejected this proposal; we urge you to do so again. The Suburban Hospital Alliance is deeply concerned about the impact that this

would have on hospitals' ability to secure on-call coverage for specialty services. Another proposal would carve the Empire Plan/NYSHIP into the state IDR process; it currently is regulated under the federal No Surprises Act statute. We urge the Legislature to reject both proposals.

Thank you again for your continued commitment to the hospitals and health systems you represent. The Suburban Hospital Alliance and its members look forward to working with you to strengthen New York's healthcare delivery system. Please do not hesitate to contact me on these or other issues.

Best regards,

Wendy D. Darwell

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President and CEO