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Statement on 2023 – 2024 State Budget Agreement

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

Hauppauge, NY (May 2, 2023): The 2023-2024 state budget agreement between the legislature and the governor addresses some of the financial and operational concerns our member hospitals face, and we are thankful for this, especially the increase in Medicaid payment rates. However, we know this rate increase still falls short of covering the cost to provide care to Medicaid patients. This has been the case for more than a decade. The increase is also offset, in part, by a Medicaid pharmacy benefit change that took effect on April 1. That change equates to about a \$525 million cut to hospitals participating in this program. We had hoped to see this provision repealed in this budget.

Unfortunately, more than half of the hospitals impacted by an \$85 million dollar cut to the Indigent Care Pool (ICP) contained in this budget are in the suburban regions east and north of New York City. The ICP partially reimburses hospitals for caring for the poor and uninsured. We are grateful, however, the budget continues supportive funding for financially distressed hospitals and provides investment in healthcare facility modernization. And certainly, exempting the suburban regions from a near 50 percent increase in the MTA payroll tax is most welcome news, as hospitals are major employers in their communities.

Workforce flexibilities and other provisions that our hospitals desperately need were not included in the budget. Nearly all hospitals continue to utilize workforce flexibilities, especially use of out-of-state workers and some scope of practice changes that were granted temporarily in the wake of the pandemic. We will continue to press the legislature during the post-budget session to make these permanent.

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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)





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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.

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