



STAT News

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STATE UPDATE: State Budget Outcome Positive for Hospitals

For the most part, the \$153.1 billion budget agreement reached by the governor and legislature on April 7, 2017 was positive for New York's hospital industry. The budget includes a \$500 million investment in new capital-related funding. Many of New York's hospitals are plagued by crumbling infrastructure and outdated structural design that inhibits efficient patient care flow. New York's hospitals have struggled to find the money to re-engineer space and/or invest in upgraded design structure to meet the new delivery models, which are now more outpatient-based. Final budget language did not include the governor's proposed Medicaid penalty of \$23 million to hospitals for avoidable emergency room visits. Hospitals argued that this penalty placed an unfair burden on hospitals, because hospitals are required by

federal law to medically screen and stabilize anyone who presents at the emergency room regardless of condition. The governor's provision to exercise his executive powers should revenue receipts from the federal government fall short at any time survived negotiations. The budget allows the state budget director to develop plans to make spending reductions, if revenue to New York State is reduced by \$850 million or more. The budget director's plan would take effect automatically unless the legislature adopts its own plan within 90 days. This provision is particularly worrisome, say hospitals, because of the tenuous situation in Washington, DC surrounding the fate of the Affordable Care Act.

Donate Life Month. This month, consider registering as a donor. New York State has the third highest need for donated organs in the United States, but the lowest percentage of registered donors at 26 percent. One person who donates organs can save up to eight lives, while a tissue donor can improve 12 or more lives. Register and learn more at [Donate Life America](http://www.donatelifeamerica.org).

FEDERAL UPDATE: Health Reform Stalls, What Next?

The inability of the House to garner the 218 votes necessary to pass the American Health Care Act means that the Affordable Care Act (ACA) remains the law of the land for now. However, the ACA remains vulnerable to regulatory and rule changes from the Department of Health and Human Services and appropriations reductions emanating from Congress. In addition, there remains an appetite in Washington, DC to reform Medicaid and to perhaps eventually attempt another overhaul of the ACA.

The House bill ultimately failed because of oppositional factions within the House GOP. Clashing ideologies about the role of government in healthcare led to a fight that became more about politics than policy. Particularly worrisome was the New York-specific Medicaid amendment that Representatives Faso and Collins authored. This amendment, which would have prohibited New York from requiring counties to contribute to the cost of Medicaid, would have cost the state \$2.3 billion in federal matching funds.

This is why it remains crucial that the hospital industry continue to emphasize the gains the ACA made in reducing the number of uninsured Americans and the payment and delivery reforms stemming from the Center for Medicare and Medicaid Innovation that are showing reductions in the cost of care. The now defunct House bill would have caused 24 million Americans to lose insurance, according to the Congressional Budget Office. In mid-March, Secretary Tom Price delayed the implementation of several bundled payment models from July 1 to October 1, 2017. The delay is tied to the Trump administration's review of regulations affecting healthcare providers.

Healthcare Voices rise up in stories told by individuals who have gained coverage through New York's health insurance exchange. These are the individuals behind the numbers, whose lives have been helped and changed by the Affordable Care Act. [Read their stories here.](#) 

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