



STAT News

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FEDERAL UPDATE: Funding Deadlines, Payment Cuts Hit Hospitals

A combination of enacted funding cuts and missed deadlines out of Washington DC have coalesced into a heap of budget problems for New York State, its hospitals, and children covered by the Children's Health Insurance Program (CHIP). Congress failed to re-authorize funding for the CHIP program by the October 1, 2017 deadline and, that same day, scheduled Medicaid Disproportionate Share Hospital (DSH) payment cuts to hospitals went into effect. DSH payments help offset costs incurred by hospitals that serve a disproportionate number of Medicaid and uninsured patients.

The DSH cuts total \$330 million in the current fiscal year and \$1.1 billion in the next 18 months, according to the state. The cuts are part of the Affordable Care Act's funding framework. They are based on the belief that as insurance coverage expands, the ranks of the uninsured contract. However, with the constant threat of the ACA's demise and the possible collapse of the ACA's health insurance marketplace, insurance expansion remains at risk and unpredictable.

Meanwhile, Governor Cuomo has said he will hold onto available federal DSH funds until an equitable plan to distribute these funds is worked out. Cuomo seeks to call into action a contingency process legislated as part of the budget back in April. That process specifies that if federal support were to fall by \$850 million or more, the state budget director could develop a plan to make uniform spending reductions. The legislature then has 90 days to pass its own plan or the budget director's goes into effect. The governor may call a special legislative session before the year is out to address the DSH funding distribution issue and the looming cut to the state's CHIP program. The state is also holding onto DSH funding from the prior fiscal year.

Hospital advocates remain hopeful, however, that Congress will address the DSH cuts in the coming weeks. For several hospitals in the Suburban Hospital Alliance regions, the loss of DSH funds is causing imminent peril. A key House committee is considering legislation that would delay the cuts, but add more years and steeper cuts on the back end.

CHIP funding for New York is also fragile, although the state will not run out of funds for the program until March 2018. CHIP is jointly funded by the federal government and the states. The ACA boosted funding to the states in the past two years. Nearly 350,000 children in New York are covered by CHIP. State Health Commissioner Dr. Howard Zucker recently sent a letter to the Health and Human Services Secretary urging that the program and funding be renewed. Both the House and the Senate are working on proposals to reauthorize the CHIP program for five more years, maintaining the increased funding levels for two years.

STATE UPDATE: ***Marketplace Enrollment Begins Nov. 1st***

Enrollment for year five of the Affordable Care Act's (ACA) marketplace-based insurance exchanges begins November 1, 2017. **Enrollment remains open until January 31, 2018 on the New York State of Health marketplace.**

On Long Island, the Suburban Hospital Alliance regional affiliate the Nassau-Suffolk Hospital Council is one of three state-appointed navigator agencies for the region. The Hudson Valley is serviced by the Community Service Society of New York, Maternal Infant Services Network of Orange, Sullivan, and Ulster counties, and the Westchester County and Rockland County Departments of Health.

The Hospital Council maintains a user-friendly, bilingual website – www.coverage4healthcare.org - that lists enrollment sites and dates and other helpful information, and its navigators will hold numerous enrollment sessions at libraries, churches, and hospitals to individually assist Long Islanders in obtaining affordable coverage. Most applicants will qualify for tax credits and/or premium assistance, making coverage more affordable. Individuals and businesses can shop the marketplace through an online portal www.nystateofhealth.ny.gov, by calling the state's customer service number at 855-355-5777, or by meeting with a state-certified navigator.