



# STAT News

Published bi-monthly by the Suburban Hospital Alliance of New York State, LLC, a consortium of not-for-profit and public hospitals advocating for better health care policy for all those living and working in the nine counties north and east of New York City. January 19, 2018

## STATE UPDATE: Gov's Budget Takes Note of DC Uncertainty

Amid an uncertain federal funding background, Governor Cuomo unveiled the state's 2018-2019 \$168 billion proposed budget on Tuesday, January 16, 2018. The administration's proposal calls for no new major provider cuts, but the ultimate fate of hospitals' funding and the final state budget hinges on the re-authorization of the federal Children's Health Insurance Program (CHIP), delay of federal Medicaid Disproportionate Share (DSH) cuts, and reinstatement of the cost sharing reduction payments made to insurers to help low-income Americans afford their co-payments and deductibles, among other items.

The governor's budget closes a projected \$4.4 billion state deficit through a variety of revenue producing measures such as funds from not-for-profit to for-profit health insurer conversions, excise tax on health insurers whose profits benefit from the recently enacted federal tax law changes, and a new tax related to the sale of opioids by drug manufacturers. Without congressional action on CHIP, the CSRs, and DSH payments, the impact of federal healthcare cuts on New York State would be \$2 billion this year, growing to \$5 billion over time, according to the governor's office.

Other highlights include the establishment of a \$1 billion Healthcare Shortfall Fund to continue the availability of funding for quality health services and to lessen the blow from any loss of federal dollars. The budget also maintains funding for distressed hospitals, the methodology for distributing DSH funds, and funding related to capital improvement projects.

On the other hand, the budget calls for \$425 million of Medicaid dollars to be re-directed to the state's general fund, as a result of changes to the Medicaid global spending cap. Hospitals would endure rate reductions linked to quality pool funding and emergency room and lab services, among other areas targeted for reduction.

The proposed budget retains the federal funding contingency plan put in place last year that would allow the state to make spending reductions if federal funding to the state is reduced by \$850 million or more. The plan would take effect immediately unless the legislature adopts its own plan within 90 days. This proposal leaves hospitals in a very vulnerable situation in terms of Medicaid funding.

### Marketplace Enrollment Swells

The New York State Department of Health reports that enrollment in the marketplace has surpassed last year's totals at this point in time. Buyers of Qualified Health Plans increased by 0.3 percent and the Essential Plan by 9.2 percent. **There are 11 days left in open enrollment.** On Long Island, 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 and Rockland counties of health. Shop via [www.nystateofhealth.ny.gov](http://www.nystateofhealth.ny.gov), 855-355-5777 or on Long Island [www.coverage4healthcare.org](http://www.coverage4healthcare.org)

## FEDERAL UPDATE: Fed Government Moving Closer to Partial Shutdown

With the House passing a stop-gap spending bill to keep the government running until February 16, 2018, it remains anyone's guess as to whether the Senate will pass this continuing resolution by midnight January 19, 2018, when the federal government would partially shut down. The House's bill includes funding for CHIP for six years and delays a handful of taxes imposed by the Affordable Care Act. The bill does not address delay of Medicaid DSH payment cuts to hospitals that took effect October 1, 2017 nor does it address cost sharing payments to insurers that were halted October 12, 2017. Longer term funding for the nation's community health centers also remains in limbo.

*Permission to reprint articles granted. Attribution required.*