

# THE CASE FOR CHANGE

A data-driven market and landscape assessment of New York state's healthcare infrastructure and the imperative for change



# Four drivers are pushing New York state's healthcare delivery system to an existential cliff.



Healthcare demand is increasing and changing



The number and mix of healthcare workers cannot meet demand



Health disparities persist



The healthcare affordability crisis for all stakeholders is growing

The **interlaced effects** of these four drivers complicate efforts to find solutions. To be effective, policy and delivery system changes must consider the direct impacts of each driver and the amplification effect the drivers have on one another.

# Bottom line

Without significant policy solutions and delivery system changes, health system market disruptions may have a domino effect across the state — impacting all providers and all New Yorkers.

**The first step is agreeing on the problem.  
Then we must act.**





# Healthcare demand is increasing and changing

## Aging population

New York state's aged dependency ratio, which relates the number of senior citizens to working-age adults, is expected to grow between 2015 and 2040 from 24 seniors per 100 working-age adults to 37 seniors.

## Chronic disease shift

In 2000, cancer and neurodegenerative diseases made up 38% of national health spending among the "Big 3" chronic diseases. In 2020, that share of spending was at 57% — a nearly 20 percentage point increase.

## Long-term care demand that cannot be met

Despite a high number of existing home health and personal care aides, nursing home use has slowed very little and there are 5,600 fewer certified nursing home beds available today compared to 2019.





# The number and mix of healthcare workers cannot meet demand

## Supply challenge

The average number of openings across healthcare occupations in New York state is 168,000 annually. In turn, the state produces only about 41,000 new workers to fill healthcare workforce openings each year.

## Demand challenge

The demand for home health and personal care aides to serve the aging population and those with chronic conditions is projected to increase by 39.1% (199,700 jobs), accounting for 55% of the projected need for healthcare workers between 2020 and 2030.



# Health disparities persist

## Communities

About 2.7 million New Yorkers (14.2%) lived below the federal poverty level of \$13,590 for a single adult (\$27,750 for a family of four), with many living below the FPL lacking access to key preventative services.

## Outcomes

Potentially preventable hospitalizations: 33-point difference between New York's *Prevention Agenda* performance and goal for low-income New Yorkers; 57-point difference for Black New Yorkers.

## Providers

Economic disparities across all provider types are driven by broader economic factors impacting the communities in which they operate.



# The healthcare affordability crisis for all stakeholders is getting worse

## Consumer

Overall, 47% of adults in the U.S. reported difficulty affording their healthcare costs.

## Employer

For 2024, employers on average are facing a 6.4% increase in health insurance premiums, the largest increase since 2012.

## Provider

Government, which underpays, is now the dominant insurer of New Yorkers, increasing from 41% to 62% since 2013.

## Government

Total Medicaid and health-related spending in NYS is estimated to be \$99.1 billion, reflecting 43% of the state's total budget.



# Inaction is not an option

**Now**

Immediate action to stabilize our healthcare system and protect patient access to care using existing tools and remedies.

**Near**

Near-term solutions in the next few years to drive meaningful change within the existing healthcare finance and delivery structure.

**Far**

Long-term solutions that contemplate a fundamental rebuild of healthcare in New York state.





# Thank you

We look forward to working with all stakeholders toward effective and lasting solutions. The healthcare of all New Yorkers depends on our collective leadership and collaboration.

For a complete list of references, see HANYS' *The Case for Change* (February 2024).



# Appendix: Data visuals



# Four drivers are pushing New York state's healthcare delivery system to an existential cliff.



Healthcare demand is increasing and changing

**Growing imbalance in the number of senior citizens to working adults**  
**Shift from acute events early in life to chronic (costly) episodes later in life**  
**Long-term care demand that cannot be met**



The number and mix of healthcare workers cannot meet demand

**The healthcare workforce supply challenge**  
**The healthcare workforce demand challenge**



Health disparities persist

**Disparities in communities**  
**Disparities in outcomes**  
**Disparities in providers**



The healthcare affordability crisis for all stakeholders is getting worse

**Consumer unaffordability**  
**Employer unaffordability**  
**Provider unaffordability**  
**Government unaffordability**

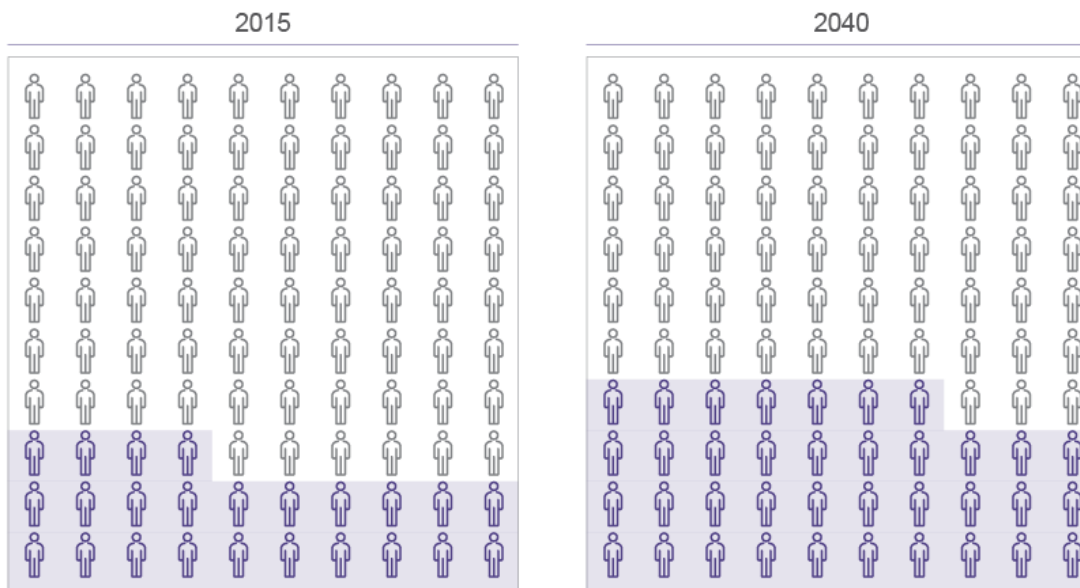




# Healthcare demand is increasing and changing

## New York State's Aged Dependency Ratio

Number of seniors (65+) per 100 working-age adults (18-64)

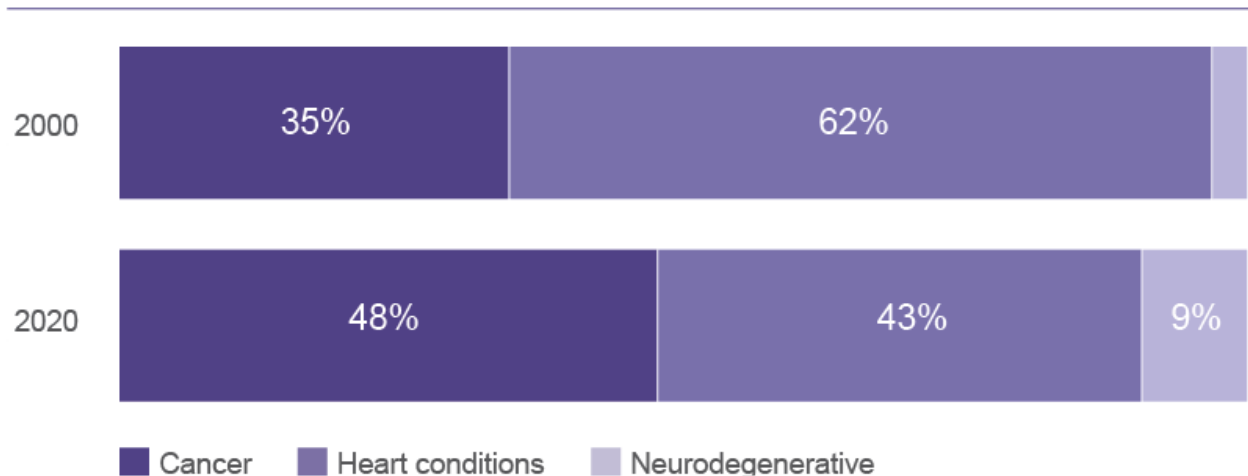




# Healthcare demand is increasing and changing

## Change in Share of National Health Spending Within “Big 3” Chronic Diseases

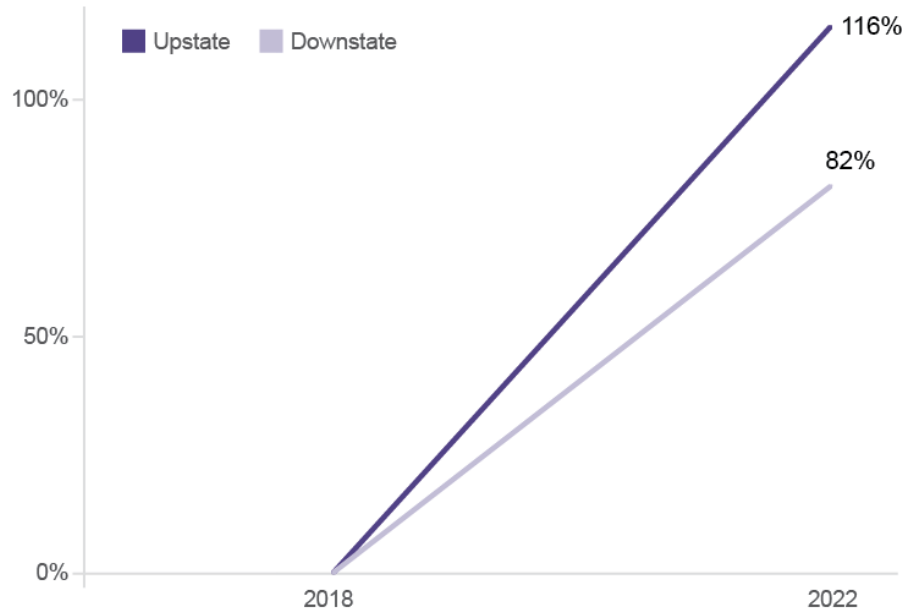
2000 vs. 2020





# Healthcare demand is increasing and changing

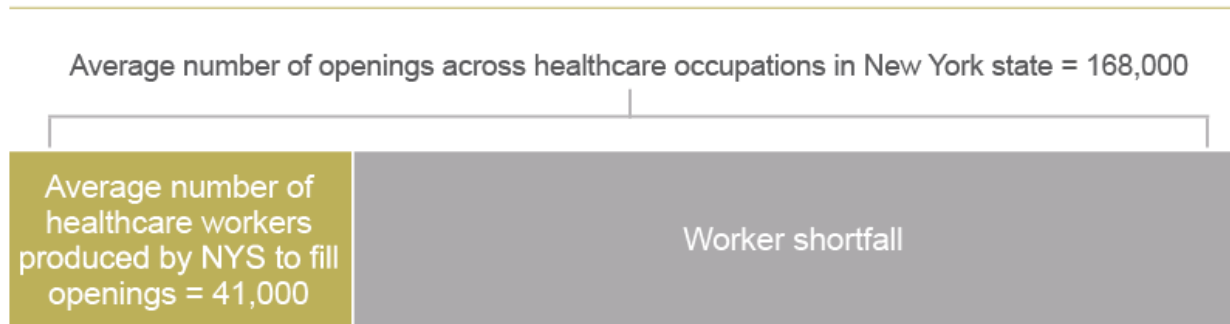
Increase in Hospital ALC Days  
2018-2022 (upstate and downstate New York)





# The number and mix of healthcare workers cannot meet demand

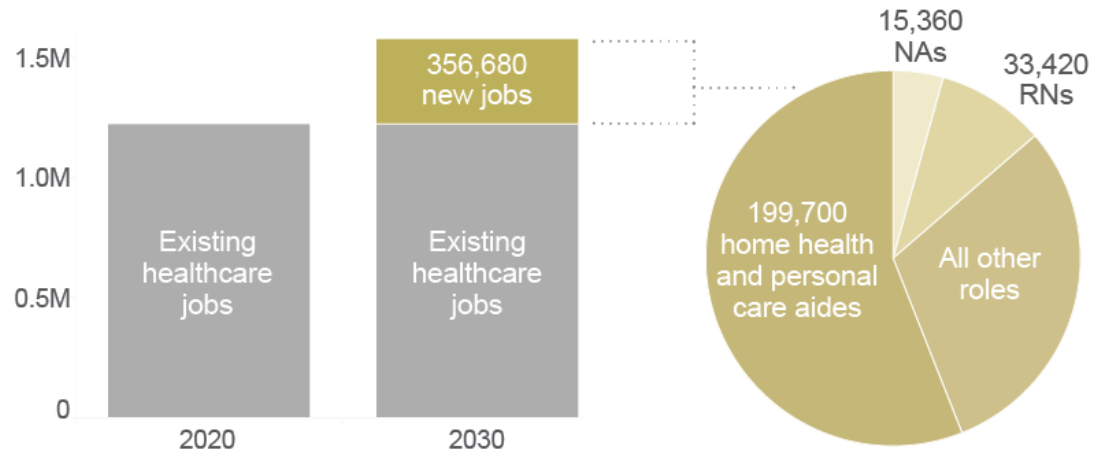
## Average Annual Number of Healthcare Occupation Openings and Workers Produced in New York State 2020-2030





# The number and mix of healthcare workers cannot meet demand

Employment Projections for Healthcare Occupations in New York State  
2020-2030

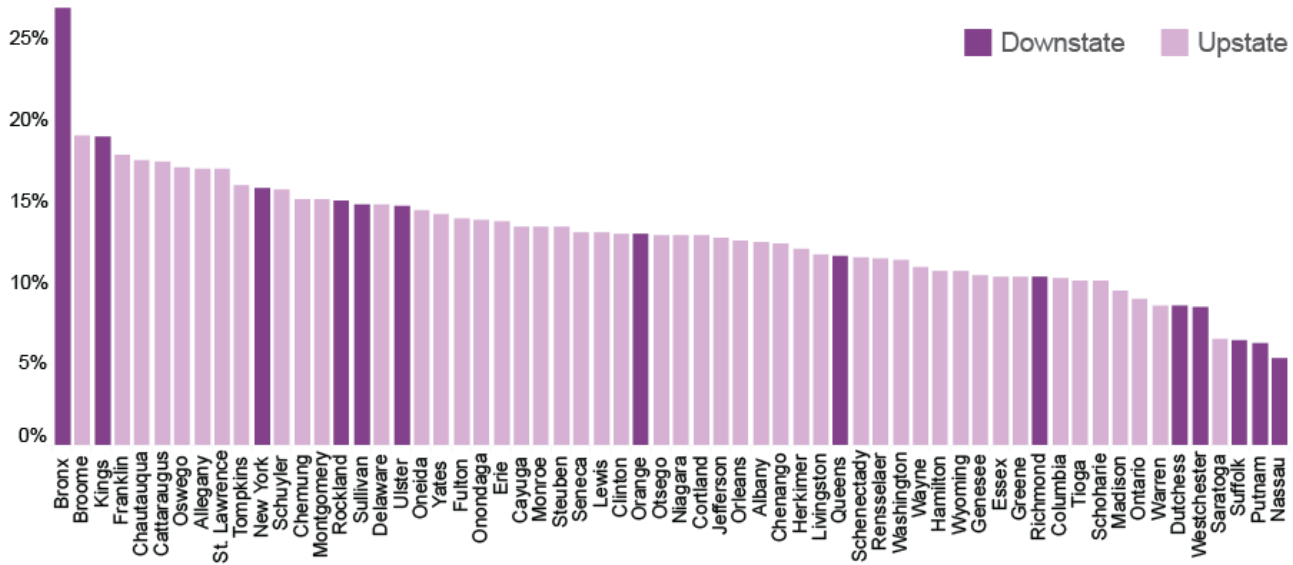






# Health disparities persist

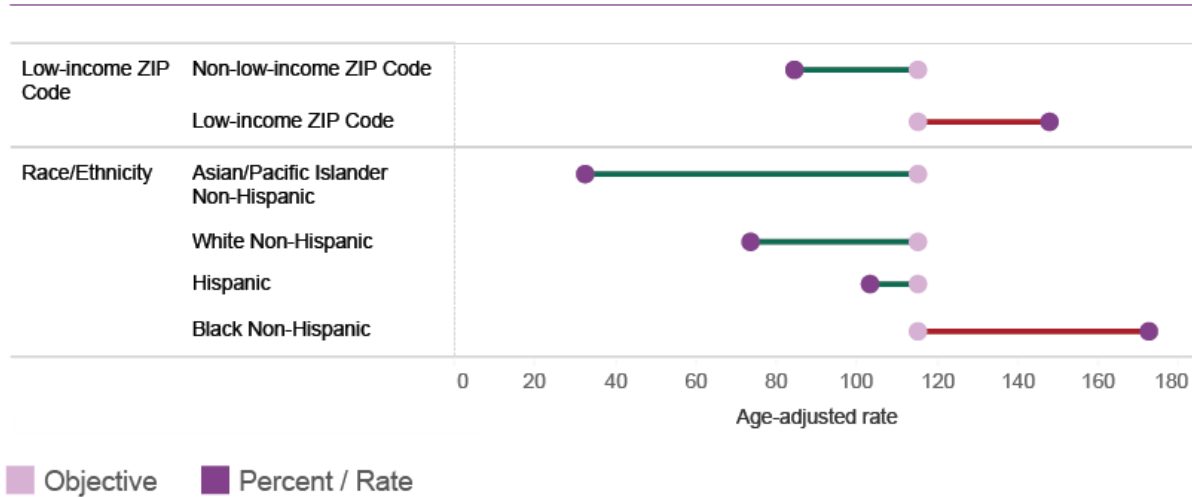
Share of New Yorkers Below the Federal Poverty Level by County  
2022 (upstate and downstate New York)





# Health disparities persist

## Potentially Preventable Hospitalizations Among Adults Age-adjusted rate per 10,000 (2020)

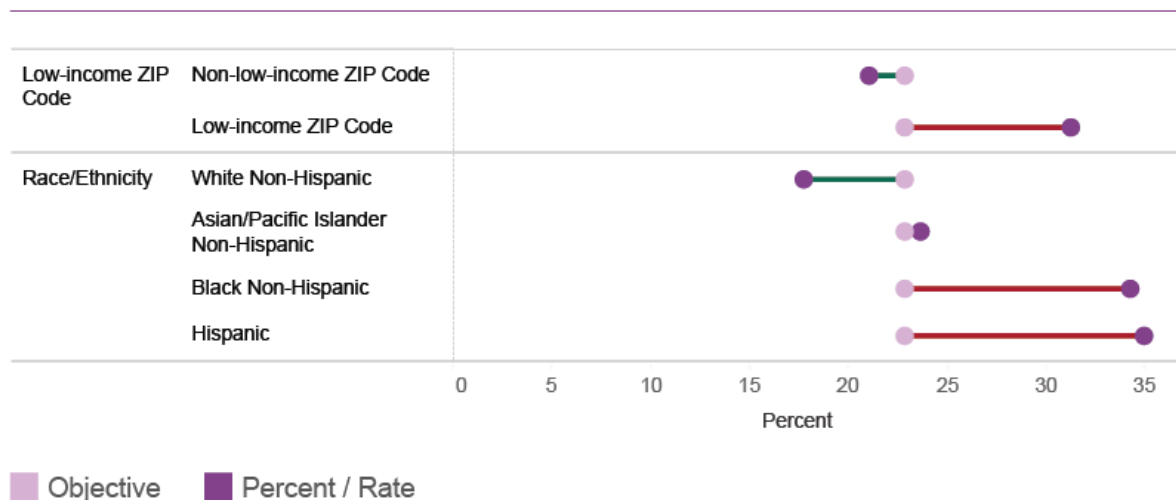


Note: Lower is better (a green line indicates performance better than the objective; a red line indicates performance worse than the objective).



# Health disparities persist

Percentage of Deaths that are Premature (Before Age 65)  
(2020)



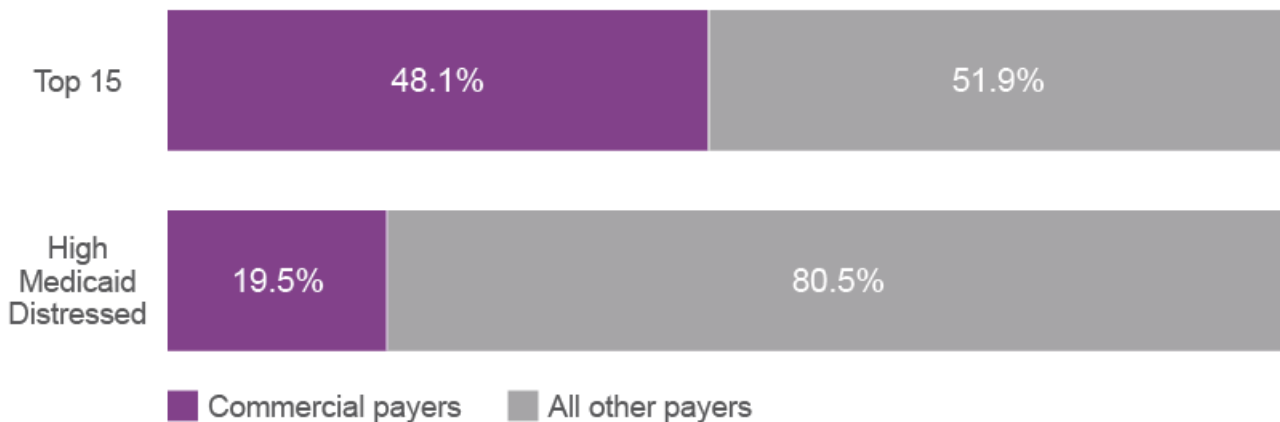
Note: Lower is better (a green line indicates performance better than the objective; a red line indicates performance worse than the objective).



# Health disparities persist

## Hospital Revenue by Payer (2022)

Top 15 performing vs. high Medicaid financially distressed\*



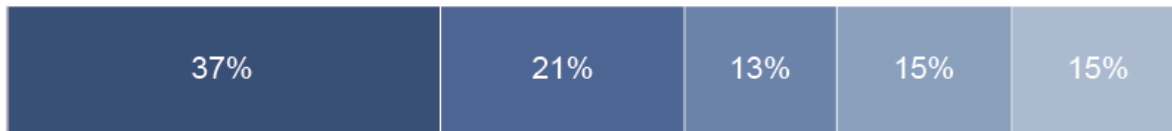
\*Top 15 defined as having a +3% operating margin and top 15 in revenue over a five-year period; high Medicaid distressed are hospitals with high Medicaid patient volumes that receive operating assistance funding from the state.



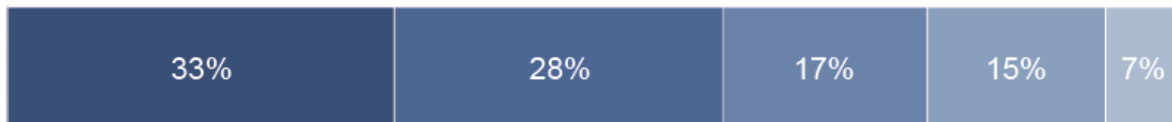
# The healthcare affordability crisis for all stakeholders is getting worse

## Household Spending for Medicare and Non-Medicare Households U.S. 2021

**Medicare:** Total household expenditure \$44,686



**Non-Medicare:** Total household expenditure \$67,769



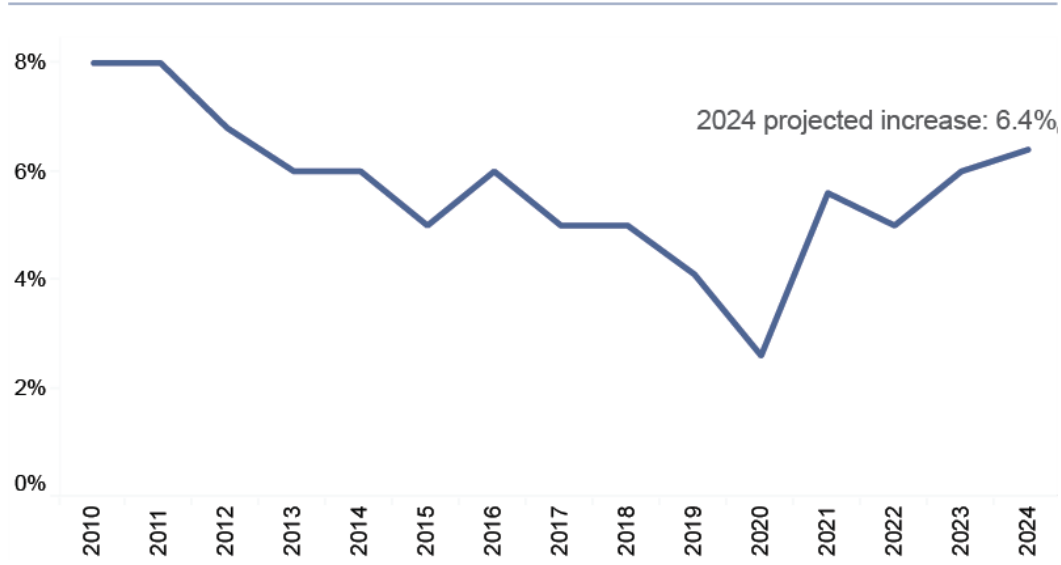
■ Housing ■ Other expenses ■ Transportation ■ Food ■ Healthcare





# The healthcare affordability crisis for all stakeholders is getting worse

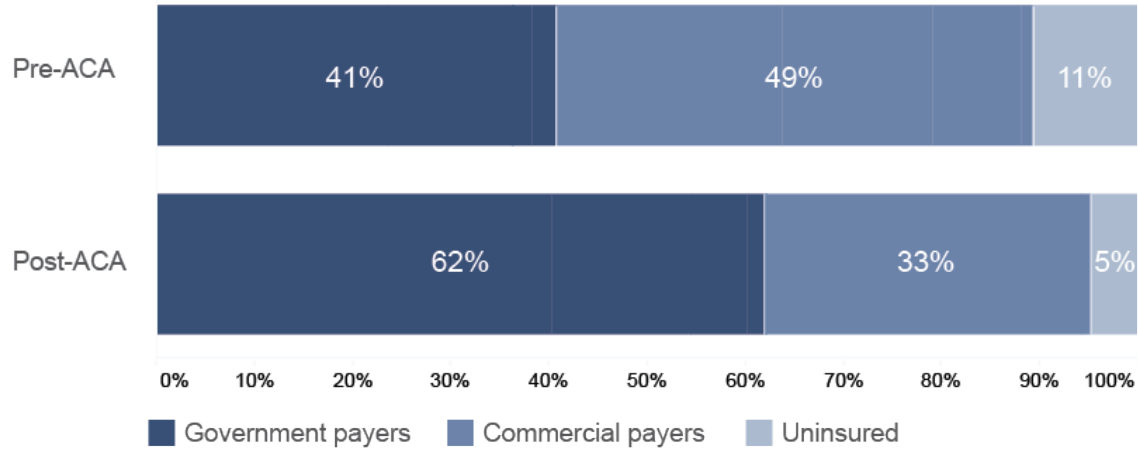
Employer Health Insurance Premium Cost Trends  
U.S. 2010-2024 (percent change per year)





# The healthcare affordability crisis for all stakeholders is getting worse

New York State Health Insurance Coverage  
Pre- and post-ACA



Note: Total does not add to 100% due to rounding.

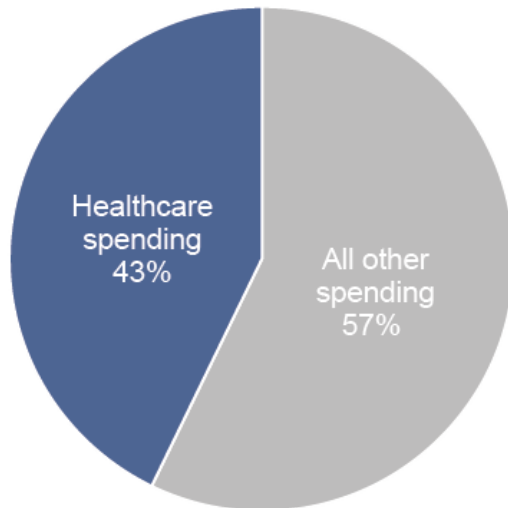




# The healthcare affordability crisis for all stakeholders is getting worse

New York State Total Budget Spending  
Estimated state fiscal year 2023-2024

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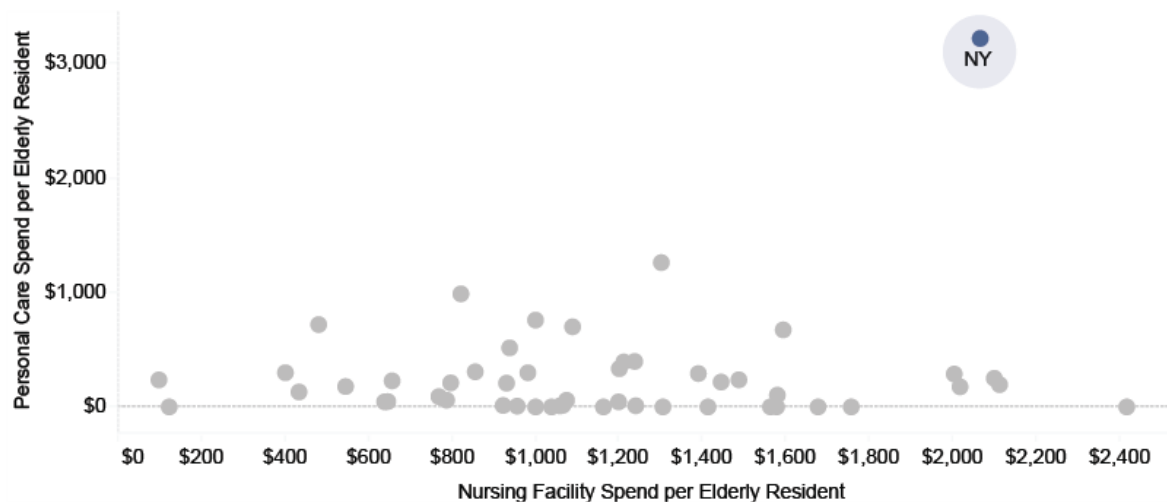






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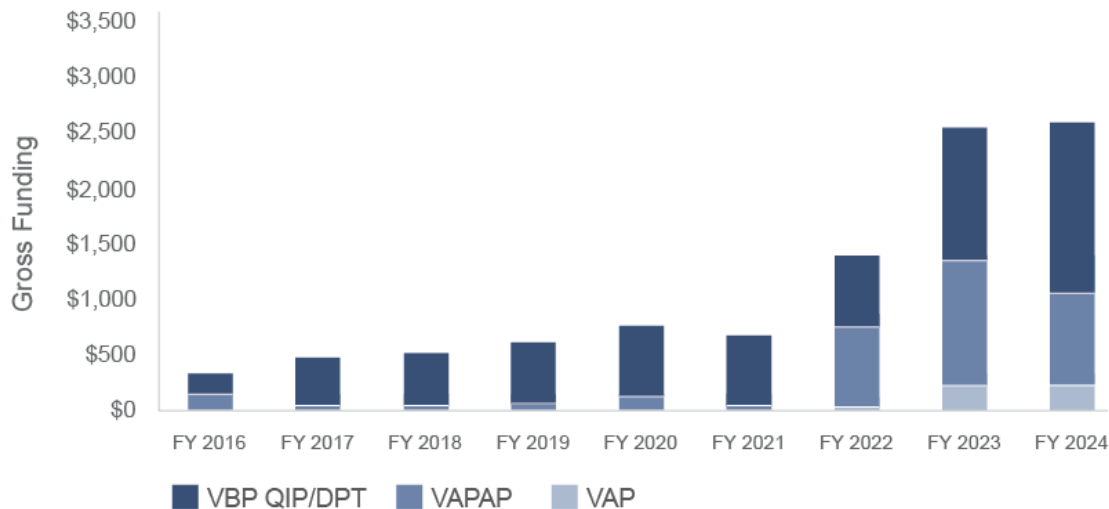
Annual Medicaid Spending on Nursing Home Care and Personal Care by State  
Per state resident 65 or older (federal fiscal year 2020)





# The healthcare affordability crisis for all stakeholders is getting worse

New York State's Supportive Funding to Financially Distressed and Other Hospitals and Providers  
State fiscal years 2016-2024 (dollars in millions)





# The healthcare affordability crisis for all stakeholders is getting worse

National Medicare Benefits Spending  
2011-2031 (dollars in billions)

