



Healthcare Association  
of New York State

FOR IMMEDIATE RELEASE  
OCTOBER 22, 2008

FOR MORE INFORMATION:  
WILLIAM VAN SLYKE  
(518) 431-7770

## **STATEMENT BY HANY PRESIDENT DANIEL SISTO ON TODAY'S STATE BUDGET HEARINGS**

ALBANY, N.Y. — “This year, the Legislature and Administration will face a daunting challenge to address a fiscal crisis while maintaining and protecting services that are essential to the health and well being of literally every New York family and community.

“In such a year, politics must be set aside and the focus placed on the everyday New Yorkers who would be put at risk by any health care service cuts. We must deal candidly and equitably with this harsh reality on a factual basis. Here, then, are some critical facts that must be considered as we address these issues:

- Medicaid enrollment and the rolls of the uninsured will increase significantly as more New Yorkers lose their jobs and health insurance, further pressuring health care facilities and staff that are already overwhelmed. In fact, the Department of Health recently noted that Medicaid applications have already increased by a staggering 30%. This undoubtedly will translate to an even greater demand on hospitals, which have become the *de facto* family doctor for a majority of the uninsured and Medicaid populations.
- On two occasions this year alone, health care services have been cut by a combined total of more than \$900 million; the year before, health care services were cut by \$1 billion, even as other priority areas of the budget were spared cuts or even experienced increases. Moreover, virtually every year prior, health care services faced billions more in cuts from the state and federal government, while other priority sectors saw historic increases. Therefore, any decisions made over the next several months must reflect a truly shared sacrifice.
- New York's hospitals have the second lowest operating margin in the entire nation. Only in Hawaii (which, sadly, just abandoned universal health coverage for children) are hospitals in worse shape financially. The root of our problem in New York is no secret: reimbursement from virtually every payer, be it Medicaid, Medicare, or a private insurer, fails to cover the actual costs of care.

“The bottom line is this: If health care providers face more cuts this year and even more next year, the critical safety net that our hospitals and continuing care organizations maintain for 19 million New Yorkers will be stretched to the breaking point in many communities.

“Our message to state leaders and the public is clear: If health care is cut again, very real and painful circumstances will be unavoidable.

“Health care services will have to be cut; staff will have to be laid off; our economy will worsen as jobs are lost; wait times will increase; more people will have less access to the care they need; and tragically, many New Yorkers, predominantly children, the elderly and chronically ill, who rely most on Medicaid, won't get the care they need at all.

“That is simply unacceptable.”

*The Healthcare Association of New York State (HANY) is the only statewide hospital and continuing care association in New York State, representing more than 550 non-profit and public hospitals, nursing homes, home care agencies, and other health care organizations.*