



Healthcare Association
of New York State

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**STATEMENT FROM HANYS PRESIDENT DANIEL SISTO ON
GOVERNOR'S PROPOSAL OF MORE THAN \$2.5 BILLION IN CUTS
AND TAXES TO HOSPITALS, NURSING HOMES, AND HOME CARE**

“Coming into this budget season, health care providers understood that some reasonable and equitable sacrifice on our part would be necessary, given the current fiscal crisis.

“However, the staggering magnitude of the cuts and health care taxes the Governor has proposed goes far beyond reasonable and equitable. Every area of health care is being pummeled, from hospitals and physicians to nursing homes and home health care providers. Yet, each of these providers will face even more patients and residents who need care as the economy continues to weaken and our state’s population continues to age.

“The Governor’s projected health care cuts in most instances represent only the state share of Medicaid fee-for-service funds. According to preliminary calculations, when combined with the loss of the federal share of Medicaid dollars and Medicaid managed care reductions included in the proposal, these cuts and taxes grow to more than \$2.5 billion for providers over the next 15 months.

“Following two previous rounds of health care cuts in April and August that combined to reduce funding for health care services by well over \$1 billion, these new cuts and taxes will effectively cripple the health care system, jeopardizing life-saving care for millions of vulnerable New Yorkers, especially the elderly, disabled, and very young, who most rely on Medicaid to access essential services.

“The Governor’s budget also reneges on a nursing home reimbursement rebasing plan that was passed by the Legislature and signed into law in 2006. It is a broken promise that will affect thousands of nursing home residents by diminishing providers’ ability to continue to meet their growing needs. Right now, most nursing homes need an occupancy rate of 98% just to pay the bills, let alone invest in new services, staff, and facility improvements. Those challenges will only grow more difficult under this proposal.

“Clearly these cuts and taxes must be mitigated. In addition to seeking redress from the state Legislature, we will also work with our state’s Congressional Delegation to secure additional federal Medicaid funding necessary to avoid the damage these proposed cuts would inflict on families and communities across the state.

“New York’s hospitals and long-term care providers are the only safety net left for the growing number of New Yorkers who have no health insurance or other means to pay for critical health care services. In fact, each year we provide more than \$1.6 billion in free health care, saving thousands of lives and treating millions of illnesses and injuries. And that value of uncompensated care will continue to grow as job losses mount and the state’s recession deepens.

“Every member of the State Assembly and Senate must be made aware that the health care providers in their home districts will have no choice but to eliminate critical health services and jobs if these cuts are not mitigated, putting lives and livelihoods in grave danger. There simply is no other way to “absorb” these tremendous cuts without taking such painful actions.

“We’re not willing to let that happen, however. HANYS will use every means at our disposal to see that cuts of this magnitude are rejected. We will soon launch a comprehensive public education and engagement campaign that will include: statewide television advertising, a statewide mass e-mail campaign, targeted telephone campaigns, and statewide Web and social media campaigns that are designed to marshal the combined voices of millions of patients, workers, and everyday New Yorkers who value their access to essential health care services.

“We will work tirelessly, from community to community, to ensure every New Yorker is aware of how these cuts would reduce health care services and jobs in their home towns, and we will help them focus their energy to support legislative and congressional action that will reverse this dangerous course.”

“We also intend to be explicit with the business community that these cuts would mean increased insurance premiums as hospitals are compelled to raise their rates to cover not only the growing numbers of uninsured, but also government’s failure to pay its fair share for the services it has promised to the growing Medicaid population.”

HANYS, the only statewide hospital and continuing care association in New York State, represents more than 550 non-profit and public hospitals, nursing homes, home care agencies, and other health care organizations.