



Healthcare Association
of New York State

Survey Finds New York Hospitals in Fiscal Crisis

***Average Hospital Bottom Line -2.2% in 2008,
98 Hospitals Lose Total of \$893 Million***

New York State, March 3, 2009...Far from being immune to the economic downturn, the average total margin for New York hospitals in 2008 was -2.2%, a decline of more than six percentage points from 2007, a statewide financial performance survey by Greater New York Hospital Association (GNYHA) and the Healthcare Association of New York State (HANYS) has found. The 98 hospitals that responded to the survey—representing nearly half the state total and two-thirds of statewide hospital expenses—lost \$893 million in 2008, a staggering 156% decline from 2007.

The dismal financial results come as New York's hospitals brace for \$1 billion in funding cuts in Governor Paterson's proposed budget, and as two Queens hospitals closed on March 1 before a single cut from the governor's budget has been enacted.

"These brutal numbers are the largest one-year decline in the archive of hospital financial performance in New York, and confirm what the health care community has long known: New York's hospitals have no cushion left to absorb the governor's proposed cuts," said GNYHA President Kenneth E. Raske. "They will have no choice but to lay off workers and slash services, and every New Yorker will suffer. The situation is that dire, and every elected official in New York needs to understand what will happen to patient care in their communities if the governor's budget is passed."

"There's only one chilling conclusion that can be drawn from this data: healthcare services and jobs in every community of the state will be lost if we fail to act now to protect health care," HANYS President Daniel Sisto said. "The biggest waves of the ongoing economic calamity have yet to reach the shore and already two hospitals have closed, while many more are announcing layoffs and service reductions nearly every day. If we fail to use the federal stimulus dollars to protect health care, we will see a wholesale collapse of critical services and jobs across the state."

For 2009, 82% of the respondents are scaling back capital projects, 56% have instituted a hiring freeze, 42% have frozen wages or made cuts, and 31% have budgeted for layoffs.

Key 2008 survey findings include:

- 72% of survey respondents reported an increase in bad debt/charity care
- 69% reported an increase in the number of uninsured

- 63% reported an increase in emergency department volume
- 49% reported problems gaining access to capital

HANYS and GNYHA will continue their aggressive advocacy to protect New York’s hospitals from massive health care cuts that will severely compromise their ability to deliver high-quality patient care.

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The Healthcare Association of New York State (HANYS) 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.

Greater New York Hospital Association (GNYHA) is a trade association representing more than 280 not-for-profit hospitals and continuing care facilities, both voluntary and public, in the metropolitan area and throughout the State, as well as in New Jersey, Connecticut, and Rhode Island.