



Healthcare Association
of New York State

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STATEWIDE SURVEY FINDS HOSPITALS FORCED TO CUT CRITICAL SERVICES AND THOUSANDS OF JOBS

State Health Care Cuts Begin to Take Their Toll on Jobs and Patient Care

Four Rounds of State Budget Cuts and Taxes in the Last 17 Months Alone Will Cost Providers \$3.87 Billion Through 2010

ALBANY, N.Y. — Repeated rounds of state budget cuts have forced hospitals across the state to lay off thousands of health care workers and eliminate or reduce critical health services, including cancer and emergency room care, a recent statewide survey has found.

In just the last 17 months, Governor Paterson and state lawmakers have enacted four distinct budget actions that, combined, have reduced funding to hospitals, nursing homes, and home health care providers by a staggering \$3.87 billion through December 2010. The impact on hospitals alone is more than \$1.7 billion, with the remaining cuts affecting nursing homes and home health care providers.

Hospital-specific impacts of these budget actions are available at www.helpyourhospital.org.

A recent Healthcare Association of New York State (HANYS) survey of the state's hospitals has found that these repeated cuts have begun to take their toll on communities throughout the state. HANYS released its survey findings in a report titled, *Compound Fractures: The Patient Services and Employment Impact of Repeated State and Federal Budget Cuts*.

Among its conclusions, the report states, "For policy makers, these (job and service loss) data should serve as a stark and irrefutable indication of the real-world implications of their repeated budget actions. New York State's health care system has reached a tipping point of fragility. We can no longer base our policy and funding decisions upon the myth that health care providers can simply 'absorb' funding cuts without real-world implications for everyday New Yorkers."

"The findings reported in *Compound Fractures* make it clear that it is a public health imperative to address the current year state budget shortfall without targeting health care providers for more cuts," said HANYS' President Daniel Sisto. "Any future cuts will without doubt lead to even greater losses in jobs and health care services across the state."

Compound Fractures (available at www.hanys.org) found that:

- Seventeen percent (17%) of hospitals have eliminated or reduced health care services, including:
 - cancer treatment and diagnostic services;
 - numerous emergency room expansion and modernization projects necessary to eliminate backlogs and wait times;
 - surgical, adolescent mental health, and community-based health services;

- autism and other outpatient clinics, and others.
- Thirty-seven percent (37%) of hospitals have reported significant reductions in scheduled surgeries, which represent thousands of patients who have postponed or cancelled procedures such as knee and hip replacements.
- Another 7% have delayed plans for adding or increasing necessary services.

The report also found troubling employment implications, including:

- Eighteen percent (18%) of hospitals reported layoffs or job eliminations, resulting in thousands of health care jobs lost.
- More than 63% have halted hiring or have frozen wages.
- Sixteen percent (16%) have reduced employee benefits.
- Nearly 10% have reported problems just meeting payroll.

Hospitals' fragile financial condition is compounded by the prospect of federal cuts that will occur as part of federal health care reform. While HANYS supports the goals of federal health reform—expanding health insurance coverage, enhancing efficiency and quality, and reducing costs—HANYS opposes exorbitant funding cuts that would weaken New York's already fragile health care system. Federal health care reform proposals currently under consideration could result in as much as \$12 billion in Medicare and Medicaid cuts to New York hospitals, hospital-based skilled nursing facilities, and home health agencies over the next ten years.

“New York's health care system is already imploding from a lack of resources,” commented Mr. Sisto, who noted that 29 hospitals have closed in communities throughout New York State in just the last nine years. Many areas of the state are also experiencing physician shortages, he noted.

“Meanwhile, the debate in both our state and federal capitals remains focused on providing coverage to the uninsured. There is a logical incongruity present when policymakers in both capitals seek to expand coverage while simultaneously proposing massive funding cuts that will further diminish the ability of health care institutions to provide the services and personnel necessary to deliver on the promise of insurance,” said Mr. Sisto.

Mr. Sisto noted that severe health care cuts and reductions in hospital capacity also hold the potential for dangerous public health and disaster preparedness consequences. Health planners face the prospect of a severe influenza outbreak, including H1N1 swine flu, that could quickly overburden hospital capacity.

“It is imperative that policymakers cease their pattern of continuous reductions in hospital funding. Instead, they should ensure adequate hospital margins and cash flow to cope with the potential for a surge in expenses and demand,” said Mr. Sisto.

“New York's health care providers need financial and regulatory relief, not more cuts,” said Mr. Sisto. “Untenable reductions are already forcing layoffs and curtailment of services. Further cuts will worsen this disturbing trend, jeopardizing our ability to provide care to all New Yorkers.”

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.