



Healthcare Association
of New York State

FOR IMMEDIATE RELEASE
OCTOBER 15, 2009

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

**STATEMENT FROM HANY'S PRESIDENT DANIEL SISTO ON
THE GOVERNOR'S PROPOSED HEALTH CARE CUTS**

ALBANY, NY — “We are extremely alarmed and disappointed by the Administration’s proposal to again cut health care, and to continue a pattern of weakening providers’ ability to serve their communities. This is not reform: this is placing our health care in jeopardy.

“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 hospitals, nursing homes, and home care providers can simply ‘absorb’ funding cuts without real-world implications for everyday New Yorkers.

“In this fragile environment, each budget action taken to reduce health care funding will yield a commensurate loss of jobs and health care services.

“Combined with multiple reductions over the past two years, these proposed cuts will extract a total of \$2 billion per year from New York’s hospitals, health systems, and continuing care providers. And once again, health care has been disproportionately targeted for cuts.

“This ongoing pattern of health care cuts is unsustainable and threatens providers’ ability to provide 19 million New Yorkers with needed care. Pulling the rug out from under health care providers has now become a threat to high-quality patient care.

“Our communities rely on health care providers to provide around-the-clock care, especially now, with the H1N1 influenza epidemic gaining traction. The Governor’s cuts are a direct threat to that capacity.

“The impacts of recent budget actions have begun to accrue in the form of thousands of lost jobs and the elimination of critical health services in communities throughout the state. The most troubling implication of these repeated budget actions is their impact on the availability of vital medical services.

“HANY’S recent survey of the state’s hospitals found that through the first quarter of 2009, many have been forced to take very difficult actions to stabilize their finances and protect their core services.

Key Findings of HANYS' 2009 Survey of Hospitals

Services Eliminated and Patients Deferring Necessary Care

- Seventeen percent of hospitals have eliminated or reduced health care services, including cancer treatment, surgery, psychiatric services, autism clinics, dental clinics, and others.
- Thirty-seven percent of hospitals significantly reduced scheduled surgeries—which represents thousands postponed or cancelled procedures such as knee and hip replacements.

Thousands of Jobs Lost

- More than 63% have halted hiring or have frozen wages.
- Eighteen percent of survey respondents have reported layoffs or job eliminations, resulting in thousands of health care jobs lost.

Capital Projects Scrapped or Postponed

- Forty-five percent of hospitals reported postponing capital projects, including emergency room expansion and modernization projects, critical diagnostic and cancer treatment technology purchases, and a planned cancer treatment center expansion.
- Thirty-one percent have been forced to scale back existing plans despite continued demand/need for planned improvements.

Economic Turmoil Increasing Service Demand While Exacerbating Fiscal Shortfalls

- Fifty-nine percent of hospitals report an increase in patients who do not/cannot pay for their care.
- Sixty-two percent reported increased patient requests for financial aid.
- Fifty-two percent reported an increase in the number of uninsured patients.
- More than 42% reported increases in emergency room volume as more uninsured use ERs as the provider of last resort.

“**For policymakers**, these data should serve as a stark and irrefutable indication of the real-world implications of their repeated budget actions. It is a public health imperative to address current and future state budget shortfalls without making further cuts to health care funding. Any revenue shortfalls must instead be addressed by revenue raisers, such as the previously proposed taxes on sugared beverages.

“The Governor has indicated his budget proposal will cause pain. If the Legislature passes his health care cuts, that prediction will be literally true for many New Yorkers. And for some, the implications will be far worse.”

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.