



Healthcare Association
of New York State

FOR IMMEDIATE RELEASE
JANUARY 17, 2012

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HANYS: 4% Medicaid Spending Increase Not a Pay Raise for Providers

Total Medicaid Spending is Reduced by \$136 Million From Last Year

State Agencies Must Reform Outdated, Burdensome Regulations

Statement by William Van Slyke, Vice President, Communications and Public Relations

ALBANY, NY — “Governor Cuomo’s 2012-2013 Executive Budget proposal continues the two-year Medicaid reimbursement cuts and spending cap enacted last year. The 4% growth in the Medicaid cap does not mean there is increased reimbursement to New York State providers. In fact, most of the 4% growth in state spending is used to address the state’s continued growth in Medicaid enrollment, which increased by more than 100,000 enrollees over the past year alone.

“In addition, overall Medicaid spending, including state and federal shares, is actually reduced by \$136 million from last year, or 0.3% in the Governor’s plan.

Regulatory Reform Essential to Transform Health System

“Hospitals, health systems, and other providers continue to pursue innovation and reform of health care delivery—from enhancing quality, to health care delivery efficiencies, to partnerships with physicians and other providers. While the state’s reimbursement system is also pushing these changes, state agencies have had difficulty keeping pace administratively, as Governor Cuomo himself has noted. State agencies need to increase their efficiency and speed, eliminate obstacles to change, and establish modern regulations, policies, and procedures to help providers transform health care.

“We’ve taken difficult steps to reform the payment system; we must now take the steps necessary to modernize the state’s regulatory system.”

Important Health Care Reimbursement Facts:

- Numerous state budget actions over the last four years have resulted in more than \$5 billion in total cuts to providers.
- Providers incur losses on virtually every Medicaid service rendered. On average, hospitals are reimbursed just 75 cents for every one dollar of Medicaid service they

provide. As a result, growth in enrollment and commensurate growth in service utilization increases provider losses.

- The federal Affordable Care Act included more \$15 billion in federal Medicare cuts to New York State providers.
- The imposition of “sequestration,” an across-the-board federal Medicare cut that takes effect January 1, 2013, will add another \$2.4 billion in Medicare cuts for New York’s providers.

The Healthcare Association of New York State (HANYs) is the only statewide hospital and continuing care association in New York State, representing 500 non-profit and public hospitals, nursing homes, home care agencies, and other health care organizations.

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