



Healthcare Association
of New York State

FOR IMMEDIATE RELEASE
JANUARY 22, 2008

FOR MORE INFORMATION:
WILLIAM VAN SLYKE
(518) 431-7770
(518) 527-3547 (Cell)

**STATEMENT BY HANYS PRESIDENT DANIEL SISTO ON
GOVERNOR ELIOT SPITZER'S 2008-2009 STATE BUDGET**

“The Governor’s Executive Budget proposal makes a number of significant reimbursement and policy changes to the Medicaid system that will profoundly impact hospitals and continuing care providers. Many of the Governor’s initiatives are positive steps, including:

- making investments in primary and preventive care;
- expanding Child Health Plus;
- modernizing segments of the Medicaid reimbursement rate structure;
- targeting health maintenance organization (HMO) and pharmaceutical company profits; and
- providing funds to address physician shortages in many areas of the state.

“However, other components of the Governor’s plan appear to conflict with his own formula for achieving excellence: ‘Investment plus accountability equals excellence.’ The need for investment in the health care system is clear. Yet, a preliminary review of the Governor’s plan finds that for this year alone the budget includes approximately \$500 million (state and federal share combined) in cuts to hospitals and continuing care providers for services such as:

- inpatient hospital care;
- drug and alcohol detoxification;
- physician training;
- home care; and
- nursing home care.

“And many of these cuts are expected to grow significantly over the next four years.

“The budget plan also includes numerous highly technical reimbursement changes that will yield revenue swings that will benefit some provides and hurt others. No one can be certain what the impact will be of simultaneously implementing numerous, even well-intended reforms. This is experimentation, the subject of which is the state’s health care system. The risks are great and that should concern all of us.

“We believe reform is essential; however, redistributing dollars around the system is akin to a “taking from Peter to pay Paul” approach to budget making. The fact remains that a majority of hospitals in this state are losing money or barely breaking even, and few, if any, can afford any reduction in their revenues without impacting their ability to maintain services and invest in the technology, staff, and infrastructure that are necessary to keep pace with the non-stop evolution of care.

“HANYS is hopeful that we can work with the Governor and the State Legislature to implement the positive proposals and mitigate those initiatives that would diminish our ability to provide the best care possible in every community.”