

SOME CUTS NEVER HEAL

HEALTHCARE ADVOCACY DAY

March 5, 2019



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HEALTHCARE ADVOCACY DAY

March 5, 2019

Empire State Plaza Convention Hall, Albany, NY

10 a.m.

CHECK-IN AND INFORMATION

Continental breakfast available

10:30 a.m.

PRESIDENT'S REMARKS AND INVITED GUESTS

Bea Grause, *President, HANYS*

Richard Murphy, *Chair, HANYS*

President and Chief Executive Officer,
South Nassau Communities Hospital

Honorable Robert Spolzino, *Vice Chair, Healthcare Trustees
of New York State*

Trustee, Northwell Health

11:45 a.m.

SOME CUTS NEVER HEAL RALLY AND MARCH

Inside and outside

1 p.m.

PROGRAM ADJOURNS

Box lunches provided

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2019-2020 State Budget Agenda

New York's hospitals and health systems are community anchors that provide access to care to 20 million New Yorkers, standing ready 24/7/365 to save lives, bring new life into the world and respond to any emergency. This year, that critical mission of caring is at risk as healthcare providers face the biggest state budget reductions we've seen in years.

New York's nonprofit and public hospitals and health systems have undertaken the monumental task of transforming the healthcare system and are producing real results that improve patient care quality. Providers are investing in this transformation even as they face substantial financial challenges. The statewide average hospital operating margin of 1.35% is the third worst in the country, with nearly half of New York's hospitals operating with negative margins. Providers also face significant workforce, regulatory and marketplace challenges.

Despite these obstacles, our doors are open to anyone needing care. New York's hospitals and health systems continue to demonstrate an unwavering commitment to improving care quality, access and delivery.

At the same time, hospitals and health systems across New York play a vital role in improving local economies and communities. They provide critical healthcare and emergency services, and contribute vital resources to communities through jobs, tax revenue and capital improvements. They are responsible for \$162 billion in economic activity annually – more than 10% of the state's entire gross domestic product – and are among the largest employers in every community and region of the state, generating more than 817,000 jobs.



The state has committed to providing expansive Medicaid coverage to New Yorkers. It must now keep its commitment to hospitals, nursing homes and others that provide care for these individuals.

Medicaid funding is absolutely crucial to New York's healthcare system:

- one in three people in New York covered by Medicaid is a child;
- more than half of all deliveries of babies in New York each year are covered by Medicaid; and
- for those in need of nursing home services, nearly three out of every four New Yorkers receive that care through Medicaid.

Cuts to Medicaid affect everyone's care. Policymakers must understand the devastating impact these reductions would inflict.

Reductions proposed in the executive budget and the recently amended budget proposal would **drastically slash support for healthcare in New York.**

- Proposed cuts directed toward **hospitals** total **\$657 million** for the upcoming state fiscal year and \$1.3 billion over the next two years.
- For **nursing homes**, the impacts of the proposed cuts total over **\$400 million** during the 2019-2020 fiscal year and more than \$800 million in the next two years.

WE URGE OUR STATE LEGISLATORS TO REJECT THESE DRASTIC REDUCTIONS

The proposed cuts constitute a devastating reduction of vital healthcare support. Each cut lessens critical funding support that hospitals, health systems and nursing homes need and depend on to provide quality healthcare services all New Yorkers deserve.

Cuts of this magnitude will not heal.

CUT: Elimination of Medicaid rate increases for hospitals and nursing homes

Medicaid helps to fund a significant portion of healthcare costs in New York state. However, Medicaid rates have not been increased in over 10 years, with Medicaid only reimbursing providers 73 cents for every dollar of care provided.

An increase in Medicaid rates for inpatient services for hospitals (2.0%) and nursing homes (1.5%) funded through the Health Care Transformation Fund enacted in last year's budget was a step in the right direction. The executive budget proposes to reverse that decision.

CUT: 0.8% across-the-board cut to Medicaid rates for all providers

This year, New York's hospitals and nursing homes were set to receive their first increase in Medicaid rates in over 10 years. But the executive budget not only eliminates this long overdue Medicaid increase, it layers on an additional 0.8% across-the-board cut to Medicaid rates for all providers. These combined cuts only exacerbate a longstanding problem around fair and adequate Medicaid reimbursement and challenges the capacity of the healthcare safety net to respond to increasing community needs.



Medicaid helps to fund care for New York's most vulnerable; cutting Medicaid rates jeopardizes care for everyone.

CUT: Targeted reduction to Indigent Care Pool funding

New York's hospitals never say no to a patient who needs care. Medicaid Disproportionate Share Hospital funding provided through the Indigent Care Pool helps compensate hospitals for losses incurred when caring for uninsured and low-income people. The executive budget levels a sharp blow to this funding, effectively eliminating it for health systems and their affiliated hospitals that are located in specific geographic regions and that exceed arbitrarily set operating margin and annual revenue thresholds.

All New York hospitals are committed to serving the uninsured and low-income and should be compensated for those services. This cut disguised as public policy sets a bad precedent.

CUT: "Avoidable" hospitalizations reduction

In recent years, hospitals and health systems have partnered with the governor and legislature to fundamentally restructure New York's healthcare system with the primary goal of reducing avoidable hospital use. New York is on track to meet performance goals, ensuring that more patients get primary care when and where they need it. However, cutting funding to hospitals for "avoidable" hospitalizations to hit a budget savings goal would take us off track.

Penalizing those hospitals with a higher percentage of inpatient services deemed potentially avoidable ignores the unique characteristics and patient populations of each hospital and further erodes an already underpaying Medicaid system.

CUT: Elimination of funding for the Major Academic Center of Excellence program

New York's teaching hospitals educate physicians, who are part of the foundation of our healthcare system. In fact, New York's academic medical centers train nearly 10% of all medical students in the country. The executive budget proposes to eliminate the Major Academic Center of Excellence program, which provides critical funding support to several academic medical centers.

The wholesale elimination of this state support would have a detrimental impact on these centers and sends the wrong message regarding New York's commitment and position as a leader in educating future physicians.

CUT: Nursing home case-mix adjustment reduction

The executive budget proposes to change how patient severity (case mix) adjustments are calculated for nursing home Medicaid rates. Nursing homes across the state need to be supported right now and cannot withstand new funding reductions.

Cutting significant funding like this would have a drastically negative impact on communities across the state, especially those served by nonprofit and public nursing homes.

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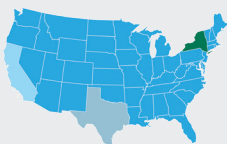


9,474 Reasons

Why We Support Organ Donation



NEW YORKERS ON THE WAITING LIST



NEW YORK:
3RD HIGHEST NEED
IN U.S.





NEW YORK:
LOWEST % OF
REGISTERED DONORS

WHAT NEW YORK PROVIDERS ARE DOING

- In 2018, New York hospitals transplanted **2,623** organs.
- **1,010** people donated organs in 2018.
- **604,163** new people joined the New York State Donate Life Registry in 2018.



WHAT HANYS AND HTNYS ARE DOING

- Support and propose legislation to increase organ and tissue donation 
- Promote the enhanced New York State Donate Life Registry website 
- Engage in key national and state policy discussions to support organ and tissue donation

JOIN THE NEW YORK STATE DONATE LIFE REGISTRY
donatelifeny.gov