PATIENT ACCESS IS IN JEOPARDY AS HOSPITALS FACE CONTINUED FISCAL AND WORKFORCE CHALLENGES

The findings of a fall 2023 survey of New York’s hospitals and health systems illustrate the urgent need for state and federal policymakers to take action to preserve New Yorkers’ access to care.

Fiscal distress remains widespread among New York hospitals.

76% of respondents reported negative or unsustainable operating margins in 2023. The median operating margin is negative 3.0%, even with some facilities receiving federal resources and supportive funding from the state.

Amid fiscal and other challenges, 68% of respondents report canceling capital projects in 2022 and/or 2023, and 41% expect to do so in 2024. Capital projects modernize critical patient care infrastructure and technology.

Public and commercial payers are failing New Yorkers.

In New York, Medicare and Medicaid pay for 71% of inpatient hospital discharges and 61% of outpatient visits. However, Medicare pays just 89 cents and Medicaid pays just 70 cents for every dollar of care provided by hospitals, leaving hospitals significantly and unsustainably under-reimbursed.

Meanwhile, negotiations with commercial insurers leave little opportunity to address escalating hospital expenses in a timely or meaningful way. While public payers are failing to cover the cost of care, private insurers are increasingly refusing to pay at all.

- 66% of hospitals report commercial insurers are increasing their prior authorization requests.
- 89% report commercial insurers are increasing their prior authorization denial rates.
- 60% report commercial insurers’ prior authorization requests have resulted in delayed patient access to care.
- 28% report a revenue loss of 5% or more associated with commercial insurers’ denials of care.

Adequate reimbursement from all payers is essential to preserving and expanding access to care.

Workforce shortages persist, while hospital expenses continue to rise.

- 98% of hospitals report nursing shortages, while 96% of hospitals report shortages in other clinical and non-clinical roles.
- If hospitals could fill current vacancies, 76% report they would increase the availability of existing services and/or increase staffing to reduce patient wait times.
- Contract labor, drug, energy, supply and overall labor costs have all increased faster than inflation since 2019.

Patient care access is diminishing amid unrelenting fiscal and workforce challenges.

State and federal policymakers must act now to maintain existing vital healthcare funding, bolster the healthcare workforce and enact sensible policy changes that enhance patients’ access to care.

Most importantly, state lawmakers must make a multi-year commitment to close the Medicaid funding gap.