

URGENT

New York's healthcare providers need bold action from lawmakers to ensure financial sustainability

Access to healthcare is in jeopardy as a severe fiscal crisis hammers our hospitals and nursing homes. This crisis is fueled by uncontrollable expense increases, chronic government underpayment, workforce shortages and insurance marketplace challenges. The financial stakes for hospitals just got higher with the April 1 implementation of the Medicaid pharmacy carve-out.

The Senate and Assembly one-house budget proposals reflect the fiscal realities facing healthcare providers. Lawmakers must continue to stand against the executive budget's proposed damaging policies and funding cuts. **Without bold action, healthcare services that New Yorkers rely on are at significant risk.**

The Legislature must stand firmly behind their proposals and enact critical healthcare investments:

■ Increase Medicaid rates by at least 10% for hospitals (inpatient and outpatient) and nursing homes

The Medicaid rate for hospitals and nursing homes has not been meaningfully increased in over 15 years. This chronic under-reimbursement for the care and services they provide is untenable and must be addressed to preserve access to care.

■ Permanently repeal the Medicaid pharmacy benefit carve-out and preserve 340B drug discounts for hospitals

This repeal would prevent damaging impacts to 340B participating hospitals and other providers and the patients they serve. If not repealed, the carve-out will strip an estimated \$525 million from hospitals' fiscal foundation alone.

■ Reverse the proposed Indigent Care Pool cut

The executive budget would cut \$85 million in Indigent Care Pool funding for many voluntary hospitals. Adding insult to injury, 53% of the 340B hospitals impacted by the Medicaid pharmacy benefit carve-out would also see reductions in their ICP support if this proposed cut is enacted.

■ Provide \$1 billion in supportive funding for financially struggling hospitals and nursing homes

This critical funding has been a lifeline for severely financially distressed providers. But the executive budget proposes to cut it by \$700 million in a year when even more financially distressed providers will need fiscal support. We strongly support a \$1 billion investment to restore the ill-advised cut and help the growing number of providers in severe fiscal distress stay above water.

We urge New York legislators to continue their fight to include these proposals in the final 2023-2024 state budget agreement. The future of our state's hospitals and health systems depends on their bold action.