

The SFY 2024-2025 budget must:

# CLOSE THE MEDICAID GAP

Decades of chronic Medicaid underpayment have taken their toll on hospitals and nursing homes. Medicaid pays hospitals just 70 cents for every dollar of care and nursing homes no more than 76 cents. This underpayment for critical healthcare services is destabilizing our providers, driving crisis-level financial conditions and putting more services and entire facilities at risk of closure.

### We must build on last year's rate increases.

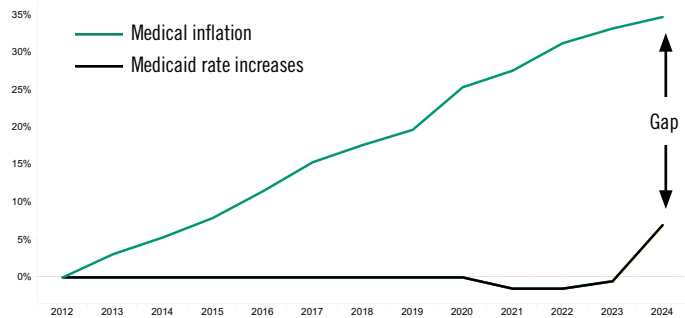
Last year's Medicaid rate increases were a good start. But they were diminished by other policy actions and labor conditions, and they failed to close the gap that is widening as providers' labor, drug, supply and equipment cost increases continue to outpace inflation.

### The 1115 waiver amendment will not solve hospitals' and nursing homes' fiscal challenges.

The state's 1115 waiver provides funding for important social care interventions. However, the waiver is not intended to and will not stabilize our hospitals and nursing homes across the state. Waiver resources dedicated to a hospital global budget initiative fund only a small group of hospitals and come at the expense of major cuts to an existing program that provides financial support to these and other financially distressed hospitals.

State legislators must act now to ensure the care New Yorkers have come to depend on will always be there when they need it. **HANYS urges the governor and state legislators to make a multi-year commitment to close the Medicaid funding gap, starting with a downpayment in the SFY 2024-2025 budget.**

Gap Between Medicaid Rate Increases for Hospitals and Nursing Homes and Medical Inflation (2012-2024)



The final SFY 2024-2025 budget must stabilize our hospitals and nursing homes.

New Yorkers depend on these healthcare providers to be there when they need them. Unrelenting fiscal and workforce pressures are threatening that expectation. We urge state policymakers to:

1. Take meaningful steps to close the Medicaid payment gap.
2. Reject the significant proposed Medicaid cuts to hospitals and nursing homes.
3. Enact policies that provide workforce and other critically needed relief at little or no cost to the state.