



*The collective voice of Long Island's not-for-profit and public hospitals*

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Kevin W. Dahill, President and CEO

#### Member Hospitals

Brookhaven Memorial Hospital Medical  
Center, *Patchogue*

Catholic Health Services of Long Island

- Good Samaritan Hospital Medical  
Center, *West Islip*
- New Island Hospital, *Bethpage*
- Mercy Medical Center, *Rockville  
Centre*
- St. Catherine of Siena Medical  
Center, *Smithtown*
- St. Charles Hospital, *Port Jefferson*
- St. Francis Hospital – The Heart  
Center, *Roslyn*

East End Health Alliance

- Eastern Long Island Hospital,  
*Greenport*
- Peconic Bay Medical Center,  
*Riverhead*
- Southampton Hospital,  
*Southampton*

Long Beach Medical Center, *Long Beach*

John T. Mather Memorial Hospital, *Port  
Jefferson*

Nassau University Medical Center, *East  
Meadow*

North Shore-Long Island Jewish Health  
System

- Franklin Hospital, *Valley Stream*
- Glen Cove Hospital, *Glen Cove*
- Huntington Hospital, *Huntington*
- North Shore University Hospital,  
*Manhasset*
- Plainview Hospital, *Plainview*
- Southside Hospital, *Bay Shore*
- Syosset Hospital, *Syosset*

Stony Brook University Hospital, *Stony  
Brook*

Veterans Affairs Medical Center,  
*Northport*

Winthrop South Nassau University  
Health System

- South Nassau Communities Hospital,  
*Oceanside*
- Winthrop-University Hospital,  
*Mineola*

## Assembly Republican Members from Nassau and Suffolk Counties

**Budget Hearing  
Friday, March 2, 2012**

**Theodore Roosevelt Executive and Legislative Building  
Mineola, New York**

**Comments presented by  
Kevin Dahill, President/CEO  
Nassau-Suffolk Hospital Council**

I am pleased to offer my comments about the Governor's proposed 2012 – 2013 budget to you this morning on behalf of Long Island's 24 hospitals.

At first glance it would appear that without new provider cuts in this proposed budget, hospitals would have less to worry about during this budget season. The truth is Long Island hospitals have more concerns related to policy recommendations in this budget and procedural changes taking place outside the budget than we expected and these policies threaten to undermine our missions to serve the residents of our two counties – Nassau and Suffolk. Lack of clarity regarding the governor's executive compensation and governance order, issues surrounding the continuing implementation of the Medicaid Redesign Team reforms, and efforts to diminish authority of the legislative branch all factor heavily into hospital administrators' abilities to budget and forecast reasonably, as providers and even employers.

Before I outline our concerns, let me take a moment to remind legislators about the cuts that will take place this upcoming fiscal year, even though they are not indicated in the current budget proposal. I am referring to the two-percent across-the-board Medicaid cuts that are a result of the two-year budget deal enacted last year. These cuts, valued at \$8.8 million last year, and an equivalent value in the upcoming year, are a direct hit to our hospitals.

In addition, our hospitals continue to work under the stricture of the Global Medicaid Spending Cap also enacted as part of last year's budget deal and continued into this year. Fortunately, that cap has not been breached, despite the fact that enrollment and utilization have steadily increased. If and when the cap is breached, the governor's current budget proposal continues the broad powers allotted to the commissioner of health to deal with this situation. That could mean more indiscriminate across-the-board Medicaid cuts to providers. That mechanism also means control over constituent concerns is taken out of the hands of you – the

legislators. Whether or not this cap will continue beyond this year is unknown, and this is also very troubling.

As you deliberate the 2012 – 2013 budget, please consider the following:

- The current proposed budget keeps its commitment from last year's budget for a four percent increase in total to Medicaid spending. However, this does not equate to a four percent reimbursement bump to providers; in fact, reimbursement rates have not increased in many years. This is a subtlety often lost on the public and even our legislators. The increase in Medicaid spending is absorbed by burgeoning enrollment in the Medicaid program and increased utilization of services. In the past year alone, Medicaid enrollment increased by more than 100,000.
- The Hospital Council has first-hand experience with this. As a facilitated enrollment agency authorized and funded by the state to screen individuals for their eligibility for Medicaid, Child Health Plus, and Family Health Plus, the Hospital Council continues to serve a much higher number of uninsured Long Islanders than before the start of the recession. On a daily basis our enrollers meet individuals – more often than not, people with middle income wages - who cannot afford health insurance or whose employers don't offer coverage or recently dropped coverage.
- The governor's proposed budget continues the existing readmissions penalty and the potentially preventable negative outcomes penalty, both based on budget targets rather than quality metrics.
- The governor's budget also proposes a new open-ended authorization for the Department of Health to institute an outpatient potentially preventable conditions policy. Whether this policy would be measured via sound quality metrics or against a pre-determined budget target is unknown.
- Hospitals already lose 26 cents on every dollar of Medicaid care they provide.
- LI hospitals are economic engines and sources of good paying, local jobs – about 91,960. The region's hospitals generate \$14.9 billion in economic activity. Unfavorable policy and budgetary decisions erode this sector's ability to help our local economy recover and grow.
- Health Insurance Exchange legislation needs to be enacted in order for our hospitals to appropriately plan for federal reform changes, to ensure that the health plans are structured appropriately for New York's market, and to draw down federal dollars to assist the state in its efforts.