



Nassau – Suffolk Hospital Council

Representing the not-for-profit hospitals serving the residents of Long Island
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OPPOSITION

Memorandum

April 11, 2003

RE: Adopting Local Law No. – 2003, A Local Law to establish Hospital Reporting Policy for indigent care in Suffolk County

TO: Members of the Health, Education & Youth Committee

This law will begin to touch upon the growing concern with health care for the indigent in Suffolk County; however, it will do so by solely burdening our hospitals with unfunded mandates to provide detailed data, which may in fact be misleading when analyzed. **The Nassau-Suffolk Hospital Council opposes this legislation, and urges that it be rejected.**

Charity care is only one measure of a hospital's commitment to community and indigent health care. Long Island's public and not-for-profit hospitals spend tens of millions of dollars each year to improve access to patient care, fund high tech and cutting edge equipment and therapies, update and replace aging health care facilities, educate public and healthcare professionals, promote prevention and screening, reach out to special populations, and advocate for healthier communities. Even the IRS doesn't solely review community benefits justifying tax exemptions on the basis of the amount of charity care provided. They recognize more complex and various community functions provided by our hospitals. Hospitals are required to develop a community plan with annual updates to explain how they meet their commitments.

At the suggestion of its member hospitals, the Nassau-Suffolk Hospital Council has been a Facilitated Enrollment grantee for Child Health and Family Health Plus since the inception of the program. This shows only some of their commitment to assisting those in need to have access to adequate healthcare services and insurance coverage.

This law will create new unfunded mandates that will duplicate other federal, state, and regulatory agencies' oversight of indigent care. In addition, these mandates are only targeted for the hospital sector, which is not the only health care provider with tax-exempt status. There is

concern about comparing an organization's commitment on narrowly defined measures that may communicate to the public that our commitment is less than found elsewhere in the state or nation, which is simply not true.

Presently, the hospitals do not have the data collection systems in place to respond to all requirements in the proposed law. The projected data requirements are both onerous and would add unfunded costs to an already fiscally strapped health care system. In addition, accountability mechanisms for charity care have been in place for years, but have not been quantified. There is no specific standard to evaluate the amount of charity care that should be provided, and no uniform accounting procedures for defining "charity care" from hospital to hospital.

All of the hospitals agree that Long Islanders deserve the finest health care. However, hospitals have finite resources, and the societal demand for health care services outstrips available resources. Government funding for uncompensated care is inadequate. Long Island Hospitals are reimbursed for only 50% of \$173 million dollars in care provided. This causes serious trade-offs in health care. Unless the size of the pie is expanded through increased government funding or higher insurance premiums, the health care system must allocate finite resources for a growing mission. These allocation decisions are not easy. For example, when you add critical systems that will reduce medical errors that improve quality and save money, how do you choose where those savings will be spent? Do you further commit to providing care that will benefit the indigent or do you meet the unfunded demands of emergency preparedness that will benefit all? Another example, how do you choose between replacing aging equipment and facilities or expanding charity care? These are tough choices that the boards of hospitals struggle with every day.

Developing a precept that is vague and sets an undefined standard to only one sector of many that provide health care to the indigent is not the answer. A collaborative public policy effort between the Suffolk County Department of Health, providers, insurers, and others should be established for the purpose of addressing the health care issues of the indigent and to advocate for changes that will be responsive to community needs.

If the data collection being mandated in the proposed legislation is provided to the Suffolk County Department of Health, the amount of resources, expertise, and funding needed to compile and evaluate the data will be substantial and cannot be done on the backs of hospitals already strapped for funding. **For this reason and other reasons sited in this memorandum, the Nassau-Suffolk Hospital Council opposes this bill and urges the Legislature to reject it.**