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FOR IMMEDIATE RELEASE

President Calls for Job Creation; Health Care Sector Viable Leader

Massive state budget cuts and imperiled national reform efforts threaten progress on LI

(Hauppauge, NY. . . January 28, 2010) Jobs and more jobs are needed to restart the economy, emphasized President Obama in his State of the Union address yesterday. However, he also noted that health care reform remains a priority of his administration and he is continuing to push for passage of landmark health care overhaul legislation in the immediate future. Here on Long Island, leading economists and health care experts agree that rekindling employment is key to jumpstarting the region's ailing economy, and they remain steadfast that the health care sector can lead this revival.

Efforts to achieve this revival are threatened, however, by Governor Paterson's proposed 2010 – 2011 budget that would slice another \$40 million in Medicaid revenue from Long Island's not-for-profit and public hospitals. This latest proposed cut follows a cumulative reduction of \$180 million that the region's hospitals endured during six previous rounds of budgets and deficit reduction plans, beginning in April 2008.

State labor and private industry reports have continually pointed to the health care sector as one that has added jobs throughout the recession. That glimmer of optimism would be extinguished, say Long Island's hospital leaders, if the Governor's budget proposals are adopted by the legislature.

"Most damaging is a proposal to increase the tax on inpatient hospital revenues and to make this tax permanent," said Kevin Dahill, president/CEO of the Nassau-Suffolk Hospital Council (NSHC), the association that represents Long Island's hospitals. "Our hospitals have scrambled these past two years to re-configure their budgets to retain as many hospital services and programs and hospital staff as possible. This new proposal, however, may leave them with no choice other than to reduce staff and close programs."

The health care sector has a broad range of jobs beyond those immediately related to direct patient care, such as administrative support functions and facility maintenance. Even more employment can be found in those industries that support the function of health care – information technology, medical supplies, and equipment manufacturing.

"The public needs to know that cuts to the health care sector will unravel any employment progress we have made and, even more importantly, that some local hospital-based services will disappear," said Dahill. National health care reform also has the potential to spur job growth in this region, maintains Dahill. "If we insure more people, there will be more demand for services. As the President referenced in his address, in the absence of reform, more will become uninsured, premiums will continue to rise, some will be denied services, and health costs will continue to escalate."

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