

NASSAU-SUFFOLK HOSPITAL COUNCIL, INC.

1383 Veterans Memorial Highway, Suite 26
Hauppauge, NY 11788
Phone 631-435-3000
Fax 631-435-2343
www.nshc.org

MEMBER HOSPITALS

Brookhaven Memorial Hospital Medical Center
East Patchogue

Catholic Health Services of Long Island

- **Good Samaritan Hospital Medical Center**
West Islip
- **Mercy Medical Center**
Rockville Centre
- **St. Catherine of Siena Medical Center**
Smithtown
- **St. Charles Hospital**
Port Jefferson
- **St. Francis Hospital**
Roslyn

Eastern Long Island Hospital
Greenport

Long Beach Medical Center
Long Beach

John T. Mather Memorial Hospital
Port Jefferson

Nassau University Medical Center
East Meadow

New Island Hospital
Bethpage

North Shore-Long Island Jewish Health System

- **Glen Cove Hospital**
- **North Shore University Hospital**
- **Plainview Hospital**
- **Syosset Hospital**
- **Franklin Hospital**
- **Huntington Hospital**
- **Southside Hospital**

Peconic Bay Medical Center
Riverhead

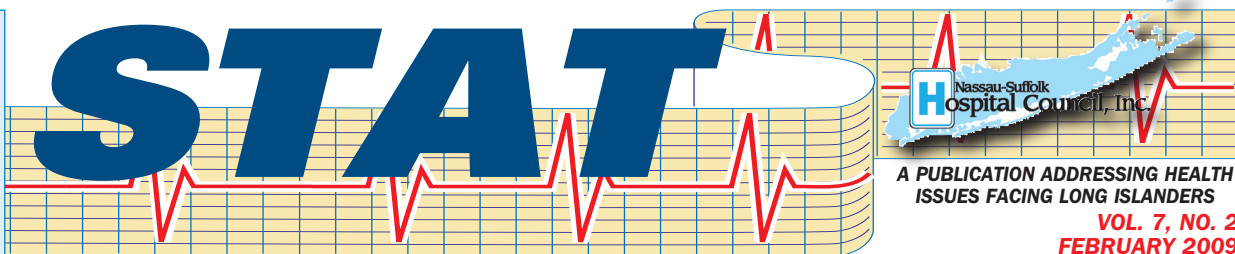
Southampton Hospital
Southampton

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



A PUBLICATION ADDRESSING HEALTH ISSUES FACING LONG ISLANDERS

VOL. 7, NO. 2
FEBRUARY 2009

Reversing Proposed Taxes

Governor Paterson has stated publicly that the roughly \$8 billion in FMAP (Federal Medical Assistance Percentage) money coming to New York State could be used to eliminate many of the taxes he proposed in his 2009-2010 budget. These myriad of charges include taxes on hair salon services, gym memberships, and soda. There is also a proposed new tax on hospitals – the gross receipts tax – that hospital administrators say should also be eliminated with funds from FMAP.

The gross receipts tax (GRT) is a surcharge on a hospital's total receipts, before accounting for expenses and overhead required to render the care. For Long Island, the Governor's proposed 0.7% tax would deliver the largest portion of provider cuts to hospitals, carving

\$42 million out of Medicaid revenue to hospitals.

"The gross receipts tax, in effect, penalizes hospitals for increased volume because it is a tax on the total amount," said Kevin Dahill, president/CEO of the Nassau-Suffolk Hospital Council. He noted that most of Long Island's hospitals are at or above peak capacity right now. Part of the surge is attributable to the rise of unemployed who are now uninsured and are turning to their community hospital.

"The Governor has talked about reversing the tax he recently imposed on commercial insurers. We think the proposed gross receipts tax should also be reversed, especially because most of Long Island's hospitals are not profitable or barely rise above the break even point," said Dahill.



From left: U.S. Representatives Tim Bishop, Carolyn McCarthy, and NSHC President/CEO Kevin Dahill meet with Long Island hospital leaders, earlier this month, to discuss elements of the federal economic recovery legislation.

Representatives Meet with LI Hospital Leaders

Economic stimulus bill and state Medicaid's fate dominate discussion

U.S. Representatives Tim Bishop and Carolyn McCarthy listened to hospital administrators' concerns early in February about threatened state Medicaid cuts their facilities face, as well as their hopes for other relief in the federal stimulus package. At the very least, hospital administrators request that the Governor use the Medicaid funds in the stimulus to wipe out his proposed \$64 million in Medicaid reimbursement cuts to the region's hospitals. The Nassau-Suffolk Hospital Council (NSHC) hosted the Issues Briefing. NSHC is the organization that represents Long Island's hospitals.

"Affordable, quality health care is key to growth in the economy and the economic security of our families," Congressman Bishop said. "That is why I am working with Long Island's health care leaders to make sure that in addition to investing in infrastructure, we are also taking care of our hospitals."

"This is the time that money has to go in," Congresswoman McCarthy said. "Health care and infrastructure

are two main parts of the stimulus bill. In health care we have to make sure no one is laid off and Medicaid patients are taken care of. If someone gets sick they go to a hospital and the hospital has to get paid."

"Economic stimulus money will translate into local jobs, at least in the health care sector, if the Governor and legislature direct that money toward closing the Medicaid budget hole," said Kevin Dahill, president/CEO of the NSHC. "Hospitals provide 85,000 jobs and fuel local economies with \$13 billion in residual spending."

Dahill warns that the \$64 million in Medicaid reimbursement cuts to this region will have the adverse effect of stagnating the local economy through staff reductions and program closures.

Long Islanders can log onto the website www.helppyourhospital.org and enter their zip codes to get a dollar and cents view of what these cuts mean to their local hospitals and communities.