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MEMBER HOSPITALS

**Brookhaven Memorial
Hospital Medical Center**
East Patchogue

**Catholic Health Services
of Long Island**

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

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

**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**
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**Nassau-Suffolk
Hospital Council, Inc.**

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State Legislators Called to Special Session

Budget impasse exceeds 100 days

Governor Paterson has called a special legislative session for Wednesday, July 28, to finish the state's budget business. The Assembly passed a revenue budget bill before it adjourned for the July 4th recess, but the Senate did not have the votes to pass the revenue bill. The funding gap is estimated to be anywhere from \$400 million to \$1 billion, not including the \$1 billion contingency fund that the Governor is also seeking in case Congress fails to extend the Federal Medical Assistance Percentage (FMAP). Law requires that the budget gap be closed.

It is uncertain what funding mechanisms may come into play during this session to close this gap. Long Island's hospital leaders say their industry has absorbed billions in Medicaid cuts and taxes since 2008 and the industry has done its part in helping to solve the state's fiscal crisis. Twenty-one million in cuts to Long Island hospitals occurred as recently as early June, when Governor Paterson's extender bill imposed Medicaid cuts through indigent care fund reductions, elimination of the Medicaid trend factor (a previously legislated payment adjustment tied to inflation), and cuts to payments for preventable readmissions.

Doc Pay Cut Averted, But Critical Policy, Funding Issues Remain

Although Congress approved and President Obama signed a 2.2 percent Medicare pay increase for physicians late in June, avoiding a previously legislated 21.2 percent Medicare physician pay cut, the fix is temporary and will be revisited in six months. Additionally, in the very near term, three other federal issues need resolution.

- FMAP extension
- Proposed rule to apply an additional 2.9 percent cut to 2011 Medicare inpatient reimbursement rates
- Meaningful use rule and its implication on hospitals seeking federal stimulus dollars for IT adoption

Representatives from the Nassau-Suffolk Hospital Council traveled to Washington DC July 15 to press for closure on these issues. The American Hospital Association led Advocacy Day was also coordinated by the Healthcare Association of New York State's Washington DC office.

Hospital administrators remain very concerned about the imposition of any gross receipts tax (GRT) on inpatient services and the fate of FMAP money. FMAP money expires December 31, 2010, yet New York and many other states have factored an extension of this money into their 2010 – 2011 budgets. The legislature and governor are at odds concerning the development of a contingency plan should the FMAP money not be forthcoming.

The Governor and legislature remain apart on other items such as SUNY/CUNY tuition autonomy and a four percent property tax cap from schools and local governments.

Special Medicare Benefit Receives Legislature's Approval Despite Budget Stalemate

Before adjourning for the July recess, the state legislature passed an expansion of the transitional care unit (TCU) demonstration project. The five current demonstration sites will remain, including the TCU at John T. Mather Hospital in Port Jefferson. In addition, the legislation nullifies the sunset dates previously placed on the demonstration programs. It also adds 13 more sites for a total of 18 throughout the state.

The Nassau-Suffolk Hospital Council (NSHC) and the Northern Metropolitan Hospital Association (NorMet) fought vigorously for years for this expansion. The NSHC and NorMet recently formalized their advocacy collaborative, the Suburban Health Care Alliance, through the appointment of Kevin Dahill as the dual CEO. Dahill says their advocacy group faced stiff opposition from the nursing home industry, but prevailed because the level of care provided in a hospital-based TCU is different from that offered at a nursing facility. TCUs provide interim care for Medicare beneficiaries whose acute conditions have been stabilized but who are not well enough to be discharged or transferred to a nursing home. Stays are a minimum of five days to a maximum of 21.