



UPSTATE NY
HEALTHCARE COALITION

March 19, 2020

Honorable Andrew M. Cuomo
Governor of the State of New York
Executive Chamber, State Capitol Building
Albany, New York 12224

Dear Honorable Andrew M. Cuomo:

The Upstate New York Healthcare Coalition, representing over 69 hospitals and healthcare systems in 41 counties of upstate New York, writes to urge you to reconsider the Medicaid Redesign Team II (MRT) savings package sent to you today for incorporation in the final, adopted state budget. The MRT package includes proposals that adversely affect upstate New York's hospitals and long-term care providers.

These recommendations would significantly reduce funding to support upstate hospitals and healthcare systems, as well as long-term care providers at a time when the healthcare delivery system is responding to a public health crisis, placing strain on the state's healthcare providers.

Collectively, the proposals would reduce spending for New York's hospitals by \$399 million in state fiscal year 2021, which would increase to \$459 million in fiscal year 2022.

Savings proposals impacting hospitals include:

- Increasing and making permanent the 1% across-the-board New Year's Eve Medicaid cut to 1.875%. This would translate into a \$219 million across-the-board Medicaid payment reduction to health care providers. Combined with the New Year's Eve cut, this will result in a \$467 million reduction in Medicaid rates.

- Modifying Indigent Care Pool (ICP) distributions, including:
 - reducing the ICP voluntary pool by reducing distributions to hospitals with less than the statewide average in government pay revenue;
 - eliminating the transition adjustment or "collar"; and
 - eliminating ICP pool for public hospitals.
- Targeting long-term care providers, which would result in a \$674 million in payment reductions across home care and nursing home programs.

We urge you to reconsider implementing any cuts to our hospitals and health systems during the COVID-19 international pandemic in which hospitals are the epicenter of public health and safety. These non-profit institutions are facing significant pressures and demand in hospital surge capacity, COVID-19 testing capabilities and supplies, Personal Protection Equipment (PPE) and ventilator shortages, childcare for healthcare workers, and anticipated revenue losses.

For these reasons, we respectfully ask the Governor and New York State Legislature to reject any MRT II savings proposals adversely affecting New York's hospitals and health systems now or in the future.

Sincerely,



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