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November 9, 2018

Andrew Cuomo, Governor
Executive Chamber
State Capitol
Albany, NY 12224

Re: Health Care Transformation Fund

Dear Governor Cuomo:

I am writing in regard to the Health Care Transformation Fund that was created in the 2018 budget. State Finance Law § 92-hh requires that the funds be used “to support health care delivery, including for capital investment, debt retirement or restructuring, housing and other social determinants of health, or transitional operating support to health care providers.” The administration has proposed to allocate \$675 million to implement a Medicaid rate increase for hospitals and nursing homes. I urge that the State’s use of the rest of the Fund include substantial investment in community-based providers and the intensifying workforce crisis that threatens the stability of the health care system.

Primary care, behavioral health, hospice, and community-based health care services improve population health and outcomes and save lives and money. Yet workforce shortages threaten access to those services. Community-based care is often a lower-cost alternative to institutional care, and it is a vital support to the acute care system. When patients cannot get care until their conditions are so acute that their only choice is the emergency room, patients, communities, and hospitals suffer. When fast food restaurants pay a higher wage than home care agencies or the local behavioral health clinic, patients, communities, and hospitals suffer.

I urge that the State allocate at least \$169 million of the Health Care Transformation Fund to community providers to enable them to retain and attract the workforce we need for a stable and efficient health care system. This would be only 25% of the amount allocated for hospitals and nursing homes.

Very truly yours,

Richard N. Gottfried
Chair, Committee on Health

cc: Robert Mujica
Paul Francis
Howard Zucker, MD, JD