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FOR IMMEDIATE RELEASE

LI Legislators/Hospital Leaders Face Daunting Budget Deficit

\$46.8 million in Medicaid cuts and new taxes headed this way

(Hauppauge, NY ... March 17, 2010) State legislators from Long Island met with hospital CEOs on Friday, March 12, 2010 to figure out ways to deal with the looming multi-million dollar state budget deficit and the projected new taxes and Medicaid cuts hospitals in this region will endure, if the Governor's proposed 2010- 2011 state budget is approved by the legislature. The briefing was sponsored by the Nassau-Suffolk Hospital Council (NSHC), the association that represents Long Island's not-for-profit and public hospitals. With just about two weeks to go before the new state fiscal year begins April 1, legislators know it is crucial to be well-informed about the issues affecting each of their constituencies.

An increase in the tax on inpatient hospital services accounts for nearly half of the proposed \$46.8 million in cuts and taxes in the executive budget. This measure would have the most profound impact on the region's hospitals, according to Hospital Council president/CEO Kevin Dahill, "The gross receipts tax (GRT) proportionately hits Long Island harder than any other region in the state."

"Ultimately, all of these cuts convert to loss of jobs or jobs that would be there. Most hospitals have put substantial infrastructure projects on hold," said Joseph Quagliata, president/CEO of South Nassau Communities Hospital and current chairman of the Healthcare Association of New York State (HANYS).

Loss of jobs also translates into loss of employer-provided health benefits, explained Dahill. That's why a cut of \$20.3 million to Long Island hospitals' indigent care funding is illogical at this time, added Dahill. The proposed statewide cut to the pool is \$187 million. The indigent care fund provides a 50 percent reimbursement to hospitals for care that is not covered by any insurance, public or private.

Dahill's sentiments were echoed by Douglas Melzer, CEO of Long Beach Medical Center who said, "It is incongruous that the state seeks these cuts when the community needs us now more than ever before."

"We need to form partnerships so we can work through this storm together and return to core services," said State Senator Kemp Hannon.

One service on the chopping block is Long Island's Poison Control Center hosted by Winthrop-University Hospital. The center is a regional resource for the public and other hospitals and is the only such center on Long Island.

The state could possibly receive \$3.3 million through FMAP, the federal medical assistance program, which is part of the federal jobs bill. State lawmakers said they would discuss using FMAP money for Medicaid this year. Last year, only about 20 percent of the FMAP allocation to New York State was used to offset Medicaid cuts and taxes.

(MORE ... See Photos on Page 2 and 3)



Assemblyman Michael Fitzpatrick (left) discussing impacts of proposed state Medicaid cuts and taxes on hospitals in his district with Nassau-Suffolk Hospital Council President/CEO Kevin Dahill.



(At table from left) Alan Guerci MD, President/CEO of Mercy Medical Center (Rockville Centre) and St. Francis Hospital (Roslyn); Sharon Kennish, Executive Director of St. Catherine of Siena Medical Center (Smithtown); James O'Connor, Executive Vice President of St. Charles Hospital (Port Jefferson); and Charles Bove, Chief Administrative Officer of Good Samaritan Hospital Medical Center (West Islip). The group represents senior leadership of the five Catholic Health Services of Long Island hospitals located in Nassau and Suffolk counties. Each hospital stands to lose millions in the Governor's proposed 2010 – 2011 budget.

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