



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

*The collective voice of Long Island's
not-for-profit and public hospitals*

STATEMENT BY KEVIN DAHILL, PRESIDENT/CEO
NASSAU-SUFFOLK HOSPITAL COUNCIL

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Governor Paterson's Proposed 2009 – 2010 State Budget

“The Governor is proposing Medicaid cuts to hospitals on Long Island in excess of \$70 million which, when one factors in the federal matching share, hit Long Island hospitals with about \$140 million in Medicaid cuts. Although all sectors of industry, private and public, will experience cuts, Long Island's hospitals shoulder a heavier burden because of Medicaid's state/federal funding mechanism. That is why it is imperative that the Governor and state legislature move cautiously through the budget process, because there could be some Medicaid relief from Washington in the economic stimulus package the new President and Congress are developing. Specifically, Medicaid relief could come relatively quickly in the form of an increase in the Federal Medical Assistance Percentage (FMAP).

Additionally, the Governor and state legislature must keep in mind that Long Island's hospitals - and indeed hospitals throughout the state - are economic engines in their local communities. On Long Island, hospitals employ 82,000 individuals and add nearly \$13 billion to the local economy through income tax revenue, direct hospital spending, and indirect spending by hospital employees. Medicaid reimbursement cuts will short-circuit this economic engine, just at a time when our region needs economic stimulus.

Long Island's hospitals realize this economic crisis is shared by everyone and that we must all do our part to resolve it. In the coming days, my association will examine the Governor's proposed budget in detail to determine its impact on specific institutions. In particular, we will be looking at the state's plan to re-allocate certain inpatient funds to outpatient services and the acceleration of detox reimbursement reform.

The Nassau-Suffolk Hospital Council represents Long Island's 24 not-for-profit and public hospitals. Its goal is to enhance health care for all Long Islanders through its advocacy efforts with lawmakers, regulatory agencies, the media, and the public. To schedule an interview with Kevin Dahill, please contact Janine Logan, director of communications, at 631-963-4156; cell: 631-334-8321; e-mail jlogan@nshc.org.

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