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Nassau-Suffolk Hospital Council, Inc.

A PUBLICATION ADDRESSING HEALTH ISSUES FACING LONG ISLANDERS  
**VOL. 6, NO. 1**  
**JANUARY/FEBRUARY 2008**

## MEMBER HOSPITALS

- Brookhaven Memorial Hospital Medical Center**  
 East Patchogue
- Catholic Health Services of Long Island**
- **Good Samaritan Hospital Medical Center**  
West Islip
  - **Mercy Medical Center**  
Rockville Centre
  - **St. Catherine of Siena Medical Center**  
Smithtown
  - **St. Charles Hospital**  
Port Jefferson
  - **St. Francis Hospital**  
Roslyn
- Eastern Long Island Hospital**  
 Greenport
- Long Beach Medical Center**  
 Long Beach
- John T. Mather Memorial Hospital**  
 Port Jefferson
- Nassau University Medical Center**  
 East Meadow
- New Island Hospital**  
 Bethpage
- North Shore-Long Island Jewish Health System**
- **Glen Cove Hospital**
  - **North Shore University Hospital**
  - **Plainview Hospital**
  - **Syosset Hospital**
  - **Franklin Hospital**
  - **Huntington Hospital**
  - **Southside Hospital**
- Peconic Bay Medical Center**  
 Riverhead
- Southampton Hospital**  
 Southampton
- 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**  
Mineola

## State Budget Impact Remains Unclear for Hospitals

Long Island's hospital industry and state legislative delegation continue to digest the proposals set forth in Governor Spitzer's 2008 - 2009 budget, though these efforts are hampered by a lack of information from the Department of Health.

Hospital administrators say the complexity of the reforms proposed in this budget would result in a major re-distribution of funds for Medicaid inpatient services, charity care, and Graduate Medical Education. To date, the Department of Health has refused to make public the data necessary for hospital associations to determine the impact of the budget proposals on individual facilities, but hospital leaders believe that some facilities would fare better and some worse.

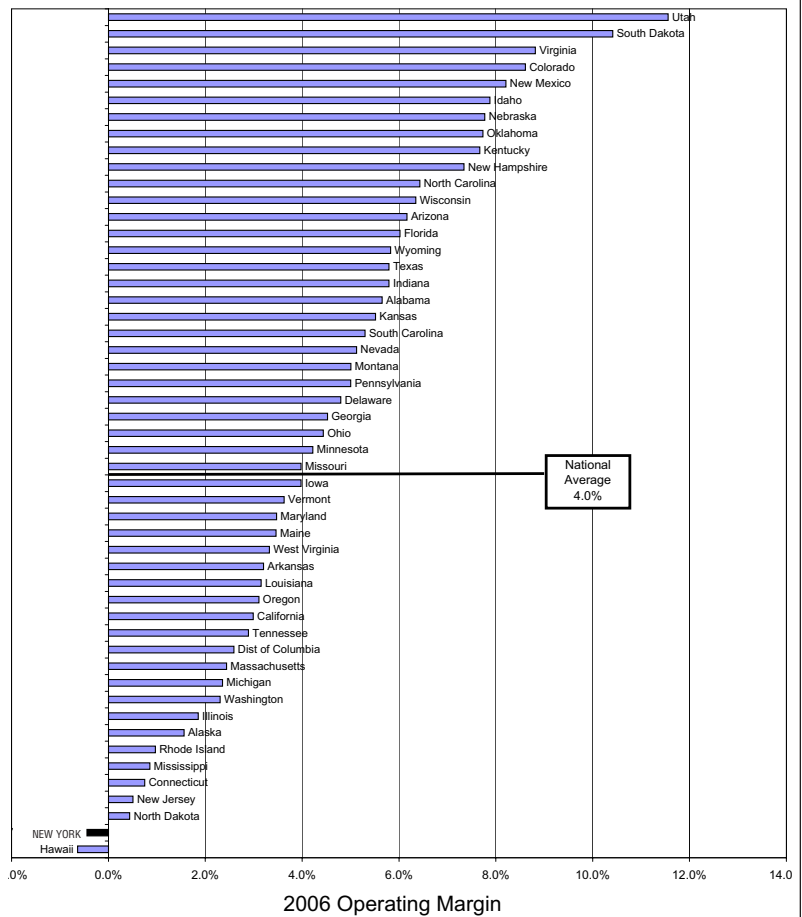
The policy changes related to re-distribution of funds would allow the state to invest in other areas of care, namely outpatient services and ambulatory surgery, with increases in rates going to these areas. Yet, it is still unclear exactly how much money would be saved or re-directed, given rate reimbursement formula changes, say hospital leaders.

"This budget is highly policy-oriented and proposes a variety of very technical, multi-level, and multi-year changes that are extremely difficult to assess at this juncture," said Kevin Dahill, president and CEO of the Nassau-Suffolk Hospital Council (NSHC), the association that represents Long Island's 24 not-for-profit and public hospitals. "The Governor wants to completely revamp the reimbursement structure for ambulatory services, requiring hospitals to adopt new software technology in time for a July implementation. I have concerns about that timetable and making such a massive change within a budget process."

Hospital administrators agree, however, that some of the Governor's initiatives outlined in his budget are positive. These include:

- Making investments in primary and preventive care
- Expanding Child Health Plus
- Modernizing segments of the Medicaid reimbursement rate structure
- Targeting health maintenance organization and pharmaceutical company profits
- Providing funds to address physician shortages in many areas of the state

### New York State's 2006 Operating Margin is Second Worst in the Nation



Data Source: American Hospital Association - "Hospital Statistics 2008"

**New York's not-for-profit hospitals posted a -0.4% average operating margin for 2006 - well below the 4% operating margin recommended by economists for not-for-profit organizations. Hospital industry leaders contend that state budget proposals and reforms must consider this fragile situation.**

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