



MID-TERM ELECTION UPDATE: Impact of Suburban Regions

Results of the November 6th mid-term elections reflected the priorities of voters from suburban districts, which include among other concerns, worry about continued coverage for pre-existing conditions and overall healthcare costs. In a Kaiser Health Poll released shortly before the election, healthcare was the top issue on a majority of voters' minds.

The construct of the State Legislature and the 116th Congress will present both opportunities and obstacles for hospitals in 2019, say hospital advocates. With Democratic control of both the State Senate and the Assembly, as well as the governorship, the issues of single payer healthcare and mandated nurse staffing ratios will be prominent. With a Democratic House of Representatives, a balance of power in Washington DC is reinstated. As a result, efforts to repeal the Affordable Care Act (ACA) will likely end.

State Level: Hospitals continue to oppose a single payer system in New York State, pointing to public insurance reimbursements that are already below the cost of care. According to the Healthcare Association of New York State (HANYS), Medicaid pays only 74 cents on the dollar. The New York Health Act passed by the Assembly in the last several legislative sessions, though it was never taken up in the Senate; this may change now that the Senate is under Democratic control. However, Governor Cuomo has indicated that instituting single payer is difficult and expensive to implement at the state level. According to a RAND report released in the summer, the proposal would cost the state an additional \$139 billion – a 156 percent increase over the state's total projected tax revenue. Further, the plan relies upon the state obtaining waivers from the federal government from Medicare, Medicaid, and the Children's Health Insurance Program, with the federal government giving the state the funding it would have spent to cover New Yorkers in these programs; that is extremely unlikely to happen. The high cost of such a plan would have ramifications among taxpayers and businesses in many suburban regions, and that is a concern facing both Democrats and Republicans.

Mandated nurse staffing ratios also present hospitals with fiscal concerns. HANYS' analysis pegs the cost at nearly \$3 billion annually to New York's hospitals and nursing homes. Such ratios have been shown to not improve care in the only other state – California – that has such ratios in place. More importantly, such restrictive laws would prevent experienced local clinicians from making the appropriate staffing decisions to meet the needs of each and every patient, taking into account patient mix and acuity and surge capacity concerns. Research has shown that the combination of higher levels of nurse education, the use of evidence-based criteria, and an appropriate mix of staff of all levels are critical to quality care. Hospital administrators also note that staffing costs to fulfill such workforce mandates would have a detrimental effect on ancillary support staff, as hospitals would be forced to downsize the workforce. Hospital advocates will be challenged on this issue, but again, the issue's high costs make it a local suburban issue, as hospitals are major employers and economic contributors in their local communities – a fact that transcends partisanship.

Kevin Dahill, president/CEO of the Suburban Hospital Alliance of New York State, said that one huge detriment for all, regardless of one's party affiliation, is the loss of State Senator Kemp Hannon. "Senator Hannon, who chaired the Health Committee for 24 years, had a detailed understanding of health policy at every level. Hospitals appreciate all he has done to advance healthcare for all the people of New York State. He will be greatly missed, but we are eager to work with the incoming chair to ensure reasonable healthcare policy continues."

Federal Level: The ACA may be safe from repeal, but White House efforts to undermine the law through regulation and executive order will continue. Lowering drug pricing is one issue that enjoys bi-partisan interest. We may see legislation emerge in this area, predict hospital advocates.

In the meantime, during the lame duck session, the current members of Congress will face another funding deadline on December 7, 2018. Funding for all departments, except for Defense, Education, and Health and Human Services, expires this day. It could force another debate about the deficit and maybe a shutdown.

During the remaining weeks of this Congress, members will elect their leadership teams and committee chairs. Final Senate committee assignments will likely not be determined until January 2019.

Permission to reprint granted.