



STAT News

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FEDERAL UPDATE: Hospitals Fear Funding Cuts

DSH Cuts. New York's hospitals face more than \$7 billion in Medicaid cuts through 2025, if scheduled Disproportionate Share Hospital (DSH) cuts take effect October 1, 2019. Three-quarters of the House membership signed on to a letter urging House leadership to prioritize the DSH funding issue. In New York, 26 out of 27 House congressional members signed on, with only Rep. Chris Collins declining to add his name. The letter calls for the delay of DSH cuts for at least two federal fiscal years. DSH funds help cover the costs incurred by hospitals that serve a disproportionate number of Medicaid and uninsured patients. Medicaid pays only 73 cents for each dollar of care provided. All hospitals in New York State receive some level of DSH funding. Although the ACA resulted in more Medicaid enrollees, it also resulted in more Medicaid losses for hospitals - from \$3.8 billion in 2013 to \$5.5 billion in 2015.

Addressing the Physician Shortage. The Opioid Workforce Act of 2019 would provide for an additional 1,000 Medicare-supported residency positions in substance use disorder medicine, psychiatry or pain management. New York Rep. Elise Stefanik is a co-lead of this bi-partisan legislation. The legislation builds on the Resident Physician Shortage Reduction Act, which would add 15,000 Medicare residency slots in teaching hospitals over five years. The Association of American Medical Colleges projects a shortfall of up to 121,300 physicians by 2030. Graduate Medical Education (GME) is how the government partially funds, through the Medicare program, the hands-on training of the next generation of physicians at teaching hospitals.

Medicare for All Hearing. The first ever official congressional hearing on Medicare for All recently took place in the House Rules Committee. Although this committee has no jurisdiction to craft healthcare legislation, the hearing is significant in that the issue of establishing a national health insurance program has entered the congressional conversation. The Medicare for All Act of 2019 would also make it unlawful for a private health insurer or employer to provide the same benefits as the new program and would pay for hospitals' services under a global budget, among other provisions. That type of budgeting will result in reduced reimbursement to hospitals, say hospital leaders. They further note that Medicare already underpays for the cost of care at about 84 cents on the dollar.

ACA Court Challenge. On May 1, 2019, the Department of Justice asked the U.S. Court of Appeals for the 5th Circuit to overturn the Affordable Care Act based on a Texas federal judge's ruling in December 2018 that the ACA was unconstitutional. That judge determined the removal of the tax penalty for those without insurance, as outlined in the 2017 Tax Cuts and Jobs Act, effectively eliminates the individual mandate and renders the ACA unconstitutional. The December 2018 court decision is currently being challenged by a coalition of state attorneys general, as well as healthcare associations in New York State.

STATE UPDATE: Flu Subsidies, Measles Intensifies

Flu Inactive. State Health Commissioner Howard Zucker announced on May 3, 2019 that flu is no longer prevalent in New York State. Healthcare workers who were not vaccinated against the flu no longer have to wear protective masks when around patients. At season's end, there were 128,020 cases of confirmed flu and 23,318 people hospitalized.

Measles Outbreak. As of Monday, May 6, 2019, there are 253 confirmed cases of measles in New York State outside of New York City. These are concentrated in Rockland County with 215 cases followed by 24 in Orange County, 10 in Westchester County, 2 in Sullivan County, 1 in Suffolk County and 1 in Greene County. Assembly leaders recently conferred about a bill to end religious and non-medical exemptions for vaccinations. In 2000, measles was declared eliminated from the United States. The disease is highly contagious via airborne transmission, but highly preventable via vaccination. Hospitals remain vigilant during this outbreak, screening for measles when appropriate, reporting suspected cases to local and state health authorities, assessing immunization status of healthcare personnel, and reviewing guidance for managing measles. For more information call the New York State Measles Hotline at 888-364-4837.

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