

Medicaid **Medicaid Matters New York** *Matters*

MEMORANDUM IN SUPPORT

A.6677-A, Gottfried / S.5546, Rivera

AN ACT to amend the Public Health Law, in relation to the general hospital indigent care pool, hospital reimbursements and adjustments to medical assistance rates to enhanced safety net hospitals; and to amend Chapter 474 of the Laws of 1996 amending the Education Law and other laws relating to rates for residential health care facilities, in relation to extending the effectiveness of such rates.

Medicaid Matters New York is a statewide coalition of consumers, advocates, and organizations representing the interests of the over six million New Yorkers who are served by the Medicaid program. Medicaid Matters is unique in that it is the only statewide entity that focuses its advocacy solely on the interests of Medicaid beneficiaries.

Medicaid Matters strongly supports A.6677-A/S.5546, which would ensure indigent care funding - also referred to as hospital charity care funding - is allocated to hospitals that provide the most care to low-income New Yorkers.

New York must ensure that funding distributed from the indigent care pool (ICP) - over \$1 billion - is used to support hospitals which provide the most care to people who are uninsured or with Medicaid coverage.

First, the bill would fully implement improvements made to the ICP distribution in 2012. In the past, hospitals reported uncompensated care amounts that included bad debt, which meant they were pursuing patients for those payments and seeking State compensation at the same time. When this was fixed, the State created a temporary transition collar that limited the amount of money hospitals could lose until they had time to adjust to the new formula. However, that transition collar has been extended three times. The transition collar destabilizes hospitals that take care of low-income New Yorkers in order to provide more funding to hospitals that do not, and it should end.

Second, the bill would make other improvements to the formula to ensure that indigent care funding is distributed based on need. This redistribution would not create new spending. Instead it would be a more effective way of using existing funding to support a robust safety net, as is the intent of the indigent care pool.

For the above reasons, Medicaid Matters strongly urges the Legislature to approve this bill.