The time to act is now—let's work to get the safety net funding going where it is needed!

Your support is needed to right a long-time wrong. We are all in support of the redirection of public funds, the Indigent Care Pool, going to the hospitals—both urban and rural—that are providing health care for low-income, people with disabilities, and communities of color. There are rich hospitals getting money from this pool while making profits and poorer hospitals not getting enough money to provide the care that they do. This has been the case for many years and must be turned around. It was the case before, but if nothing else showed us this disparity, the Corona virus pandemic made it too, too evident.

Please review the attached one-page information sheet and the legislative language that would make this change. We will be meeting with state legislators to get these changes introduced.

Please use the sign-on sheet to allow us to add your name/ organization's name to this list. Also please let us know what you/your organization is willing to do to help us accomplish this much needed change.

Google Sign-on Form: Community statement on the redistribution of public funding to protect true safety-net hospitals

January 2023

The time is now to make important changes to New York State's funding for healthcare for vulnerable communities!

Some hospitals serve a disproportionate number of Medicaid and uninsured patients. These essential safety-net hospitals are cash strapped and struggle to provide quality care. New York State offers a series of programs using Local, State and Federal dollars. One of these programs is the **indigent care pool** which makes payments to hospitals to cover uncompensated care costs. Medicaid rates in the State only cover 67% of the costs. There continues to be a large population of uninsured people who are essential workers and rely on safety-net hospitals for their care. The **indigent care pool** helps to keep the safety net viable.

However, New York State has chosen to award nearly all hospitals in the State **indigent care pool** funds. Some hospitals have large budget surpluses, pay their executives multi-million-dollar salaries, and limit access to their services to people who are uninsured or have Medicaid and still receive **indigent care pool** dollars.

1. The **purpose** of these changes is to address the problems with the Indigent Care Pool.
    - New York State's Indigent Care Pool funds most hospitals while other States focus on the highest need hospitals only. Higher margin hospitals that provide care mostly to privately insured consumers have surplus income but still receive scarce pool dollars.
    - The pool limits public hospitals to $139.4 million based on decades-old data.
    - Hospitals that provide access to services for Medicaid and uninsured patients have low or negative margins and have cash flow and budget problems.
    - Racial and ethnic inequities in the distribution, quality of services, and barriers to access for Medicaid and uninsured patients to a continuum of services persist.
2. The **Objective** of the changes is to achieve the following.
    - Extend the changes made to the pool in 2019 indefinitely. They are:
        i. Cut the higher margin hospitals by $150 million.
        ii. Eliminate the transition collar.
        iii. Provide $64.6 million to essential safety net hospitals to restore losses from the elimination of the transition collar.
    - Additionally, changes would achieve the following.
        i. Increase the cut to higher-margin hospitals by an additional $100 million for a total of $250 million.
        ii. Increase the public pool by $60.6 million, from $139.4 million to $200 million.
        iii. Make permanent the essential safety net status of the hospitals designated to receive restoration of $64.6 million due to the loss of the transition collar.
        iv. Add $39.4 million to create a special allocation based on a methodology created by the Commissioner of Health for "qualified safety net" hospitals.

,400Per your request, below is the language
* 5-d. (a) Notwithstanding any inconsistent provision of this section, section twenty-eight hundred seven-w of this article or any other contrary provision of law, and subject to the availability of federal financial participation, for periods on and after ~~January first, two thousand twenty, through March thirty-first,~~ **April first, two thousand and twenty-three** all funds available for distribution pursuant to this section, except for funds distributed pursuant to subparagraph (v) of paragraph (b) of subdivision five-b of this section, and all funds available for distribution pursuant to section twenty-eight hundred seven-w of this article, shall be reserved and set aside and distributed in accordance with the provisions of this subdivision.

(b) The commissioner shall promulgate regulations, and may promulgate emergency regulations, establishing methodologies for the distribution of funds as described in paragraph (a) of this subdivision and such regulations shall include, but not be limited to, the following:

(i) Such regulations shall establish methodologies for determining each facility's relative uncompensated care need amount based on uninsured inpatient and outpatient units of service from the cost reporting year two years prior to the distribution year, multiplied by the applicable medicaid rates in effect January first of the distribution year, as summed and adjusted by a statewide cost adjustment factor and reduced by the sum of all payment amounts collected from such uninsured patients, and as further adjusted by application of a nominal need computation that shall take into account each facility's medicaid inpatient share.

(ii) Annual distributions pursuant to such regulations for the **period on or after April first** two thousand **twenty-three** ~~through two thousand twenty-two calendar years~~ shall be in accord with the following:

(A) ~~one hundred thirty-nine million four hundred thousand dollars~~ **two hundred million dollars shall** be distributed as Medicaid Disproportionate Share Hospital ("DSH") payments to major public general hospitals; and

(B) ~~nine hundred sixty-nine million nine hundred thousand dollars~~ **nine hundred and nine million three hundred thousand dollars** as Medicaid DSH payments to eligible general hospitals, other than major public general hospitals.

For the calendar years **on or after April first** two thousand twenty-**three** ~~through two thousand twenty-two~~, the total distributions to eligible general hospitals, other than major public general hospitals, shall be subject to an aggregate reduction of ~~one hundred fifty million~~ **two hundred fifty million** dollars annually, provided that eligible general hospitals, other than major public general hospitals, that qualify as enhanced safety net hospitals under section two thousand eight hundred seven-c of this article shall not be subject to such reduction.

Such reduction shall be determined by a methodology to be established by the commissioner. Such methodology may take into account the payor mix of each non-public general hospital, including the percentage of inpatient days paid by Medicaid.

(iii) For calendar years **on or after** two thousand twenty-**three** ~~through two thousand twenty-two,~~ sixty-four million six hundred thousand dollars shall be

distributed to eligible general hospitals, other than major public general hospitals, that experience a reduction in indigent care pool payments pursuant to this subdivision, and that qualify as enhanced safety net hospitals under section two thousand eight hundred seven-c of this article as of **April first, two thousand twenty**. Such distribution shall be established pursuant to regulations promulgated by the commissioner and shall be proportional to the reduction experienced by the facility.

(iiib) Thirty nine million four hundred thousand dollars shall be distributed to the "qualified safety net" hospitals as defined as all public and non-public inpatient facilities with at least 36% of inpatient/outpatient services attributed to Medicaid and uninsured patients, and no more than 20% of inpatient services attributed to commercial patients. Facilities in this category must also not be a sole community hospital, critical access hospital, specialty hospital, or part of a non-public hospital system with $10 billion or more in annual total patient revenue. The Department shall develop a methodology to distribute said funds.

(iv) Such regulations shall reserve one percent of the funds available for distribution in the two thousand fourteen and two thousand fifteen calendar years, and for calendar years thereafter, pursuant to this subdivision, subdivision fourteen-f of section twenty-eight hundred seven-c of this article, and sections two hundred eleven and two hundred twelve of chapter four hundred seventy-four of the laws of nineteen hundred ninety-six, in a "financial assistance compliance pool" and shall establish methodologies for the distribution of such pool funds to facilities based on their level of compliance, as determined by the commissioner, with the provisions of subdivision nine-a of this section.

(c) The commissioner shall annually report to the governor and the legislature on the distribution of funds under this subdivision including, but not limited to:

(i) the impact on safety net providers, including community providers, rural general hospitals and major public general hospitals;

(ii) the provision of indigent care by units of services and funds distributed by general hospitals; and

(iii) the extent to which access to care has been enhanced.

* ~~**NB Effective until March 31, 2023**~~