

**NEWS RELEASE**  
**Northern Metropolitan Hospital Association ~ Newburgh, NY**  
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**NYS BUDGET CUTS ARE “DRACONIAN”**  
***Cuts to Hospital Funding Will Only Worsen the***  
***Economy Overall, and Further Weaken Society’s***  
***Safety Net***

Newburgh, NY - On Wednesday, November 12, Governor Paterson outlined a series of budget cuts in an attempt to apply a tourniquet to the State's financial hemorrhage, and begin the vital process of healing a badly injured State budget and economy.

However, the \$5.2 billion reduction in State spending includes cuts to health care of \$571 million this year and more than \$1.2 billion next year, turning a single hemorrhage into multiple homicides. The enormity of the current global financial crisis and its impact on the State's budget can not be denied, but the usual knee-jerk response to cut health care will not solve the problem.

“In fact,” notes Neil Abitabilo, President of NorMet, the regional hospital association representing 30 hospitals in 7 counties north of New York City, “there's evidence that cutting health care will only further weaken the economy, which would only worsen matters, particularly when some predict that the economy hasn't hit bottom yet.”

Hospitals in Orange, Ulster and Sullivan Counties, and the other four counties comprising the Hudson Valley region, have a direct economic contribution of over \$4.5 billion a year, supporting a payroll of 34,000+ employees, supply purchases, and capital spending, Abitabilo explained. “But, the impact of hospitals' direct spending is only the beginning,” as another \$3.8 billion is also contributed indirectly to the region's economy by the hospitals across the Hudson Valley.

The financial impact of physicians' offices and other health care services in the region are in addition to that. Abitabilo contends that, based on hospital data alone, every dollar spent in health care results in nearly two dollars added to the State's economy.

Health care is the largest economic engine in the Hudson Valley, and one of the largest in the State and the country. We must consider this when evaluating proposed budget cuts, and determining which are really necessary, and to what extent.

On April 15, 2008, the Wall Street Journal noted, "While the number of manufacturing jobs nationwide fell by 48,000 in March 2008 and by 310,000 over the past 12 months, health care employment rose by 23,000 last month and is up 363,000 jobs on the year." Abitabilo suggests that the new reality is that health care has replaced many domestic manufacturers of consumer goods to become a powerful *domestic* economic engine of the 21<sup>st</sup> Century.

We're obviously in the midst of an extraordinary financial crisis, and now is the time for out-of-the-box thinking. Instead of viewing health care as an economic burden, let's see it for what it really is: the producer of a high-quality domestic product that yields good jobs - jobs that pay decent, livable wages... jobs that stay right here in the Hudson Valley, and in other areas of New York State.

Responsible healthcare spending is an engine that drives the economy for our region and our State on the road to individual, societal and economic health, and renewed prosperity. Responsible healthcare planning and spending takes into account that our society needs the safety net that hospitals provide, 24 hours a day, 7 days a week, 365 days a year, and that the people of the Hudson Valley and across New York State need that safety net more now than ever in recent decades.

Instead of rushing through the usual slash-and-burn budget cut proposals, let's take a deep breath and first find out what will be coming from Washington in the new stimulus package promised as a first order of business by President-Elect Obama. "Then, and only then," Abitabilo says, "if cut we must, let's use a scalpel, not a chain saw."

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