

# NORTHERN METROPOLITAN HOSPITAL ASSOCIATION

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## MEMBER HOSPITALS

Benedictine Hospital  
Blythedale Children's Hospital  
Bon Secours Community Hospital  
Burke Rehabilitation Hospital  
Catskill Regional Medical Center  
Ellenville Regional Hospital  
Good Samaritan Hospital  
Helen Hayes Hospital  
Hudson Valley Hospital Center  
Keller Army Community Hospital  
The Kingston Hospital  
Lawrence Hospital Center  
The Mount Vernon Hospital  
The New York Presbyterian Hospital - Westchester Division  
Northern Dutchess Hospital  
Northern Westchester Hospital  
Orange Regional Medical Center  
Phelps Memorial Hospital Center  
Putnam Hospital Center  
St. Anthony Community Hospital  
Saint Francis Hospital  
St. Joseph's Medical Center  
St. Luke's Cornwall Hospital  
St. Vincent's Westchester (Division of St. Joseph's Medical Center)  
Sound Shore Medical Center of Westchester  
Vassar Brothers Medical Center  
VA Hudson Valley Health Care System  
Westchester Medical Center  
White Plains Hospital Center



A PUBLICATION ADDRESSING HEALTH ISSUES FACING HUDSON VALLEY RESIDENTS

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## STATE UPDATE: Budget Approved On Time

One day ahead of the April 1, 2012 deadline, legislators approved the 2012 – 2013 state budget. This is the second straight year legislators achieved an on-time budget.

The \$132.6 billion budget holds spending growth at two percent and includes no new Medicaid cuts or taxes. The budget does, however, continue Medicaid provisions put in place in last year's budget, as part of a two-year budget deal. These include another two-percent across-the-board Medicaid reduction, the four percent Medicaid global spending cap, and elimination of the Medicaid trend factor. The health commissioner's "super powers" associated with a breach in the Medicaid global spending cap were extended for an additional year. However, the governor's language regarding health care governance, temporary operators, and executive compensation were not part of the agreement. Any one of these issues could re-surface during the remaining weeks of the legislative session.

The budget does not include language to establish New York's health insurance exchange. The Affordable Care Act (ACA) requires that the state be able to demonstrate in January 2013 that its exchange will be ready to enroll patients. Failure to act jeopardizes federal funding. The governor has indicated he may establish an exchange via executive order.

The legislature and administration also did not advance any language in the budget regarding indigent care funding reform. New York must be brought into compliance with changing disproportionate share (DSH) funding rules that are occurring as a result of the Affordable Care Act, in order to ensure that the state optimizes federal funding.

## FEDERAL UPDATE: House GOP Budget Blueprint Calls for Deep Medicare/Medicaid Cuts

House Budget Committee Chairman Paul Ryan released a budget plan in March, and subsequently approved by the House, that would transition Medicare into a premium support program, fund Medicaid through capped, block grants to states, and continue the automatic sequestration cuts to Medicare that were triggered last fall by the Super Committee's failure to reach a deficit reduction agreement. Overall, the Ryan plan calls for a cut of more than \$5.3 trillion in government spending over the next 10 years, with about half of that coming from health care.

The proposal also includes language to repeal the Medicare Independent Payment Advisory board (IPAB). This panel of experts was created by the Affordable Care Act to make Medicare policy and savings recommendations to Congress on an annual basis, beginning in 2014. There is concern that such a panel would hold sway over Congress and harm the deliberative process that Congress now engages in when setting Medicare policy, rates, and targeted savings. This process ensures fair representation for constituents in varied regions throughout the United States.

The Senate will not take up the budget proposal, according to Majority Leader Harry Reid.

## Health Reform Law Faces Supreme Court Questioning

For three days in late March, Supreme Court justices heard arguments from the Obama administration's lawyers and those representing the 26 states, the National Federation of Independent Business, and individuals who are challenging the law's constitutionality. Hospital leaders in Westchester and the Hudson Valley region are eagerly anticipating the outcome of the court's proceedings. The court is expected to render a decision sometime in June.

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