



TOP 10 REASONS THE LEGISLATURE SHOULD PUT PATIENTS FIRST BY REJECTING THE GOVERNOR'S HEALTH CARE CUTS

REASON #6: Governor Spitzer says his budget puts patients first, but his proposed nursing home cuts would threaten the quality and availability of vital long term care services

Governor Spitzer proposes slashing health care by \$1.2 billion, including some \$450 million in cuts to nursing homes. Despite his rhetoric about improving quality and putting patients first, these nursing home cuts will achieve exactly the opposite. They will cut the funding and programs that have done the most to help improve nursing home quality, and will destabilize facilities that are already teetering on the brink financially. In short, the Governor's nursing home cuts are a recipe for disaster.

Nursing homes already lose, on average, \$25 per resident per day due to the documented shortfall between what Medicaid pays and what it costs to care for nursing home residents on Medicaid (the annual Medicaid payment shortfall for nursing homes statewide is more than \$741 million.) Because residents on Medicaid represent close to 80% of all patient days in New York nursing homes, these shortfalls contribute to the increasingly fragile financial position of the State's nursing homes, which on average sustain annual operating losses of 1.5%. The Governor's cuts would reduce nursing home operating margins to unsustainable levels, and quality of care will consequently decline.

Further, the Governor's nursing home cuts would force a massive workforce reduction. Facilities facing funding cuts of more than \$450 million, when they are already operating at a net loss, would have no choice but to reduce their workforce. The Governor's cuts would ultimately eliminate thousands of vital direct-care jobs in New York State.

The truth is, in recent years nursing homes in New York State have achieved the improbable against long odds. Contrary to reports suggesting that the cost of long term care for the elderly in New York is rising excessively, the per-recipient cost of care for Medicaid beneficiaries in New York nursing homes actually *declined* by nearly 20% between 2000 and 2004. At the same time, New York's nursing homes have outperformed the nation on almost every measure of quality used by the Medicaid program to assess nursing home performance.

Severe nursing home cuts do not put patients first. They put New York's vulnerable nursing home residents, and the dedicated workers who care for them, at risk, and will undo the quality gains nursing homes have worked so hard to achieve.

New York's health care community strongly supports real reform of the health care system. We have submitted a detailed proposal to the Governor and the State Legislature entitled *Shared Sacrifice: A Prescription for Comprehensive Health Care Reform in New York State*. Unlike the Governor's proposals, ours would truly reform the Medicaid program, provide health insurance coverage for all New Yorkers, and take on the sectors of the health care system making huge profits at the expense of New York's health care, including the HMOs and drug companies. The proposal can be found at www.stopthecuts.org.

Know the facts about the Governor's budget. Cuts are not reform. Cuts put patients at risk. **PUT PATIENTS FIRST: STOP THE CUTS!**