

MARCH 5, 2007

# Healthcare Education Project Launches Statewide Campaign to Protect New Yorkers from Health Care Cuts

**Governor and Legislature Reach Consensus on Revenue for Budgeting—Additional \$575 Million Available**

**O**n February 22, 2007, the Healthcare Education Project (HEP)—the joint initiative of GNYHA and 1199 SEIU United Healthcare Workers East—launched a wide-ranging campaign aimed at educating New Yorkers about the devastating

effect that Governor Eliot Spitzer's proposed \$1.3 billion in cuts would have on New York's health care community and its patients. The campaign has emphasized that those cuts would be particularly harmful in light of the \$1.2 billion in additional cuts to New York's

hospitals proposed by President George W. Bush in his 2008 budget.

The HEP campaign, *Put Patients First*, offers a comprehensive vision of reform for New York State's health care system in which *all* industry stakeholders—including profit-rich HMOs and insurance and drug companies—pay their fair share to ensure that New Yorkers continue to receive high-quality care from the hospitals and nursing homes dedi-

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## Proposed Health Care Cuts Could Leave 36,000 Unemployed

**C**oming on top of the restructuring mandates of the Commission on Health Care Facilities in the 21st Century—known as the Berger Commission—the enactment of Governor Eliot Spitzer's proposed health care cuts would wipe out an estimated 23,400 hospital and nursing home jobs in New York State, according to an analysis by the Healthcare Education Project (HEP), the joint initiative of GNYHA and 1199 SEIU United Healthcare Workers East. The ripple effect of the associated loss of household income on local businesses such as restaurants and grocery stores would trigger the additional elimination of an estimated 13,000 non-health care

jobs statewide, bringing the total number of jobs threatened to 36,400.

The Berger Commission's recommendations alone, which include 57 hospital closures—one-fourth of all hospitals in the State—and are already under way, will result in the loss of 6,200 hospital jobs and 2,400 nursing home positions. Those numbers take into account anticipated reemployment of a percentage of displaced workers via an agreement between 1199 SEIU and the League of Voluntary Hospitals and Homes of New York. HEP estimates that Governor Spitzer's proposed cuts would eliminate an additional 5,700 hospital jobs

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### GNYHA Board Meets

**T**he GNYHA Board of Governors met on March 1, 2007, and took the following actions:

- approved the recommendations of the GNYHA Nominating Committee for the slate of officers and members for the 2007–08 Association term to be officially inducted at the GNYHA Annual Meeting on April 19, 2007;
- was briefed on Governor Eliot Spitzer's proposed State budget cuts to health care and discussed the related Healthcare Education Project advocacy campaign to educate New Yorkers about why the cuts should be stopped;
- was updated on the status of the proposed Federal budget cuts; and
- approved GNYHA's support of member hospitals in a challenge filed with respect to payer practices. ■

# Healthcare Education Project Launches Statewide Campaign to Protect New Yorkers from Health Care Cuts *continued from page 1*

CALL Governor Eliot Spitzer 866-END-CUTS

Tell him to put patients first.

PAID FOR BY THE HEALTHCARE EDUCATION PROJECT

**"Will an emergency room in your community be forced to close while HMOs have another year of record profits? Will struggling nursing homes have to get by on even less, while drug companies enjoy another banner year? Governor Spitzer wants to reform health care, and he's right. But Spitzer's plan does it the wrong way, cutting over \$1 billion from hospitals and nursing homes instead of making HMOs and drug companies pay their fair share. Real reform puts patients first."**

Three frames and the full narration from a Healthcare Education Project television advertisement running currently across New York State to educate New Yorkers about the need to stop Governor Spitzer's health care cuts and "put patients first."

cated to serving them in their communities.

**Reaching the Public:** The *Put Patients First* campaign includes a number of mechanisms for getting its urgent message out to the public, including statewide television advertisements, which are available for viewing at [www.stopthecuts.org](http://www.stopthecuts.org), and direct mail to New Yorkers across the State. In addition, hundreds of supporters will go door to door as part of HEP's "Friends and Family" Community Outreach Program to talk to as many New Yorkers as possible about the negative impacts of Governor Spitzer's proposed cuts. New Yorkers who don't get a personal visit can visit HEP's Web Site at [www.stopthecuts.org](http://www.stopthecuts.org) to learn how their community will be negatively affected by the Governor's health care proposals.

**Rally and Advocacy Day:** On March 7, the Healthcare Association of New York State (HANYs) is sponsoring Advocacy Day 2007 "to spread the message that the Governor's proposed health care cuts are not reform, would harm health care, and must be rejected." In the morning, the State's legislative leaders will speak to the HANYs membership at the Convention Center in Albany, followed by a rally at noon at the NYS Capitol. Thousands are expected to participate.

On March 15, 2007, HEP is sponsoring a rally for health care workers in New York City to protest the Governor's proposed health care cuts. Participants, who are expected to number in the thousands, will march up Third Avenue from 26th Street to the Governor's office on 40th Street. The health care

workers will be joined by elected officials, hospital and nursing home leaders, clergy, and patients.

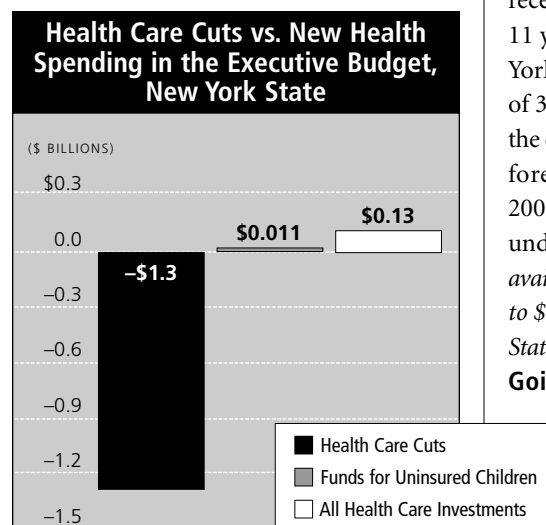
**Additional Revenue for Budgeting:** On March 1, the Governor and the Legislature reached a consensus on the amount of revenue that is available for budgeting purposes for the State fiscal year that begins on April 1, 2007. That amount is \$575 million more than the Governor planned when he announced his \$120.6 billion budget in January. This additional revenue suggests that not only are the Governor's health care cuts dangerous for New Yorkers, they are also unnecessary, particularly since the consensus reached may still represent an underestimate.

On February 26, HEP transmitted a new academic report—*Forecasting Accuracy*—to the New York State Legislature, the Governor,

and the State Comptroller. The report—prepared by Edward M. Cupoli, Ph.D., a leading expert on NYS's budget process and economic forecasting—examines economic and budget forecasting accuracy in the United States at the Federal and State levels, with special attention to New York State, and bolsters the argument that the State underestimated revenues for the coming fiscal year.

The findings of the report suggest that forecasters tend to underestimate available revenues when the economy is expanding and overestimate available revenues when the economy is faltering. The analysis goes on to show that while New York compares favorably with respect to revenue forecasting and other states' error rates, the New York State Executive's data demonstrate a consistent pattern of underestimating tax receipts in non-recession years. For example in 9 of the past 11 years (the 9 non-recession years), New York underestimated revenue by an average of 3.3%, representing a range of 2%–6%. In the context of the Executive Budget's revenue forecast of \$61 billion for State fiscal year 2007–08, Dr. Cupoli writes that this level of underestimation would translate into *added available revenues of \$1.2 billion at the low end to \$3.7 billion at the high end for the coming State fiscal year.*

**Going Forward:** GNYHA will continue its education and advocacy efforts through HEP to protect GNYHA members from the devastating reimbursement rate cuts proposed



Source: NYS Division of the Budget, 2007.

in Governor Spitzer's budget. ■

# GNYHA Participates in 36th Annual Black and Puerto Rican Legislators Caucus

On February 16–18, 2007, GNYHA, along with 1199 SEIU United Healthcare Workers East, participated in the 36th Annual Black and Puerto Rican Legislators Caucus Weekend in Albany. At the event, GNYHA and 1199 SEIU aimed to educate Caucus members and the general public on the devastating effects that the massive budget cuts proposed by President George W. Bush and NYS Governor Eliot Spitzer will have on hospitals and nursing homes throughout the State and in each Caucus member's district.

On Saturday, GNYHA and 1199 SEIU set up a booth on the Concourse of the Empire State Plaza, displaying large posters detailing the Bush/Spitzer health care cuts by district, as well as a map of New York State showing the locations of hospitals and nursing homes facing cuts. In addition to the poster display, GNYHA and 1199 SEIU staff handed out brochures

**Lloyd Bishop, GNYHA Vice President of Government Affairs and Community Health Initiatives, addresses the attendees at the 36th Annual Black and Puerto Rican Legislators Caucus.**  
See Special Supplement for additional photos.



explaining the proposed health care cuts as well as copies of *Shared Sacrifice: A Prescription for Comprehensive Health Care Reform in New York State*—a white paper prepared by the GNYHA/1199 SEIU Healthcare Education Project—among other documents.

During the weekend, GNYHA and 1199 SEIU obtained 500 signed cards from participants indicating opposition to the cuts and began the process of obtaining pledges from elected officials to “put

District	Agency	Current Budget	Proposed Budget	Change
1	Albany	\$10,000,000	\$9,500,000	-\$500,000
2	Albany	\$10,000,000	\$9,500,000	-\$500,000
3	Albany	\$10,000,000	\$9,500,000	-\$500,000
4	Albany	\$10,000,000	\$9,500,000	-\$500,000
5	Albany	\$10,000,000	\$9,500,000	-\$500,000
6	Albany	\$10,000,000	\$9,500,000	-\$500,000
7	Albany	\$10,000,000	\$9,500,000	-\$500,000
8	Albany	\$10,000,000	\$9,500,000	-\$500,000
9	Albany	\$10,000,000	\$9,500,000	-\$500,000
10	Albany	\$10,000,000	\$9,500,000	-\$500,000

A poster prepared by the Healthcare Education Project on display at the Caucus.

patients first” and reject the Bush/Spitzer health care cuts.

On Saturday evening, GNYHA and 1199 SEIU hosted a reception for both Caucus members and weekend participants. Legislators attending the reception included Democratic State Senators Malcolm Smith (Minority Leader), John Sampson, Eric Adams, Kevin Parker, Bill Perkins, Ruth Hassell Thompson, Velmanette Montgomery, Andrea Stewart-Cousins, and Antoinne Thompson. New York State Democratic Assembly Members attending included Luis Diaz, Aurelia Green, Michael Benjamin, Karim Camara, and Hakeem Jeffries. Many of the aforementioned legislators voiced their strong opposition to the cuts. Also in attendance were Congressman Jerrold Nadler, NYC Councilwoman Inez Dickens, and Acting NYS Commissioner of Health Richard Daines, M.D.

GNYHA also had the opportunity to express concerns about the Bush/Spitzer budget cuts with Assembly Member Darryl Towns, recently elected Chairman of the New York State Black, Puerto Rican, Hispanic and Asian Legislative Caucus. ■

## GNYHA to Conduct 24-Hour ICU Utilization and Capacity Survey

### Survey Date Set for March 15, 2007

GNYHA is reminding hospitals to sign up and participate in its 24-hour ICU utilization and capacity survey. The survey was developed as part of the Critical Care Leadership Network (CCLN), a joint initiative of GNYHA and the United Hospital Fund, and the goal is to have all adult ICUs in the metropolitan New York region administer the survey over a 24-hour period on March 15. The CCLN Steering Committee anticipates that the results of the survey will be valuable in gaining better insight into the most pressing issues in critical care medicine including the appropriate utilization of critical care beds, end-of-life testing and

treatments, critical care staffing models, and other critical care resource issues. GNYHA will be hosting a series of conference calls to ensure that all ICU directors have an opportunity to be oriented to the survey. The calls will be conducted as follows:

- March 7, 7:00 a.m. and 6:00 p.m.
- March 8, 7:00 a.m.
- March 13, 6:00 p.m.

The dial-in number for the conference calls is (866) 225-4091; the conference name is the “ICU Survey Learning Session.”

Please contact Terri Straub or Zeynep Sumer at GNYHA for additional information. ■

## SAVE THE DATE!

**GNYHA Annual Meeting:  
Thursday, April 19, 2007**

*This year's Annual Meeting will be held at the Pierre Hotel on 61st Street and Fifth Avenue in Manhattan, on the morning of April 19, 2007. The meeting will feature **Leslie Norwalk, Acting Administrator, Centers for Medicare & Medicaid Services, as the Keynote Speaker. Also speaking at the meeting will be Richard F. Daines, M.D., Acting Commissioner, NYS Department of Health; Michael F. Hogan, Ph.D., Acting Commissioner, NYS Office of Mental Health; and Steven J. Spear, D.B.A., M.S., M.S., Senior Lecturer, Massachusetts Institute of Technology, and Senior Fellow, Institute for Healthcare Improvement. Registration brochures will be mailed shortly to all GNYHA members.***

## How New York State Can Reform Its Health Care System

- Enact "Cover New York," a health care coverage expansion plan proposed by the Healthcare Education Project that would provide health care coverage for the most vulnerable New Yorkers.
- Reform high-growth Medicaid spending on pharmaceuticals and HMOs.
- Improve Medicaid managed care's disease management activities and lower its administrative costs.
- Lower the spending on Medicaid prescription drugs by adopting a stronger preferred drug list with fewer loopholes, maximizing discounts for State-only drug spending through the Federal 340 B program, and seeking an exemption from the Medicaid "best price" requirement, which actually limits State negotiating power with drug companies.
- Reverse the flow of dollars from not-for-profit hospitals and nursing homes to for-profit HMOs, which have seen profits of over \$5 billion in recent years.
- Ensure that health plans pay *appropriately* for care and pay for medically necessary services.
- Give providers more flexibility to join together in negotiations with

HMOs and adopt stronger regulatory and oversight powers to protect the local health care infrastructure and patient access to care from mega-plan activities.

- Reduce the more than \$4 billion New Yorkers contribute annually to the device medical makers' gross profits by addressing the 65% mark-up that hospitals, doctors, and their patients pay on every device sold.
- Reform New York's medical liability system to reduce the 147% growth in malpractice insurance costs by setting up a rigorous quality improvement program.
- Institute a fair Medicaid funding formula for New York.
- Address the uninsured population and continue support for uncompensated care.

The full details of these reform proposals appear in *Shared Responsibility: A Prescription for Comprehensive Health Care Reform in New York State*, which is available at [www.stopthecuts.org](http://www.stopthecuts.org) and through a link at [www.gnyha.org](http://www.gnyha.org). ■

## Proposed Health Care Cuts Could Leave 36,000 Unemployed continued from page 1

and 9,100 nursing home positions. Since the financial condition of hospitals in New York is chronically poor—as the Berger Commission documented—and since the nursing home cuts are especially deep, both industries would have to respond to the Governor's proposals by curtailing services. In two industries that are highly labor-intensive, that means cutting jobs.

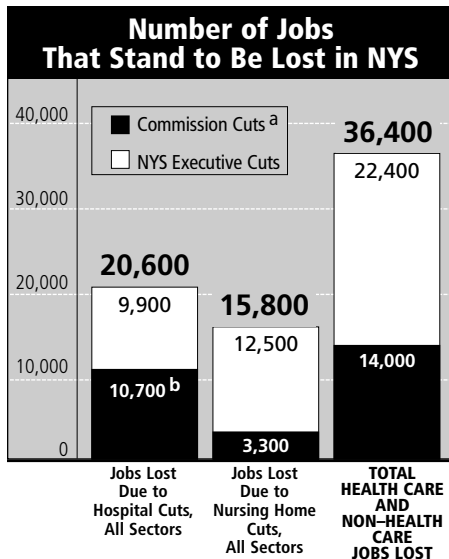
"The permanent loss of nearly 9,000 full-time equivalent hospital and nursing home jobs from the Berger Commission recommendations is a painful reality that leaves

no wiggle room to absorb the impact of Governor Spitzer's cuts," said GNYHA President Kenneth E. Raske. "Eliminating thousands more jobs would be our only choice."

"The proposed Bush/Spitzer cuts would take a terrible toll on our patients and their families," said 1199 SEIU President Dennis Rivera. "Coming on top of the planned closing and downsizing of 57 hospitals, the cuts are simply cruel. Why isn't Governor Spitzer going after the HMOs and their billions in profits instead of frontline caregivers?"

As an alternative to health care cuts, HEP has repeatedly shared the reform

plan described in its white paper, *Shared Responsibility: A Prescription for Comprehensive Health Care Reform in New York* (available at [www.stopthecuts.org](http://www.stopthecuts.org) and via a link on GNYHA's Web site, [www.gnyha.org](http://www.gnyha.org)). That plan would reform rather than cut the Medicaid program, provide health insurance coverage for all New Yorkers, and mandate fair business practices in those sectors of the health care system—notably the HMOs, medical device manufacturers, and pharmaceutical companies—that are profiting at the expense of providers and their patients. ■



<sup>a</sup> Commission on Health Care Facilities in the 21st Century.

<sup>b</sup> Reflects impact of complete closures, net of employees who will be reemployed under an agreement with the League of Voluntary Hospitals and Homes of NYC.

Source: Healthcare Education Project, February 2007.

## NYS Physician Profile Reveals Majority Trained in State

The Center for Health Workforce Studies has released its *Annual New York Physician Profile*, which indicates that three-fourths of non-trainee physicians practicing in New York received residency training from a program in the State. According to the report, 76% of active patient care physicians received all or part of their post-graduate training in New York. This finding demonstrates that New York's residency programs provide an effective recruitment and retention tool for ensuring that New Yorkers are able to access the care that they need. The report also revealed that one-fourth of those patient care physicians identified a hospital as their principal practice setting. The chart below specifies the self-reported practice settings of those physicians. ■

Source: The Center for Health Workforce Studies, *Annual New York Physician Workforce Profile, 2006* Abridged Edition (Albany: University at Albany, State University of New York).

