



February 14, 2019

The Honorable Corey Johnson
Speaker, New York City Council
City Hall
New York, NY 10007

The Honorable Costa Constantinides
Chair, Council Committee on Environmental Protection
250 Broadway, Suite 1778
New York, NY 10007

Dear Mr. Speaker and Council Member Constantinides:

On behalf of the dedicated caregivers of 1199SEIU United Health Care Workers East and the hospitals that comprise the Greater New York Hospital Association (GNYHA), we write to you about a bill of great concern to our organizations: Intro. 1253-2018, which limits large buildings' greenhouse gas emissions.

Hospitals are committed to doing their part to combat climate change. Many have voluntarily joined the Mayor's Carbon Challenge to reduce their greenhouse gas emissions by 30% by 2020 and 40% by 2030. Some have gone above and beyond, committing to a 50% reduction by 2025. However, in its current form, Intro. 1253 sets unrealistic standards that would burden hospitals with tens of millions of dollars in penalties, potentially putting their viability at risk.

For the reasons outlined below, we believe that exempting these valuable anchor institutions from the bill—which already exempts buildings with rent-regulated units—is in the best interests of the people of New York City.

Hospitals have unique energy requirements. They are open 24 hours a day, 365 days a year; operate advanced medical equipment like MRI machines and CT scanners; and must ensure sanitary conditions by moving air through rooms much more frequently than other buildings. Putting hospitals in the same category as commercial buildings with vastly lower energy needs—as the bill currently does—makes no sense. Even the newest hospital facilities, built to the highest environmental standards, would not come close to meeting the bill's limits. Multiple engineering experts have concluded that the bill's current goals are *impossible* for hospitals to meet.

Many hospitals, despite scarce resources, have invested in natural gas-fired "cogeneration" plants, which are much more efficient than other forms of energy production. They have often done this with the active encouragement of State government. These help hospitals take care of their patients during natural disasters and act as areas of refuge during emergencies. They also relieve pressure on an overloaded

electrical grid: during periods of peak demand, utilities often request that hospitals switch to cogeneration. Intro. 1253 actually *penalizes* hospitals for improving energy efficiency and helping to prevent brownouts via cogeneration.

Hospitals are already struggling. The average operating margin for New York State hospitals is 1.8%—three times lower than the national average. Nearly 30 rely on hundreds of millions in annual State subsidies just to keep their doors open, including seven in Brooklyn and Queens. A big reason for this fiscal distress is that hospitals lose money serving Medicaid and Medicare patients (most patients in New York City) and the uninsured. Intro. 1253 could push the most fragile hospitals over the edge.

Some argue that buildings could “retrofit” to come into compliance with Intro. 1253. As we stated earlier, we believe that this would be impossible for hospitals—and even if it was, financially distressed hospitals and most others have few options for raising capital because of their dependence on public programs with government-set rates.* The bill does include language on hardship waivers and variances, but these vague sections provide little clarity on how they would be applied.

The bill would harm workers and access to care for New Yorkers. Hospitals save lives every day. They’re also the economic lifeblood of their neighborhoods and the biggest employers in New York City. Intro. 1253’s massive costs would jeopardize thousands of union jobs: nurses, medical aides, technicians, custodians, and clerical staff, to name a few. And for the jobs that survive the bill, it will be even harder to find resources for salaries and benefits. Hospital closures, of which our City has seen more than its fair share, would become more likely.

For these reasons, we urge the Council to move forward with great care and exempt hospitals. Please give special consideration to the indispensable role hospitals play, the people that depend on them, and the caregivers that keep them going. 1199SEIU and GNYHA are committed to working together to achieve realistic carbon reductions.†

Thank you for your longtime support of New York City hospitals and their union workforce. If you have any questions, please contact Andrew Title (atitle@gnyha.org), David Labdon (dlabdon@gnyha.org), or Lillie Cariño Higgins (lillie.carino@1199.org).

Sincerely,



George Gresham
President
1199 SEIU United Healthcare Workers East



Kenneth E. Raske
President
Greater New York Hospital Association

* While we appreciate the Council’s efforts to provide loans in Intro. 1252-2018, this program would be insufficient and could saddle already-stressed institutions with even more debt.

† Our organizations have assembled a working group of hospital engineers to provide guidance on technical questions arising from Intro. 1253, which is at your service.

cc: Members of the New York City Council

The Honorable Bill de Blasio
Mayor
City Hall
New York, NY 10007