



Actors Fund ☞ African Service Committee ☞ Children's Defense Fund-New York
Community Service Society of New York ☞ Consumers Union ☞ Empire Justice Center ☞ Make the Road New York
Medicare Rights Center ☞ Metro New York Health Care for All Campaign
New Yorkers for Accessible Health Coverage ☞ New York Immigration Coalition ☞ Project CHARGE
Public Policy and Education Fund of New York/Citizen Action of New York
Raising Women's Voices-New York ☞ Schuyler Center for Analysis and Advocacy ☞ Young Invincibles

**Memorandum in Support of A.6677a/S.5546
April 2019**

An Act to amend the public health law, in relation to the general hospital indigent care pool, hospital reimbursements, and adjustments to medical assistance rates to enhanced safety net hospitals.

Health Care for All New York (HCFANY) is a statewide coalition of over 170 organizations dedicated to achieving quality, affordable health coverage for all New Yorkers. We strive to bring consumer voices to the policy conversation, ensuring that the concerns of real New Yorkers are heard and reflected. **HCFANY strongly supports A.6677a/S.5546, which would target indigent care funding to the hospitals that provide the most care to low-income New Yorkers.**

New York must ensure that funding distributed from the indigent care pool (ICP) is used to support hospitals which provide the most care to people without insurance or with Medicaid coverage. A.6677a/S.5546 would improve how the State uses this money, which is over \$1.1 billion.

First, the bill would fully implement improvements made to the ICP distribution in 2012.¹ In the past, hospitals reported uncompensated care amounts that included bad debt, which meant they were pursuing patients for those payments and seeking State compensation at the same time. When this was fixed, the State created a temporary transition collar that limited the amount of money hospitals could lose until they had time to adjust to the new formula. However, that transition collar has been extended three times. The transition collar destabilizes hospitals that take care of low-income New Yorkers in order to provide more funding to hospitals that do not, and it should end.

Second, A.6677a/S.5546 would make other improvements to the formula to ensure that indigent care funding is distributed based on need. This redistribution would not create new spending. Instead it would be a more effective way of using existing funding to support a robust safety-net, as is the intent of the indigent care pool.

For those reasons HCFANY strongly urges the enactment of this bill.

¹ Carrie Tracy et al., "Unintended Consequences – How New York State Patients and Safety-Net Hospitals Are Short Changed," Community Service Society of New York, January 2018, https://www.cssny.org/publications/entry/unintended_consequences