



Actors Fund ☞ African Service Committee ☞ Children's Defense Fund-New York
Coalition for Asian American Children and Families ☞ Community Service Society of New York ☞ Consumers Union
Empire Justice Center ☞ Hispanic Federation ☞ The Legal Aid Society ☞ 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 ☞ South Asian Council for Social Services ☞ Young Invincibles

Memorandum in Support of A226/S5255 November 2021

An Act to repeal sections 91 and 92 of part H of chapter 59 of the laws of 2011 relating to the year to year rate of growth of Department of Health state funds and Medicaid funding, relating to the state Medicaid spending cap and related processes

Health Care for All New York (HCFANY) is a statewide coalition of over 170 consumer-focused organizations dedicated to achieving quality, affordable health coverage for all New Yorkers, and ensuring that the concerns of real New Yorkers are heard and reflected in policy conversations. We support A226/S5255 which would repeal the Medicaid global cap and allow New York to create Medicaid budgets based on need for the program.

The Medicaid global cap imposes automatic cuts when Medicaid spending hits a pre-determined threshold. The threshold does not allow for planning based on public health data or economic conditions. Last year, Medicaid was subjected to across-the-board cuts of 1.5 percent. Because the threshold was hit last year, New York State is again implementing across-the-board cuts, this time of 1 percent.

Hospitals across New York State vary enormously in their payer mix; from hospitals in which fewer than 5 percent of patient have Medicaid coverage to those where over 80 percent do.¹ Because of these differences in payer mix and the disproportionate impact COVID-19 has on people of color and low-income communities, the proposed across-the-board Medicaid cuts will automatically fall on the hospitals caring for the highest numbers of COVID-19 patients.² Year after year of cuts to those hospitals produced an environment in which surviving COVID-19 came down to wealth for many New Yorkers.³

¹ New York State Department of Health Office of Quality and Patient Safety, "Hospital Inpatient Discharges (SPARCS De-Identified): 2017," <https://health.data.ny.gov/dataset/Hospital-Inpatient-Discharges-SPARCS-De-Identified/22g3-z7e7>.

² Amanda Dunker and Elisabeth Benjamin, "How Structural Inequalities in New York's Health Care System Exacerbate Health Disparities During the COVID-19 Pandemic: A Call for Equitable Reform," June 2020, <https://www.cssny.org/publications/entry/how-structural-inequalities-in-new-yorks-health-care-system-exacerbate-health-disparities-during-the-covid-19-pandemic-a-call-for-equitable-reform>.

³ Brian Rosenthal et al., "Why Surviving the Virus Might Come Down to Which Hospital Admits You," July 1, 2020, New York Times, <https://www.nytimes.com/2020/07/01/nyregion/Coronavirus-hospitals.html> and Harold A. Pollack and Caroline Kelly, "COVID-19 and Health Disparities: Insights From Key Informant Interviews," Health Affairs Blog, October 27, 2020, <https://www.healthaffairs.org/doi/10.1377/hblog20201023.55778/full/>.



New York must repeal the Medicaid global cap and allow the program to work as it is meant to work. More New Yorkers are enrolled in Medicaid than ever. Millions of New Yorkers lost their jobs and their job-based health insurance during 2020; as a result, 700,000 more people enrolled in Medicaid between March and November than did last year.⁴ If New York does not repeal the Medicaid global cap, this will mean even bigger cuts to the program next year, even though spending increases were caused by the program serving its intended purpose. New York’s Medicaid program saves lives; it recently received national attention after researchers found that expanding the program reduced maternal mortality.⁵ It is one of the most important ways in which New York supports community hospitals in all parts of the state. These arbitrary cuts to a program that serves as a lifeline for so many New Yorkers should stop.

For these reasons HCFANY strongly supports A226/S5255.

⁴ Medicaid Matters New York, “Medicaid Steps Up in Response to the Economic Consequences of the COVID-19 Pandemic,” February 2021, <https://medicaidmattersny.org/wp-content/uploads/2021/02/2020-enrollment-one-pager-MMNY-2.16.21.pdf>.

⁵ Erica Eliason, “Adoption of Medicaid Expansion Is Associated with Lower Maternal Mortality,” Women’s Health Issue, February 25, 2020, [https://www.whijournal.com/article/S1049-3867\(20\)30005-0/fulltext](https://www.whijournal.com/article/S1049-3867(20)30005-0/fulltext).