

From Your Pocket to Theirs

New York Hospitals' Huge Budget Windfall

2023

Governor Hochul's Executive Budget includes numerous giveaways to New York's wealthiest hospitals at the expense of average New York health insurance customers. **In addition to a 5% increase in Medicaid payments to hospitals** the Governor proposes the following measures that will raise the cost of healthcare and remove important protections for patients:



► Pay and Pursue

Prevents health plans from making important evaluations on clinical appropriateness and best practices for inpatient services following an emergency room visit and emergency care.

- ✘ *Mandates payments to hospital systems, regardless of whether such payments are for appropriate tests and procedures - significantly increasing costs.*

► Guaranty Fund

The fund is meant to cover hospitals and other providers in the event of insolvent insurers. The proposal is both unnecessary and expensive, essentially creating yet **another new 2% tax on health insurance**.

- ✘ *The fund is unnecessary. The Department of Financial Services already has extraordinary powers to avoid any insolvency of a health insurer, to set rates and to continuously oversee the financial adequacy of health insurers.*
- ✘ *The fund would unfairly force customers of the many not-for-profit health plans, especially Upstate, to bail out New York City mega-hospital systems and for-profit companies.*

► Behavioral Health Services Mandates

Mobile crisis intervention services and school-based clinics must be covered without preauthorization and at the same rate, whether such service is in or out-of-network.

- ✘ *Removes important service reviews and guarantees cost increases by undermining the cost-savings benefits of plan networks.*
- ✘ *Includes a "private right of action" that may lead to unnecessary lawsuits and the increasing insurance costs that they create.*

► Increasing the Medical Loss Ratio to 89% for all Plans

Increases the amount that Medicaid managed care plans must pay to hospitals.

With the proposed \$6.4 billion extension of taxes on health insurance and care, New Yorkers are already tremendously over-burdened with health insurance taxes.

Drastically increasing this burden with giveaways to some of New York City's wealthiest hospital systems is bad for New York.