Race Matters in Health Care

Update of "Race Matters: Impact of the 2010-11 Executive Budget Proposal," including impact of the Assembly and Senate budget proposals

PUBLIC POLICY AND EDUCATION FUND OF NEW YORK

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Introduction

Just over one week ago, the Public Policy and Education Fund (PPEF) released its 2010 "Race Matters" report that detailed the impact of the 2010-11 Executive Budget on people of color and immigrants. This follow-up report updates the health care section of the Race Matters report by adding a preliminary analysis of the budget proposals made by the New York State Assembly and the New York State Senate, and comparing them to the Executive Budget.[1]

Our "Race Matters" report began by saying that: "While many New Yorkers of all races enjoy great educational, professional and social success, the majority of people of color in the Empire State remain perilously stranded in the shadows of the American dream. Although both the nation and state are led by accomplished people of color, the overall condition of people of color in New York is distressing, and the current national economic crisis and cuts in government programs only serve to further harm our communities."[2] And, after a review of a number of shocking statistics in the areas of employment, wages and foreclosures, we continued that:

> These facts underscore that when we examine the state budget, we can't just look at the impact on New Yorkers as a whole. A full picture must consider to what extent the budget reduces the impact on people of color of the economic downtown. **From that standpoint, our look at the programs featured in this report concludes that while some proposals in the Executive Budget have a positive impact, on balance, the budget would have a disproportionately negative impact on communities of color.** [3]

Unfortunately, while the Assembly and Senate both made limited restorations of the proposed health care cuts in the Executive Budget, we must reach a similar conclusion about the legislative health care budget plans. **On balance, like the Executive Budget proposal, both the Assembly and Senate proposals will have a disproportionately negative impact on the health care outcomes of communities of color and immigrants.**

As this analysis "goes to press," state leaders are conducting serious negotiations on a final budget for Fiscal Year 2010-2011, which begins on April 1, 2010. (The Legislature has passed temporary legislation to keep the state running until a final budget is passed.) We therefore repeat the call in our original report that revenue alternatives be found to mitigate the cuts we identified. The state must "seriously look at any reasonable alternatives available … rather than continuing on the path of further harming New Yorkers who are hurting the most in these hard economic times."[4]

Analysis of the Health Care Proposals of the Executive, Assembly and Senate

Note: The ratings of each Executive Budget action from our March 23, 2010 "Race Matters" report are shown below, followed by a discussion of the Assembly and Senate proposals in each area. In some instances, we can only compare the Executive Budget and the Assembly budget, since the Senate passed a resolution, but did not provide specific budget bills with details.

Some Key Executive Budget Actions:

Simplify enrollment in public insurance programs

Building on last year's momentum, the Executive Budget takes additional steps to simplify enrollment in public health insurance programs, including: 1) authorizing the state to automatically enroll children in Child Health Plus and Medicaid if they have been found to be eligible for another similar public benefit program like food stamps or subsidized child care (known as "express lane" eligibility), and 2) permitting the Department of Health to work with the Department of Taxation and Finance to verify the income of applicants through tax records, thus easing the paperwork burdens on recipients.[5]

The Senate fully accepts both of the Executive Budget enrollment simplification proposals outlined above.[6] However, the Assembly accepted express lane eligibility but not the provisions for coordination between the Department of Health and the Department of Taxation and Finance.[7]

Reestablish rate regulation of health insurance premium increases and require a higher percentage of premium dollars to go to health care

Language in a bill accompanying the Executive Budget (an "Article VII" bill) would: 1) restore the State Insurance Department's (SID's) authority to approve, modify or disapprove insurance rate hikes in advance of the rate hikes going into effect (known as "prior approval"), 2) raise the minimum "medical loss ratio" (MLR) required for individual direct pay and small group markets to 85% (at present, the required MLRs are 75% for small groups and 80% for direct pay), and 3) provide for hearings for rate increases of 10% or more. (The "medical loss ratio" is the percentage of consumers' premium dollars that are spent on health care rather than other costs, like advertising, administration and profits.)[8]

As part of its budget plan, the Assembly submitted rate reregulation legislation that accomplishes the major goals of the Executive Budget proposal (to rein-in high health insurance rates and make sure the overwhelming majority of premium dollars are devoted to health care), but which makes some changes to the administration's proposal (see the section below entitled: "Regulation of Health Insurance Rate Increases and Limits on Health Insurer Profits" for details on these changes).[9] The Senate greatly disappointed health care advocates when its budget plan did not include the administration's rate reregulation legislation.[10] However, as we "go to press," the Senate is

seriously considering going along with the Governor and the Assembly by including reregulation in the final state budget.

Fail to address the current lack of accountability for state "charity care" funds that are designed to cover hospitals' costs for providing health coverage for the uninsured

As more fully explained below (see section entitled "No Improvements in Accountability for Funding to Provide Health Care to the Uninsured"), in the "21-day amendments" (a means for the executive to change its budget plan before the proposal is acted on by the Legislature), the administration withdrew a proposal in the original budget bills to base charity care funding on the amount of service actually provided to the uninsured.[11] Neither the Assembly nor the Senate has proposed additional accountability measures this year.

Cut nearly a billion dollars in state funding for the health care system,[12] including hospitals, nursing homes, home care and personal care

The chart below compares the major cuts and other actions to balance the budget in the health care sector proposed in the Executive Budget, and compares it to the Assembly budget savings actions.

Health Care Savings: Comparison of Executive Budget and Assembly Budget Resolution (in millions)

	State Share Dollars			All Funds Dollars
Sector	Executive	Assembly	Difference in State Share Dollars	Difference in All Funds Dollars
Hospitals	($241.1)	($209.1)	$32.0	$142.9
Nursing Homes	($140.2)	($114.3)	$25.9	$67.6
Home Care	($74.0)	($37.5)	$36.5	$79.3
Pharmacies	($47.1)	($40.2)	$6.9	$8.1
Insurance Actions	($197.4)	($197.4)	$0.0	$0.0
Managed Care	($61.4)	($61.4)	$0.0	$0.0
Utilization Management	($13.7)	($5.4)	$8.3	$17.8
Medicaid Fraud	($300.0)	($300.0)	$0.0	$0.0
Other Medicaid/HCRA	($21.8)	($12.1)	$9.7	$11.8
Early Intervention	($20.1)	($19.5)	$0.6	$0.9
Public Health	($53.6)	($47.3)	$6.3	$6.3
FMAP Adjustment	$15.3	$15.3	$0.0	$0.0
Total Reductions	($1,155.1)	($1,028.9)	$126.2	$334.7

As can be seen from the chart, the Assembly rejects $126 million of Executive Budget cuts and other savings actions measured in state dollars or $335 million in "all funds" dollars. The Senate did not provide a total for its proposed restorations, but we estimate that the restorations are considerably less than the Assembly figure of $126 million.[13]

Limited increases are provided in the Executive Budget for a few programs, including "Doctors Across New York," which would receive a $3.5 million increase to expand the number of doctors eligible for

the program.[14] However, the Assembly disappointingly rejects the administration proposal to increase funding for Doctors Across New York.[15] The Senate proposes increases for some programs or new initiatives, including $20 million for a Nursing Home Rebasing Disadvantaged Pool "to be distributed to those nursing homes that have been financially disadvantaged by the implementation of the new Medicaid reimbursement rates."[16]

In the next section, we discuss the impact on communities of color of budget proposals by the Executive, Assembly and Senate.

Impact on Communities of Color

The most recent annual State Department of Health report on health disparities in New York State, known as the State "Minority Health Surveillance Report," finds that African-American New Yorkers fare worse compared to other racial and ethnic groups on a variety of health indicators, including diabetes, breast cancer, and HIV/AIDS mortality. Hispanics also fare poorly on a number of indicators. While Asian Pacific Americans do better than other people of color on many health measures and outcomes, there remain some areas of great concern, such as asthma.[17] An important aspect of this problem is disparate access to basic health care in poorer communities and communities where people of color predominate. A recent report on health care disparities in New York City summarized that: "In particular, Hispanics, men, younger adults, people with low incomes, and residents of the South Bronx, South Brooklyn, and West Queens are more likely than other New Yorkers to lack insurance and a regular health care provider."[18]

This year's Executive Budget is a "mixed bag" from the standpoint of addressing health care disparities. The same can be said for the Assembly and Senate budget proposals. On the one hand, steps are taken in each plan to increase access to public insurance programs and private health care and therefore to reduce health care disparities. On the other hand, many proposed health care cuts are likely to increase health care disparities.

Enrollment Simplification

The proposals in the Executive Budget and in the Senate and Assembly budget plans to expand coverage will have the positive impact of reducing existing disparities in health care coverage and in health outcomes. African-American and Latino New Yorkers are more likely to rely on public insurance programs for their care than whites. Both groups are less likely to have employer-provided coverage than white New Yorkers.[19] Currently, 31% of the state's African-American population and 37% of its Hispanic population are enrolled in public insurance, as compared to only 11% of whites.[20] Many eligible individuals are not enrolled in public health insurance programs, in part due to unreasonable requirements that burden and stigmatize applicants with minimal to no impact on catching fraud. The proposed simplifications will reduce racial disparities in health care coverage by making it easier to enroll in existing programs. The Governor and the Legislature should continue to take further steps to increase participation in public insurance programs in the future. (As noted above, the Senate accepts all of the Executive's enrollment simplification proposals, but the Assembly accepts some and not others.)

Regulation of Health Insurance Rate Increases and Limits on Health Insurer Profits

New York's decision in the 1990s to eliminate the authority of the State Insurance Department (SID) to approve health insurance rate increases has

been a disaster, leading to annual double-digit increases for many consumers. Between 2000 and 2009, New Yorkers faced average health insurance premium increases of 92%, while median worker earnings increased only 14%.[21]

According to the State Insurance Department, the small group market (businesses with under 50 employees) has seen average increases of nearly 14% annually since rates were completely deregulated at the end of 1999.[22] HMO premium increases averaged 17% from January of 2009 through January of 2010.[23] The premium increases since deregulation of health insurance premium rates have forced an enormous number of businesses and low and moderate income New Yorkers to drop their coverage, increasing stress on the state's "safety-net" hospitals and other facilities.[24] As previously stated, African-American and Hispanic workers are less likely to have employer-sponsored insurance; those who do not qualify for public programs have only the option of purchasing mediocre coverage through Healthy New York at 22% of family income, or paying 65% of their annual income for good coverage through the direct pay market - a virtually impossible burden.[25] In addition, limiting insurance company profits by requiring health insurers to spend 85% of premium dollars on providing health care, as required by the Executive Budget proposal, will hold down rates. As the Executive Budget would reinstate the authority of the State Insurance Department to determine whether health insurance premium increases are reasonable and rein in insurance industry profits, the proposal deserves passage by the Legislature.

The Assembly version of the prior approval legislation proposes a medical loss ratio of 82% rather than the executive's 85%, thus giving somewhat more latitude to health insurers to use premium dollars for profits, lobbying and other expenditures other than health care. The Assembly proposal also provides (with exceptions) that a rate increase will be "deemed approved" if SID does not make a decision on whether to approve, modify or disapprove a rate increase within 90 days of a rate filing with the Department. The legislation could be tightened by removing any incentive by health insurers to "run out the clock" through withholding necessary documentation requested by SID, resulting in proposed rate increases being deemed approved through the inability of SID to complete its rate review within the statutory period.[26]

Finally, both the administration's and the Assembly's bills could be improved through additional steps to encourage effective participation by affected subscribers and health care advocacy groups. Specifically, provisions in the bill could be included: 1) mandating that rate filings be published on SID's website, 2) permitting consumer advocacy groups to register with SID to get automatic notices of all rate increase proposals so that they can comment and participate in hearings on a timely basis, and 3) requiring that subscribers immediately receive notices of rate increase requests upon the filing of rate increase applications, giving subscribers a longer time to comment on the company's proposal.

No Improvements in Accountability for Funding to Provide Health Care to the Uninsured

Since 1983, "charity care" funding has been provided to hospitals throughout New York State to cover the uninsured through the "State Indigent Care Pool," sometimes referred to as the "Bad Debt and Charity Care Pool." As people of color are more likely to be uninsured, they therefore rely more than other New Yorkers on mechanisms like charity care for their health care. The Pool is currently funded at $847 million, a significant amount of funding to address the health care needs of the poorest New Yorkers: if used wisely. Advocates, including PPEF,[27] have long criticized charity care funding for its lack of accountability and transparency and sought to ensure that hospitals receiving this funding actually serve the uninsured. Further, health care advocates support requiring that the funding for each hospital be proportionate to its services to the uninsured.[28] "[T]he one consistent issue is that the money … [does] not follow the patient – funds are not distributed on the basis of actually providing care and services to uninsured patients."[29] Further, funding is based on "notoriously inaccurate reports from hospitals – resulting in wild swings of funding and unfair allocation." For example, the East Harlem-based North General Hospital, known to provide large amounts of care to the insured, receives a "paltry" allocation "compared to …[its] well-healed neighbors to the South, such as Beth Israel ($30 million)."[30]

Advocates and other commentators have therefore recommended that all charity care payments be entirely based on actual per-unit services to the uninsured. In 2006, in order to avoid alleged disruptions to hospitals, the Legislature passed a limited reform (effective in 2007) that provided that this new accountable reimbursement methodology would be applied to only 10% of the charity care pool. Health care advocates universally praised the administration for proposing in the initial version of the 2010-11 Executive Budget to allocate 100% of the funds by this new methodology.[31] Unfortunately, the administration withdrew this proposal in the "21-day" amendments without providing a justification for this policy reversal. The reversal represents a missed opportunity to reallocate a significant percentage of our state health care dollars to hospitals who are actually serving a large number of uninsured and to address health care disparities based on race and ethnicity. And neither the Assembly nor the Senate has acted to change the current accountability system for charity care in their budget proposals for this year.

In addition to restoring the accountability proposal in the original budget, steps must continue to be taken to enforce the financial responsibility provisions in the 2006 law, called "Manny's Law." For example, immigrant representatives have found that many hospitals are not complying with the law, sending huge bills to patients instead of notifying them about the availability of financial assistance, as required by the law. Many hospitals are also not helping immigrants apply for financial assistance.[32] Non-immigrants also experience similar problems.[33]

Health Care Cuts

The nearly a billion in proposed health care cuts in the Executive Budget are massive, especially in light of the revenue alternatives that are available to the state. In addition, the effect of the almost a half-billion in state Medicaid cuts is at least doubled, given the loss of the 50% in federal matching dollars.[34]

Even in a year when the state budget is indisputably tight, any budget allocation decisions must be carefully done with an eye towards protecting the health care safety net. However, our examination of the executive's health care budget makes clear to us this test has not been met in several key areas.[35]

For example, the Executive Budget proposes to eliminate the addition of $8 million made by the Legislature last year to the Diagnostic and Treatment Center Indigent Care Pool, which supports caring for uninsured patients in primary care settings like health centers. At some neighborhood health centers served by the Pool, more than half of all patients are uninsured.[36] In a time when more and more people are losing their insurance, "[c]linics are often where low-income people turn when they lose their insurance."[37] From the standpoint of equity and of health care policy, this cut is extremely unwise. Thankfully, the Senate majority has proposed restoring this $8 million cut.[38]

Secondly, the Executive Budget would limit those who use personal care or consumer-directed services under Medicaid to 12 hours of care per day on average. According to health care advocates, this makes little sense from the standpoint of either health or fiscal policy, as many of these patients will switch to institutional settings at a higher cost.[39] And, there is some evidence that this proposal would have adverse impacts based on race, as data indicates that African-Americans with disabilities are more likely to need assistance with personal care than whites with disabilities.[40] Both the Assembly and the Senate reject this change.[41]

Third, the budget proposes to reduce charity care funding by $70 million overall, cutting a program directed at assisting the uninsured, disproportionately low-income people and people of color.[42] PPEF supports restoration of this cut, and the institution of greater accountability measures to ensure that hospitals that receive charity care funding use the money appropriately for services to the uninsured.[43] The Assembly's budget proposal includes a partial restoration of charity care payments.[44]

Fourth, the Executive Budget proposes to cut "wrap around coverage" under the EPIC (Elderly Pharmaceutical Insurance Coverage) program and Medicaid, which covers prescription drugs that Medicare Part D plans will not pay for. This cut appears to have a disproportionate impact on elderly and disabled New Yorkers.[45] Both the Assembly and Senate reject this proposal.[46]

Finally, $507,600 has been cut in the Executive Budget from School Based Health Centers (SBHCs), centers located on-site that collectively serve over 200,000 underserved youth in rural, urban and suburban schools throughout the state. Since 2008, SBHCs have had their funding

reduced by 11%. Due to the increasing number of uninsured children in the state, SBHCs have become an important component of the state's health care safety net. "[S]tudies show that they increase access to hearth care for minority youth, improve school attendance and performance, reduce emergency room visits, prevent unnecessary hospitalization, and lower total annual Medicaid expenditures."[47] Given the recession and increased job losses in the state, leading to loss of private insurance, now is the worst time to cut SBHCs. The Senate proposes to restore this unwise cut.[48]

The nearly $250 million in proposed Medicaid cuts to hospitals this year are of particular concern. This funding decision appears to represent a step away by the administration from the positive steps made since the inception of the "patient first" reimbursement reform agenda in 2008-09 to lower reimbursements to hospitals and reinvest in community-based primary and preventative care. While Medicaid Matters, a coalition representing the state's four million Medicaid consumers, last year essentially applauded the Executive Budget for shifting monies from hospitals to primary and preventative care,[49] this year they note that this year's budget "does not make significant investments to further reform the system … [by] … invest[ing] in charity and primary care."[50] And undoubtedly, a portion of the quarter of a billion in funding reductions to hospitals does not seem to have any connection to "reform;" the cuts are simply made to help balance the state budget. For example, $26.7 million in budget savings is achieved by eliminating the 2010 "trend factor": an increase for inflation. [51]

Further, while reimbursement reform is the right direction for the state to move in the long-term, it appears that in the short term, the cumulative effect of the large cuts to health care - 7 rounds of cuts in 3 years, causing a cumulative loss of $900 million to hospitals ($2.2 billion combined to hospitals, nursing homes and home care)[52] - is having negative impacts on the state's health care safety net. Since 1990, 45 hospitals have closed in New York State, and some regions of the state have fared far worse than others; for example, in 2009, two hospitals in Queens alone closed.[53] Further, in New York City, 15 hospital emergency rooms have closed: unfortunately these are a primary source of care for many low-income people and uninsured.[54] Medical providers, including nurses and their representatives, claim the cuts are having an extremely negative impact on patient care and safety, particularly in facilities that serve low income communities like St. Vincent's Catholic Medical Center in Greenwich Village, now struggling to stay open.[55] Similarly, advocates are concerned about the impact of the elimination of the trend factors in the budget for certified home health care agencies, long term health care programs, personal care providers and nursing homes.[56] For example, 51 nursing homes in the state have closed since 2000.[57]

The Assembly and Senate propose to address the severity of the proposed Executive Budget cuts in a limited way. For example, the Assembly budget resolution rejects $32.0 million of the $241.1 million in hospital service cuts and $25.9 million of the $140.2 million in nursing home cuts in the Executive Budget (state share basis). And, as noted above, the Senate proposes to establish a

new Nursing Home Rebasing Disadvantaged Pool to address nursing homes that have been financially disadvantaged by the implementation of the new Medicaid reimbursement rules.[58]

However, limited restorations and stopgap measures are not enough. In our 2009 "Race Matters" report, we called for "an analysis of the community impact of each of the health care cuts in the budget … with a significant emphasis on the impacts on racial disparities in health care delivery and outcomes."[59] The multi-year cuts experienced by health care institutions in New York State in recent years and the impacts of the "Great Recession," including a 67% increase in combined Medicaid and Family Health Plus enrollment from January 2000 to September 2009, have made this call even more important than last year, in our view. Hospital representatives argue that the reforms in hospital reimbursement over the past three years have disproportionately harmed safety net hospitals, and that the 2010-11 Executive Budget would continue this trend.[60] This claim should be thoroughly studied before any additional cuts are made to hospitals, and the same inquiry should occur concerning nursing homes and other health care institutions.

Although in general we believe that the health care cuts in the Executive Budget will increase racial and ethic disparities in health care, there are a few limited bright spots. For example, the budget includes $3.5 million in funding to create 100 new slots for the "Doctors Across New York" program, established as part of the 2008-2009 budget.[61] Doctors Across New York is designed to help train and place physicians in medically underserved communities across the state.[62] Advocates hope that the Assembly's opposition to increasing funding for this program this budget year can be overcome in the final budget negotiations.

As troubling as some of the proposed cuts are in the Executive Budget, health care advocates must be on alert to the possibility of additional cuts with the potential for adverse impacts on people of color prior to the resolution of the 2010-11 budget fight. During the fall 2009 special session, Senate Republicans called for $150 million in cuts to so-called "optional" services: services not mandated by federal Medicaid rules.[63] Among the "optional" services provided in New York are prescription drugs, eyeglasses, dental care, hospice, home-care and medical equipment like oxygen tanks and wheelchairs.[64] Medicaid Matters has pointed out that: the "[u]se of the word 'optional' … is an unfortunate misnomer. The services considered 'optional' are by no means optional to the people who rely on them for their health, safety and independence."[65] Even the Empire Center, a well-known conservative New York "think tank," has urged caution, noting that optional services like prescription drugs and dental treatment "help patients from neglecting conditions that would ultimately require more expensive mandatory Medicaid care." Nevertheless, the Empire Center has recommended that the Department of Health develop a list of optional services that should be dropped in the final quarter of 2010-11 to arrive at an apparently arbitrary figure of $75 million in cuts.[66] Given the past position of the Senate minority and the huge state budget deficit, there is reason to fear that the issue of "optional" services under Medicaid will be raised again in the final budget negotiations.

Conclusion

This analysis finds that on balance, the proposals by the Executive, Assembly and Senate in the health care area will have a negative impact on the health care outcomes of people of color. It is easy to say, as some elected officials and conservative business-funded think tanks have, that New York has "no choice" to make the cuts discussed in this report. However, as we responded in our "Race Matters" report, "Those making this point often conveniently forgot that the most vulnerable New Yorkers have been 'belt tightening' for years."[67]

As the state budget negotiations progress, we once again urge our state's political leaders to consider the recommendations in our March 2010 report for revenue measures that would, if enacted, avoid cuts to the critical programs we outlined in our report, including in health care. Our "Race Matters" report detailed 7 revenue measures, including reducing the current stock transfer tax rebate and a one time tax on bankers' cash bonuses, that would generate over $15 billion in additional revenue for the state in 2010-11.[68] Finally, a careful analysis needs to be undertaken in the medium and long-term that considers the impact on racial equity of the cuts in recent years, particularly on health care safety net institutions.[69]

Citations

1. The Assembly's budget proposal is formally contained Assembly Resolution No. 1153, passed on March 24, 2010. The Assembly Resolution in turn refers to several formal budget bills - both "appropriations" bills and so called "Article VII language" bills - that together constitute the Assembly position in budget negotiations. Unless otherwise noted, this analysis relies on a 39-page summary prepared by the Assembly of those bills. See New York State Assembly. Summary of SFY 2010-11 Assembly One-House Proposals (hereinafter, "Assembly Resolution Summary"), http://assembly.state.ny.us/Press/20100324/summary.pdf. In contrast, the Senate adopted on March 22, 2010 a 51 page budget resolution that reflects the position of that legislative house. Senate Resolution adopting a budget resolution proposing amendments to the 2010-2010 Executive Budget Submission (hereinafter, "Senate Budget Resolution"), http://www.nysenate.gov/press-release/majority-resolution-fair-and-responsible-sfy10-11-budget. The Senate Budget Resolution does not provide the level of detail of the Assembly budget bills.

2. Public Policy and Education Fund of New York, Race Matters, Impact of the 2010-11 Executive Budget Proposal (March 23, 2010), at 1 (hereinafter, "Race Matters 2010 Report"), http://ppefny.org/2010/03/race-matters-impact-of-the-2010-11-executive-budget-proposal/763.

3. *Id.*, at 3 [emphasis in original].

4. *Id.*, at 4.

5. Health Care for All New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 7-8; Children's Defense Fund, Health Provisions in the Executive Budget Affecting Children and Families Applying for Coverage (January 2010), http://www.cdfny.org/images/stories/pdf/summary%20of%20executive%20budget%20health%20provisions.pdf. Every year, the fiscal committee of each house of the Legislature (Assembly Ways and Means, Senate Finance) hold hearings on the Executive Budget by subject area. The "Health and Medicaid" hearings were held on February 9, 2010 and testimony by various organizations is cited throughout this analysis. For simplicity, testimony at these hearings is just titled "Budget Testimony, Health and Medicaid" with the name of the organization testifying. All testimony cited is available on the State Senate web page.

6. Senate Budget Resolution, at 33.

7. *See* A.9708B (language bill accompanying Assembly Budget Resolution).

8. *See* A.9708/S.6608, Part D, http://publications.budget.state.ny.us/eBudget1011/fy1011artVIIbills/HMH_ArticleVII.pdf.

9. A.9708B, Part D.

10. *See* Citizen Action of New York, Press Release, New York Has a Choice Other Than Cuts That Harm People of Color (March 23, 2010).

11. The Executive Budget also proposes to cut charity care funding by $70 million.

12. It is not accurate to say that the Executive Budget makes $1.155 billion in "cuts" (see chart) as, for example, the $300.0 million figure listed in the chart under "Medicaid Fraud" is in fact an increase in the target projected to be collected by the state for Medicaid Fraud. Executive Budget, Briefing Book, at 17-18.

13. PPEF calculations from Senate Budget Resolution, at 31-33; Executive Budget, Briefing Book, at 11-22 (Health Care section); Executive Budget, Agency Presentations, at 115-129 (Department of Health section).

14. *Id.*, at 257.

15. Assembly Resolution Summary, at 4.

16. Senate Budget Resolution, at 32.

17. State Department of Health, New York State Minority Health Surveillance Report (September 2007), at 12-13. We have been informed that the 2009 report will be released in a few weeks.

18. Healthcare Education Project, Preserving critical funding to address health disparities: The effects of health care cuts on New York City's most vulnerable populations (December 14, 2009), at 6 (white paper by the Health Care Education Project, SIEU 1199/Greater New York Hospital Association)(hereinafter, "Preserving Critical Funding").

19. *See* United Hospital Fund, Health Insurance Coverage in NY: 2006-2007 (June 2009).

20. Community Service Society, Promoting Equity & Quality in New York's Public Insurance Programs (May 2009).

21. Health Care for All New York, Memorandum in Support of Restoring Regulatory Authority to Conduct Prior Approval of Insurance Premium Hikes in Governor Paterson's Article VII Bill (February 2010), at 1-2 (hereinafter, "HCFANY Prior Approval Memo").

22. New York State Insurance Department, Prior Approval of Health Insurance Premiums: Legislative Briefing -- January 25, 2010, at 1.

23. New York State Insurance Department, Press Release, Cost of HMO Health Insurance Up an Average of 17 Percent (March 17, 2010), http://www.ins.state.ny.us/press/2010/p1003171.htm.

24. Citizen Action of New York, Memorandum in Support: Prior Approval of Health Insurance Premium Rates (February 12, 2010) (memo in support of 2010-2011 Executive Budget proposal).

25. HCFANY Prior Approval Memo, at 2.

26. A.9708B, Part D. The current version of the Assembly bill does appear to extend the 90-day period by 20 days if additional information is requested by SID, it appears that this extension does not fully preclude insurers from abusing the process through repeated delays.

27. *See, for example* Public Policy and Education Fund, Hospital Financial Assistance Programs: Are New York's Hospitals Complying with New Requirements? (March 2008) (hereinafter, "PPEF Hospital Financial Assistance Report").

28. Health Care for All New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 4; Commission on the Public's Health System, Charity Payments to New York City Hospitals; Is there any relationship between provided care and the dollars distributed? (February 2010) (hereinafter, "Charity Payments to New York City Hospitals"), http://www.cphsnyc.org/pdf/CharityCarePayments.pdf.

29. Charity Payments to New York City Hospitals, at 1 (pages unnumbered).

30. Health Care for All New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 3-4.

31. Health Care for All New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 5; *see, for example* Medicaid Matters New York, 2010-2011 Executive Budget Health/Medicaid: Acute Care (January 2010), at 1.

32. Email dated March 10, 2010 from Erica Stallings, Housing Advocacy Coordinator, New York Immigration Coalition to PPEF. Immigrant representatives also advocate the passage of (non-budget) legislation to enable federal Medicaid reimbursement for interpretation and translation services for limited English proficient patients at hospitals, clinics, and community health centers (A.733, Gottfried/S.3740, Duane). NYIC Budget Action Alert; New York Immigration Coalition, 2010 State Budget and Legislative Priorities: A Blueprint for Justice and Opportunity for Immigrants (March 2010), at 2 (hereinafter, "Blueprint for Justice and Opportunity for Immigrants").

33. *See* PPEF Hospital Financial Assistance Report.

34. *See* Greater New York Hospital Association, Budget Testimony, Health and Medicaid (February 9, 2010), at 10.

35. We do not mean to necessarily suggest that the cuts we specifically objected to are the only funding reductions that are unwise or even necessarily of a higher priority for restoration than other cuts we don't mention.

36. Medicaid Matters New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 7.

37. Medicaid Matters New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 7; *see also* Community Health Care Association of New York State, Budget Testimony, Health and Medicaid (February 9, 2010), at 3.

38. Senate Budget Resolution, at 32.

39. *See* AARP, Budget Testimony, Health and Medicaid (February 9, 2010), at 7 (pages unnumbered); Medicaid Matters New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 8.

40. *See* New York State Department of Health, Chartbook on Disability in New York State, 1998-2000.

41. Assembly Resolution Summary, at 5, Senate Budget Resolution, at 31.

42. *See* Medicaid Matters New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 6.

43. *See* section entitled: "No Improvements in Accountability for Funding to Provide Health Care to the Uninsured," above.

44. Assembly Resolution Summary, at 4.

45. *See* Medicaid Matters New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 3-4; AARP, Budget Testimony, Health and Medicaid (February 9, 2010), at 2-3 (pages unnumbered).

46. Assembly Resolution Summary, at 5, Senate Budget Resolution, at 31.

47. New York State Coalition for School-Based Health Centers, Budget Testimony, Health and Medicaid (February 9, 2010), at 1-3.

48. Senate Budget Resolution, at 31.

49. Medicaid Matters New York, Budget Testimony, Health (February 2, 2009), at 2.

50. *See Id.,* at 6.

51. *See* Greater New York Hospital Association, Budget Testimony, Health and Medicaid (February 9, 2010), at 10.

52. *Id.,* at 3.

53. Preserving Critical Funding, at 5.

54. *See Id.,* at 4-5.

55. *See* New York State Nurses Association, Budget Testimony, Health and Medicaid (February 9, 2010), at 2 (pages unnumbered).

56. Federation of Protestant Welfare Agencies, Budget Testimony, Health and Medicaid (February 9, 2010), at 5-6.

57. Healthcare Association of New York State, Budget Testimony, Health and Medicaid (February 9, 2010), at slide 8.

58. Assembly Resolution Summary, at 4-5; Senate Budget Resolution, at 32.

59. Citizen Action of New York, Race Matters: Impact of the 2009-10 Executive Budget Proposal (March 2009), at 22, http://citizenactionny.org/wp-content/uploads/2009/07/20090303RJRaceMatters.pdf.

60. *See* Greater New York Hospital Association, Budget Testimony, Health and Medicaid (February 9, 2010), at 11-14.

61. Senate Finance Majority Staff Analysis of the 2010-2011 Executive Budget (also known as the "Blue" Book), at 257.

62. Governor Paterson, Press Release, Governor Paterson Announces Awards for New Doctors Across New York Program (March 29, 2009), http://www.state.ny.us/governor/press/press_0323092.html.

63. New York State Senator Dean G. Skelos, Press Release, Senate Republicans Propose Budget Cutting Measures (October 14, 2009), http://citizenactionny.org/wp-content/uploads/2009/07/20090303RJRaceMatters.pdf; Empire Center for New York State Policy, Blueprint for a Better Budget: A Plan of Action for New York State (January 2010), at 10 (hereinafter, "Blueprint for a Better Budget"), http://www.empirecenter.org/Documents/PDF/Blueprint-Final17.pdf.

64. *See* Blueprint for a Better Budget, at 10; Medicaid Matters New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 5.

65. Medicaid Matters New York, Budget Testimony, Health and Medicaid (February 9, 2010), at 5.

66. Blueprint for a Better Budget, at 10.

67. Race Matters 2010 Report, at 4.

68. *See Id.,* at 35-37. It's important to note that the $15 billion figure only represents the total of the 7 measures detailed in our report; our report did not purport to list all of the revenue measures proposed by advocacy groups this year.

69. *See Id.,* at 38.