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## Paterson touts health-care improvements

*By Cara Matthews  
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While Gov. David Paterson touted the state budget's increased spending on primary and preventive health care, a hospital group said today that cuts to those institutions would lead to massive service reductions and layoffs.

The governor, who spoke at the Glens Falls, Warren County, Health Center, said the \$131.8 billion budget for 2009-10 reforms the way Medicaid pays for hospital care and reduces "inflated inpatient rates" by \$225 million. It continues to shift the focus from expensive hospital emergency-room and inpatient care and onto more cost-effective primary and preventive care, he said. Lawmakers hope to finish voting on the budget later today.

Every New Yorker deserves quality and affordable health care, but these essential services are not available in many areas of the state, Paterson said. The provision of care has been built up around hospitals, creating a "false economy" for a lot of those institutions. Now the state is trying to remedy that, he said.

The governor said the plan to shift care and money succeeded despite an expensive ad campaign against it by health-care groups and unions. He said advocates beat back the efforts of lobbyists. "It doesn't happen every day, but it happened this week," he said.

Hospitals will lose less than 2 percent in funding as a result of the budget, Paterson said. "This is not going to wreck the hospitals. Hospitals will not close," he said.

But William Van Slyke, a spokesman for the Healthcare Association of New York State, disagreed.

"What the governor needs to understand is that while his budget makes investments in primary care, as it should, it pays for those investments by cutting hospital inpatient care," he said.

HANYS disputes the governor's claim that inpatient care has been over-funded, Van Slyke said.

Since last August, when \$1 billion was cut from health care, three hospitals have closed (One in Oswego and two in Queens) and there have been 5,500 layoffs, Van Slyke said. That's the first wave, and the waves to follow will be even bigger, he said.

"There will be massive layoffs and service cuts as a result of this budget," he said.

The state Association of Homes & Services for the Aging criticized the health-care budget, calling it "irresponsible and unfathomable."

"The agreed-upon budget slashes essential services to seniors in nursing homes, those needing home care, adult day health care and assisted living," Carl Young, president of the group said in a statement. "These cuts will result in the loss of thousands of jobs in long-term care and a consequent erosion of care."

The budget agreement will save \$2.3 billion in health care, Paterson said. Lawmakers faced a deficit that increased to \$17.7 billion while they were developing a spending plan, he said.

Paterson said Medicaid will now pay a "fair price" for outpatient care, including services provided in hospital clinics.

The budget includes a number of new investments in outpatient care, he said, such as:

- \$92 million on an annual basis to hospital clinics.
- \$37.5 million to community health centers.
- \$68 million in fees to doctors and nurse practitioners.

The state is setting up a \$75 million Transitional Reform Fund for hospitals as they restructure to focus more on primary care.

Other budget initiatives for health care include:

- Making \$283 million more available to hospitals to cover the cost of treating uninsured patients.
- Creating a \$24.5 million pool of funds for research and other initiatives at academic medical centers.
- Adding \$55 million to community health centers to cover uninsured patients, subject to federal approval.
- Providing \$50 million to hospitals that serve the largest numbers of Medicaid patients.
- Making \$16 million available to community hospitals to help relieve the impact of reductions in the budget.

Kate Breslin of the Community Health Care Association of New York State hailed the health-care budget.

"We finally have policy leaders, the governor, the commissioner (of health) and legislators across the state who really get it, who really understand that we need to transform how we do business in our state with regard to health-care infrastructure..." she said.

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