FY 2022 Joint Legislative Budget Hearing – Health

Senate Finance Committee, Assembly Ways and Means Committee, Assembly Health Committee, and Senate Health Committee

Hearing Testimony: February 25, 2021

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GREATER NEW YORK HOSPITAL ASSOCIATION

Committee Chairs and other members of the Legislature, thank you for the opportunity to testify today on the proposed FY 2022 New York State budget. My name is David Rich, Executive Vice President, Government Affairs, Communications, and Public Policy at the Greater New York Hospital Association (GNYHA). GNYHA represents not-for-profit and public hospitals and nursing homes across New York State.

Hospital Issues

This last year has been like no other. Beginning in February and early March of 2020, our hospitals mounted the largest mobilization of health care resources in the nation's history. Sadly, even one death in the hospital is one too many, and our hearts go out to all the New Yorkers who lost loved ones during this terrible pandemic. But at the same time, the brave women and men in our institutions successfully cared for and safely discharged more than 143,000 COVID-19 inpatients since the pandemic began.

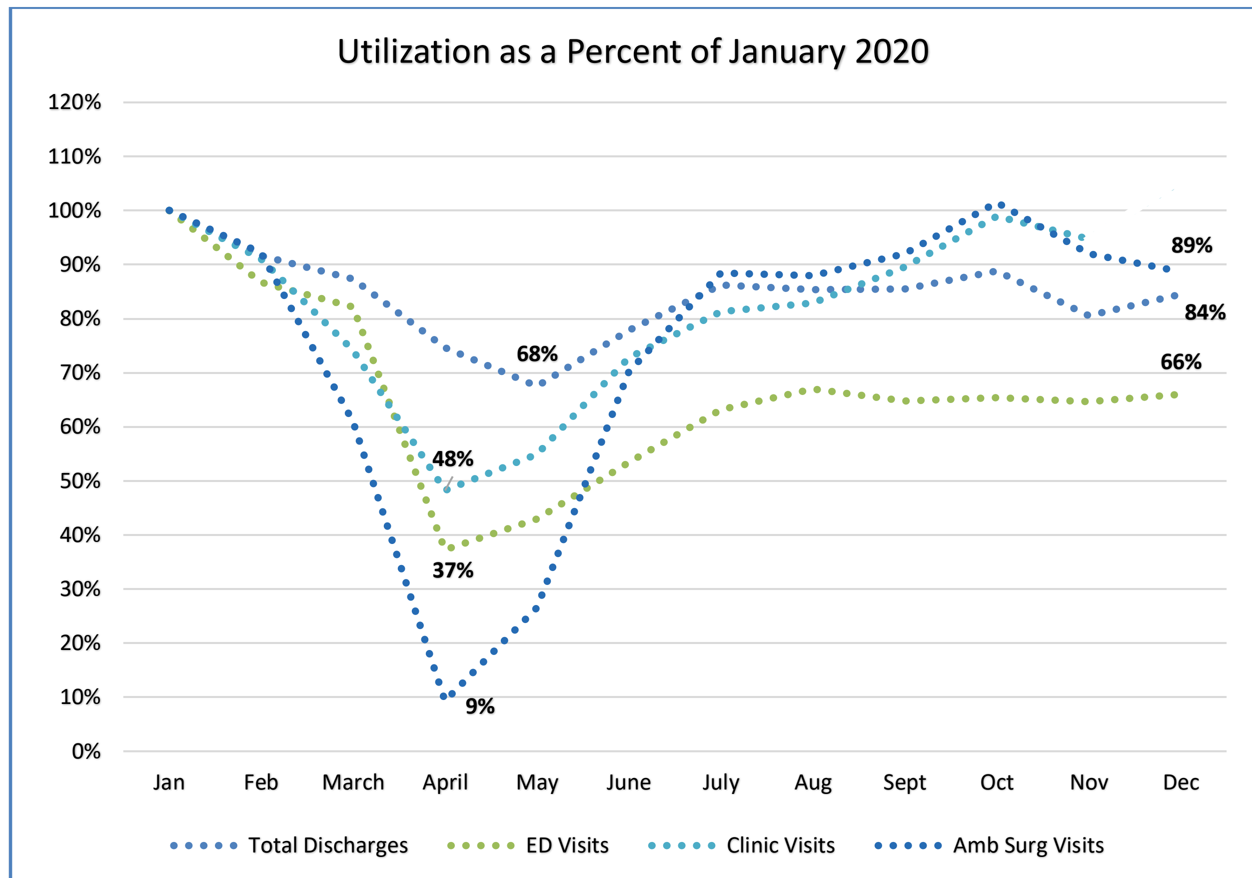
Our hospitals and our dedicated staff rose to the challenge. We pioneered innovations in COVID-19 care that were later replicated across the country. We used resources we had never been called upon to use before, such as converting non-patient care spaces to intensive care units, creating field hospitals, redeploying staff, converting ventilators for use by two patients at a time, fixing frozen oxygen lines due to unprecedented heavy usage, and scouring the world for personal protective equipment (PPE) amid a worldwide shortage, just to name a few. All of this came at great emotional cost for everyone working in our hospitals. It also came at great financial cost.

And extraordinary efforts are still ongoing as we continue to deal with the second surge.

New York's hospitals were already in worse financial shape than their counterparts nationwide before the pandemic hit. New York hospitals historically have had among the worst financials of any state's hospitals. In 2018 New York's hospitals ranked 50th out of the 50 states in mean operating margins and equity financing ratios. And their operating margins are chronically below the minimum 3% required for a financially sustainable hospital. But then, hospital financials took a huge beating in 2020 from the double whammy of reduced utilization of hospital services and increased costs due to COVID-19. Without the Federal relief championed by Senator Charles Schumer and our entire New York Congressional delegation, our hospitals would have fallen off a financial cliff. We are very grateful for the funding Senator Schumer and his colleagues provided to cushion the blow.

But we are far from out of the woods. As shown in the chart below, New Yorkers are still utilizing hospital services at levels far below pre-pandemic levels (measured against January 2020 volumes). Our analysis shows that in December 2020 inpatient hospital utilization at GNYHA member hospitals was only at 84% of pre-COVID levels. Ambulatory surgery had returned to only 89% of pre-COVID levels. And emergency room utilization had only returned to 66% of pre-pandemic levels.

Chart 1. Hospital 2020 Utilization Trends by Month



Source: GNYHA Monthly Utilization Survey (86 member hospital respondents).

This obviously is very concerning for the health of New Yorkers and raises the important question of whether people are deferring needed care out of continued fear of contracting COVID-19 in a hospital. It is also very concerning for the financial health of the institutions New Yorkers rely upon. As we move into 2021, with no more prospect of direct Federal relief, we are looking down an empty well. Therefore, it is critically important that you support relief for hospitals in three ways:

1. **Provide new funding for hospitals while rejecting new hospital cuts.** In the past 13 years, hospitals have only received a one-time 2% increase in hospital inpatient Medicaid rates, which has been more than wiped out by the current 1.5% across-the-board (ATB) cut, let alone the Executive's proposed 1% increase to this cut. As a result, in 2019, our preliminary analysis of 2019 hospital cost report data shows that Medicaid payments merely covered 74% of hospital costs. No wonder we have dozens of hospitals on a "watch list" for closure and many others in severe financial difficulty. Far from cutting hospitals as proposed in the Executive Budget—ATB Medicaid cuts, cuts to public hospital indigent care pool funding, capital reimbursement rate cuts, cuts to 340b safety net hospitals, etc.—financial relief provided to the State from the COVID-19 relief bill wending its way through Congress should be used to wipe out proposed State cuts and provide desperately needed inflation increases for Medicaid providers. Many states used enhanced Medicaid matching rates from last year's COVID-19 Federal relief bills to increase rates for

hospitals and nursing homes. Unfortunately, New York has gone in the opposite direction and cut the very health care providers most needed during the pandemic.

2. **Rein in the extremely abusive practices of for-profit insurance companies.** While hospitals were saving thousands of lives during the pandemic—and losing revenues while absorbing enormous new costs—for-profit insurance companies made huge amounts of money as they continued to collect premiums for care that was never delivered due to the lock down and shut down of non-emergency procedures. UnitedHealth Group's earnings soared 13.8% in 2020 over 2019. Similarly, Anthem saw its earnings increase 6%. All the while, these companies continue to do everything in their power to deny payments for necessary care provided to their enrollees. We are grateful that last year you enacted a variety of reforms in response to insurers' administrative denials and other bad practices. This year we urge you to revisit one of the reforms that was not enacted last year, which is known as "pay and pursue." This reform would prevent insurers from abusing the medical review process by requiring them to pay legitimate inpatient and emergency room claims to in-network hospitals *before* requesting a medical review.
3. **Refrain from enacting any new costly mandates that would put hospitals in an even worse financial position.** This includes new staffing mandates, which Cornell University reported last year would cost hospitals and nursing homes $4 billion annually (A.108-A and S.1168). During the pandemic it was critically important for hospitals to have the flexibility to work with their dedicated staff to deploy where they were most needed. Staff were trained to serve in settings they had not served in before. Our hospital systems "load balanced" patients among the hospitals in their system, which also required deploying staff to new units, as necessary. A one-size-fits-all staffing mandate set by the Legislature would have seriously crippled all these efforts. Other changes that would increase hospital costs include changes to Certificate of Need and medical liability laws. As we are still dealing with the second surge, this would be the worst time to impose new mandates on our hospitals.

We have attached a table with our detailed positions on all proposed State budget health care provisions of importance to our members. We hope you find it helpful.

Nursing Home Issues

The issue of quality care in nursing homes has become quite controversial of late.

Let it be clear: we support reasonable, appropriately funded nursing home reforms.

We represent not-for-profit nursing homes, which many see as the gold standard for long term care. However, this is a gold standard that is rapidly diminishing. The chronic underfunding of Medicaid reimbursements for nursing homes has, unfortunately, made high-quality not-for-profit nursing homes a dying breed. In 2018, the New York State Attorney General's Office—in a report released by its Charities Bureau—sounded an alarm over the accelerating loss of high-quality, community-based, not-for-profit long term care providers in New York State due to closures or conversions. Citing research linking not-for-profit sponsorship with especially strong quality outcomes in patient care and patient satisfaction, it flagged the deeply concerning trend that in recent years **New York has lost close to 5% of its not-for-profit nursing homes annually**. **This should be a matter of great concern to this Legislature and the Legislature should conduct a thorough examination of why this is occurring.**

Given all of this, it is critically important that you support relief for not-for-profit and public nursing homes in three ways:

1. **Nursing homes and nursing home reforms must be properly funded.** As previously mentioned, Medicaid providers have not received an inflation update in their Medicaid rates in 13 years—and given the nursing homes' strong reliance on Medicaid, this fact has singularly contributed to the financial distress of our member nursing homes and the diminishing not-for-profit sector. Cuts in the Executive budget, including ATB Medicaid cuts, run counter to reform, making it more difficult for not-for-profit and public nursing homes to invest in quality initiative and staff. The State should instead invest in Medicaid reimbursement rate increases for nursing homes and in quality pools for nursing homes that meet quality standards.
2. **Staffing.** Nursing homes staffing presents a completely different set of issues than hospital staffing. We believe that mandatory ratios, as an example, are not workable; however, we are cautiously interested in a new concept included in the Governor's 30-day amendments—and like S.4336-A (Rivera)—that would provide an alternative to mandatory ratios. Under the proposal, nursing homes would be required to dedicate 70% of their revenue to direct resident care and 40% of their revenue to staffing or face a penalty. We want to be certain, however, that the proposal, if enacted, is constructed to protect and strengthen the missions of not-for-profit and public nursing homes. To that end, we support amending the proposal in several ways, including exempting specialty nursing homes such as those serving pediatric residents and residents living with HIV/AIDS; using 2022 data for the first year to avoid budgeting anomalies during pandemic years; defining direct resident care costs to include all essential departments that directly impact nursing home residents; exempting capital costs from the entire calculation; and creating a nursing home bonus pool with revenues from the penalty to strengthen nursing homes with good staffing practices. We look forward to working with you on these amendments.
3. **Provide funding for capital improvement.** Throughout the last decade, GNYHA was instrumental in advocating for capital funding for health care providers. Those efforts resulted in several rounds of capital funding through the Health Care Transformation Fund. There is still funding in the Transformation Fund, and some funding is set aside for nursing homes. We call upon the Department of Health to initiate a new round of applications so that not-for-profit and public nursing homes may apply to strengthen their infrastructure, especially given the new capital demands created by the pandemic.

As mentioned, we have attached a table to this testimony that provides more detail on our positions on many of the Executive budget proposals. We express strong opposition to the Executive's proposed stiff monetary penalty increases for providers, the proposed caps on compensation for nursing home executives and managers, and other provisions.

The Reality of Hospital Discharges to Nursing Homes

Finally, there has been much debate on the question of discharges of COVID patients from hospitals to nursing homes and whether such discharges contributed to nursing homes' COVID-19 infection rates. As has been reported widely, such discharges were consistent with guidance from the Centers for Medicare & Medicaid Services and the Centers for Disease Control and Prevention.

We also believe that the claim that nursing home fatalities were caused by admissions from hospitals is not supported by the facts, as we stated in our August 3, 2020 testimony submitted to the Senate and Assembly Committees on Health, Aging, and Investigations. Since then, additional findings and guidance only reinforce this conclusion.

Thank you for your kind consideration of our budget requests.

Attachment

FY 2022 NEW YORK STATE EXECUTIVE BUDGET HEALTH CARE PROPOSALS, GNYHA POSITIONS (UPDATED AFTER 30-DAY AMENDMENTS)

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STATEMENT OF PRINCIPLE

New York's hospitals and health care workers are proud to be the first line of defense against COVID-19. Our hospitals had by far the most cases in the world in the spring of 2020, and we continue to treat thousands of COVID-19 patients today. Our not-for-profit and public nursing homes also cared for thousands of COVID-19 residents. Hospitals and nursing homes have incurred greatly increased costs and reduced revenues as New Yorkers deferred needed care and chose nursing home alternatives. We therefore strongly oppose cuts to hospitals and nursing homes on top of the cuts already enacted in the current State fiscal year (FY) 2021 budget.

We recognize the State's difficult financial situation, and we strongly support Governor Cuomo's call for Washington, DC, to treat New York equitably and fairly after four years of Federal injustice. This includes providing $15 billion in Federal funding for the State and a repeal of the damaging SALT provision that unfairly targets New York taxpayers. GNYHA and our partner, 1199SEIU, have pledged to work with the Biden Administration, Majority Leader Chuck Schumer, the New York Congressional delegation, the Governor, and the State Legislature to help secure the Federal relief that New York deserves. We hope and expect that with Federal relief we can eliminate the proposed cuts listed below that we strongly oppose.

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
MEDICAID: ALL PROVIDERS		
Across-the-Board Cut, Trend Factors	1% across-the-board cut to all Medicaid providers on top of the 1.5% across-the-board cut already in place ($188 million impact). Extends the Medicaid global cap through FY 2022-23 at the 10-year rolling average of the medical component of the Consumer Price Index, and authorizes the Division of the Budget to make across-the-board cuts to Medicaid spending by up to $467 million in FYs 2021-22 and 2022-23 to comply with the Medicaid global cap, as needed. Eliminates Medicaid inflationary "trend factors" through FY 2023.	We **oppose** these cuts for the reasons stated in our Statement of Principle. While the State intended to provide a one-time 2% trend factor increase for hospitals and a 1.5% increase for nursing homes in 2018, those increases have been completely wiped out by subsequent cuts. Therefore, in effect, hospitals and nursing homes have had no Medicaid rate inflation increases since 2008.

GNYHA is a dynamic, constantly evolving center for health care advocacy and expertise, but our core mission—helping hospitals deliver the finest patient care in the most cost-effective way—never changes.

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
DSRIP Waivers	Extends the Delivery System Reform Incentive Payment Program (DSRIP) regulatory waiver authority through April 1, 2024, to support providers scaling or replicating ideas coming out of the DSRIP program to continue these efforts.	We **support** this proposal.
MEDICAID: HOSPITALS		
Public Hospital Indigent Care Pool (ICP)	Eliminates the public hospital ICP ($140 million impact). This affects New York City Health + Hospitals, Erie County Medical Center, Nassau University Medical Center, Westchester Medical Center, and the SUNY hospitals.	We **strongly oppose** these cuts for the reasons stated in our Statement of Principle.
Financially Distressed Hospitals	Reduces State funding for the Vital Access Provider Assurance Program (VAPAP) by $99 million. State officials argue that this reduction can be weathered by the distressed hospitals because they received relief from the Federal CARES Act and Federal Medicare advances. State officials have said they are committed to ensuring that distressed hospitals are supported as necessary and are providing $500 million in State funding in the Governor's proposed budget.	We would like to work closely with the State and distressed hospitals to ensure that the State has sufficient funding to meet its obligations to financially distressed hospitals.
Capital Rates	Reduces the Medicaid capital rate add-on by 5%, in addition to the 5% cut enacted last year, for a total cut of 10%.	We **oppose** these cuts for the reasons stated in our Statement of Principle.
340B Hospitals	The Medicaid pharmacy benefit is scheduled to be carved out of the Medicaid managed care program on April 1. The Governor's budget includes a $102 million 340B Reimbursement Pool to help mitigate the impact of the carve-out on 340B diagnostic & treatment centers only.	GNYHA is very concerned about the carve-out's impact on 340B safety net hospitals. 340B hospitals will lose the very revenue that helps them care for low-income and uninsured populations. We support protecting 340B hospitals from the negative effects of the pharmacy carve-out, as proposed by A.1671 (Gottfried).

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
CONTINUING CARE		
Workforce Recruitment and Retention	Cuts funding for community-based long term care providers by 50%.	GNYHA is concerned about the impact of cuts to personal and home care workers and the potential impact on this post-acute care option. Such workforce cuts would have a negative impact on the overall financial picture for not-for-profit and public long term care organizations.
Nursing Home Staffing	The 30-day amendments add considerable detail to the original Executive proposal. The amendments would require nursing homes by statute to spend 70% of revenue on direct resident care and 40% on resident-facing staffing (staffing is included in direct resident care). Direct resident care excludes capital depreciation, rent and leases, fiscal services, and administrative services. Resident-facing staffing includes all staffing expenses in the ancillary and program services categories on cost report Exhibit H. 15% of staffing costs associated with contracted staffing would be deducted from the calculations. Margins would be capped at 5%. Penalties will be determined by regulations, but any "excess revenue" will be paid to the State, including potentially by offsetting Medicaid payments.	GNYHA would like to work with the Executive and the Legislature to ensure that this proposal, if enacted, would not harm the missions of not-for-profit and public nursing homes. We support exempting specialty nursing homes including those serving pediatric residents and residents living with HIV/AIDS; using 2022 data for the first year to avoid budgeting anomalies during pandemic years; defining direct resident care costs to include all essential departments that directly impact nursing home residents; exempting capital costs from the entire calculation; and creating a nursing home bonus pool with revenues from the penalty to strengthen nursing homes with good staffing practices. We also **strongly oppose** capping margins for not-for-profit and public nursing homes. GNYHA remains **strongly opposed** to A.108-A and S.1168, which would impose costly and inflexible staffing ratios on nursing homes.
Nursing Home Compensation	The 30-day amendments direct the DOH Commissioner to cap administrator and managerial salaries by nursing home bed size, with a maximum cap of $250,000.	GNYHA **opposes** capping the compensation of not-for-profit nursing home administrators and managers. Many of our facilities are extremely complex and require excellent managers to operate them effectively. We do not believe that capping these salaries will improve care for residents and may hamper the nursing facilities' ability to attract the best talent. Additionally, the State already has executive compensation regulations in place through Executive Order 38.

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
Other Nursing Home Provisions	The 30-day amendments require that nursing homes disclose contracting and ownership arrangements. They also give the DOH Commissioner authority to mandate contracts with quality improvement organizations (QIO) for nursing homes with multiple infection control deficiencies. The Legislature has advanced its own bills on nursing home reform, including direct patient care ratios (S.4336-A, Rivera), infection control (A.1999-A/S.1783, Gottfried/Skoufis), visitation (A.1052-B/S.614-B, Bronson/May), and disclosure of ownership (S.3060, Rivera).	The need for long-term care reform in New York State is clear. Not-for-profit and public nursing homes have a demonstrated track record of high quality. Unfortunately, due to a variety of factors—including Medicaid reimbursement that does not cover the cost of care—these vital long-term care facilities are struggling to survive while for-profit institutions that lack the same commitment to workforce development and quality care proliferate. GNYHA is studying the impact of the contracting and ownership arrangement transparency provisions on our members. We do not believe that the added requirement for a nursing home to hire a QIO is warranted. Current law already allows DOH to require the hiring of an independent quality monitor.
Provider Fines and Discipline	The 30-day amendments significantly increase penalties on hospitals and nursing homes for violations of the Public Health Law and regulations. Fines are increased from $2,000 per violation to $10,000, with fines for subsequent violations within 12 months increased from $5,000 to $15,000. The overall cap on fines would increase from $10,000 to $25,000. Amounts collected above $15,000 would be used by DOH for quality initiatives, surveillance and inspection, training and education of provider staff, and other purposes. The amendments also increase penalties for willful violations. The proposal also strengthens the DOH Commissioner's authority to take control of nursing homes and hospitals (by appointing a temporary operator or emergency receiver) if resident safety or health is at risk.	GNYHA **opposes** increased penalties that could further undermine not-for-profit and public health care institutions struggling to weather the COVID-19 pandemic. These institutions have demonstrated a commitment to quality care. GNYHA **supports** appropriate enforcement action by DOH in situations where patient and/or resident health is at risk.

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
MEDICAID: MANAGED CARE		
COVID-19 Adjustment	Cuts Medicaid managed care premiums to account for reduced plan spending in FY 2021 due to the pandemic, including a $364 million State-share cut to mainstream Medicaid managed care premiums in FY 2021 and $33 million in FY 2022. Similar reductions will be made to Managed Long Term Care premiums, equaling $223 million in State funding in FY 2021 and $20 million in FY 2022.	We support exempting 1) hospital-sponsored mainstream Medicaid managed care plans like HealthFirst and MetroPlus from the COVID-19 adjustments, and 2) provider-sponsored Medicaid Advantage plans. A cut to these plans is tantamount to a cut to the providers that sponsor them. We **oppose** these cuts for the reasons stated in our Statement of Principle.
INSURANCE		
Managed Care Reforms	Last year's State budget proposed significant managed care reforms that would apply to State-regulated plans, which GNYHA strongly supported and advanced. One important reform that was not included in the final budget—or this year's Executive proposal—was "pay and pursue."	We **support** including pay and pursue reforms in the final budget. These reforms will protect providers from insurer tactics that result in inappropriate payment delays and denials. This is particularly important this year as insurers earn record profits while hospitals struggle financially due to the pandemic.
Essential Plan Investments	Proposes using Federal resources to make various investments in the Essential Plan (EP), New York's low-cost health insurance option. These include increasing EP premiums by $420 million to increase provider payments, creating a $200 million EP plan quality pool, and eliminating premiums and copays for low-income EP enrollees ($100 million).	GNYHA **strongly supports** these proposals, which will reduce health care costs for low-income New Yorkers and assist financially struggling hospitals. We will work to ensure they are implemented effectively.
Health Republic Fund; Health Insurance Guaranty Fund	No provision.	GNYHA **supports** setting aside settlement funds, as envisioned in the FY 2016-17 budget, to pay provider claims once the Health Republic liquidation process is complete. Providers are owed hundreds of millions of dollars for care rendered to Health Republic enrollees. GNYHA also **strongly supports** enactment of a health insurance guaranty fund for future insolvencies.

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
FUNDING: NON-MEDICAID		
School-Based Health Centers (SBHCs)	The Executive proposes the same funding it did last year: $17.1 million. The last two final budgets have included an additional $3.8 million to address an FY 2017-18 budget cut and subsequent New York State Department of Health (DOH) administrative redistribution that disproportionately harmed many hospital-sponsored SBHCs.	GNYHA believes that, at a minimum, the final budget should keep SBHC grant funding at the same final level as last year ($20.9 million). SBHCs provide critical primary care services to underserved public school children across New York State.
DASNY Medical Facility Bond Cap	Increases Dormitory Authority of the State of New York (DASNY) authorization to issue bonds for health care construction projects from $16.6 billion to $17.4 billion.	GNYHA **supports** this provision.
New York City Public Health Funding	Reduces State funding for New York City's core public health services from 20% to 10%.	GNYHA is concerned about a cut to New York City's public health funding, particularly during a pandemic. GNYHA **supports** eliminating this cut.
HEALTH INFORMATION TECHNOLOGY		
Telehealth Expansion	Includes a variety of proposals expanding telehealth, including continuing telephonic delivery of care; allowing certain unlicensed staff to deliver substance use disorder services; expanding covered telehealth providers; eliminating obsolete location requirements; expanding reimbursement for patient monitoring; integrating telehealth into the Statewide Health Information Network for New York (SHIN-NY); requiring telehealth coverage and network adequacy in commercial insurance; and expanding access to mental health and addiction services. Authorizes the State Education Department to promulgate regulations establishing an interstate licensure program allowing practitioners licensed by contiguous states or states in the Northeast to provide telehealth services. In addition, the Executive proposes increasing training and education opportunities, establishing a pilot program to facilitate telehealth for vulnerable populations, and requiring insurers to cover e-Triage and Virtual Emergency Department services.	We are pleased the Governor has included important telehealth provisions in his budget, and we will work to ensure enactment of GNYHA's comprehensive telehealth reform package. We would also support expansion of the telehealth provisions to mandate reimbursement parity for telehealth services. Providers may be reluctant to fully embrace telehealth if reimbursement levels remain inadequate. GNYHA **strongly supports** these proposals, especially the easing of interstate licensure requirements for telehealth. We recommend refining the interstate licensure proposal, however, to address reciprocity with other states that allow New York providers to practice telehealth and to add states (e.g., Florida) where many New York State residents split their time.

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
New York Data Accountability and Transparency Act	Enacts new transparency and privacy requirements for companies that collect personal data. Also creates enforcement mechanisms and a Consumer Data Privacy Advisory Board to make data privacy recommendations.	GNYHA is reviewing this proposal with our members.
MEDICAL LIABILITY		
Rate of Interest on Judgments	Ties the rate of interest on certain judgments and accrued claims to the one-year US Treasury bill rate rather than the current statutory provision of 9%.	GNYHA **strongly supports** the Executive budget provision. Current law requires defendants to pay exorbitant interest rates that bear no relationship to market interest rates, which drives up malpractice and other liability costs.
Medical Indemnity Fund (MIF)	Funds the MIF, which covers the ongoing medical needs of neurologically impaired newborns, at $52 million. Also extends enhanced MIF rates, currently in effect through December 31, 2021, through March 31, 2022.	GNYHA **strongly supports** full funding for the MIF, a landmark medical liability reform. GNYHA **strongly opposes** extending the enhanced reimbursement rates without further study and input by affected stakeholders.
Excess Medical Malpractice Pool	Requires that participants in the Excess Medical Malpractice pool contribute 50% of the cost beginning with the July 1, 2021 policy year ($50 million State savings).	GNYHA **opposes** this cost-sharing requirement, which would make it more difficult for physicians to serve their patients during a period of unprecedented challenges—especially in the State's underserved areas. This change would also harm hospitals that cover the cost of malpractice insurance for their physicians.
WORKFORCE		
Workforce Training and Research Programs	Eliminates the Empire Clinical Research Investigator Program and its funding. However, the Executive reappropriates $3.4 million to fund remaining grants for existing awardees. Also eliminates funding for the Health Workforce Retraining Program (unless the New York State Division of the Budget can find funding "deemed sufficient" to support more training). Continues three other workforce programs, but reduces their funding compared to last year: Doctors Across New York Loan Repayment and Practice Support (from $9 million to $7.3 million), Physician Workforce Studies ($487,000 to $390,000), and Diversity in Medicine ($1.2 million to $995,000).	GNYHA **opposes** eliminating or cutting funding for these critical health workforce programs.

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
Physician Integrity	Proposes changes to laws on professional misconduct reporting and handling for physicians and other licensed professionals by strengthening the powers of the DOH Commissioner and requiring increased public disclosure of information. Specifics include adding a criminal background check to the licensure process, expanding the definition of professional medical misconduct, bringing the Board for Professional Medical Conduct under the authority of the DOH Commissioner, allowing for immediate disclosure of charges, discretionary disclosure of administrative warnings, and requiring hospitals to report when they have told third-party contractors not to assign individuals to their facility out of quality of care concerns.	GNYHA is reviewing these proposals and their potential impact on hospitals.
Physician Profile	Adds new disclosure requirements for physician profiles, including details about primary practice setting, physician websites and social media accounts, ability to accept new patients, and other data necessary for workforce and research planning. Also allows physicians to assign an authorized designee to update the profile (provided the designee is employed by the physician or practice) and specifies that updates should be submitted upon re-registration.	GNYHA **supports** the provision to create a more robust profile for workplace planning purposes as well as allowing physicians to designate someone to update the profile, so long as the updated information and disclosures do not unduly burden physicians and their practices.
Resident Work Hour Audits	Eliminates duplicative resident work hour audits performed by IPRO.	GNYHA **supports** this provision.
PUBLIC HEALTH		
Adult-Use Cannabis	Creates an Office of Cannabis Management within the State Liquor Authority, which would oversee the adult-use, medical, and cannabinoid hemp industries. Cannabis would be taxed based on THC content at the wholesale level and 10.25% at the point of sale, in addition to applicable state and local taxes. Revenue would be used for a variety of uses, including the general fund, social equity efforts, substance abuse treatment, and public	GNYHA is committed to ensuring that public health considerations, including substance abuse, are adequately addressed in future legislation and through the distribution of tax revenues. We will strongly advocate for an approach that minimizes risk to hospital operations and patient safety. We **support** the creation of a designated caregiver facility status for medical cannabis.

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
Adult-Use Cannabis (continued)	health education and research. Special emphasis would be placed on encouraging communities that have been adversely impacted by cannabis laws to participate in the program. The provision allows for certain employment-related testing and actions. The Executive also proposes a new status for medical cannabis designated caregiver facilities, which carries certain legal protections under State law. Counties or cities with a population of 100,000 or more could opt out of the establishment or operation of licenses related to adult-use cannabis.	
BEHAVIORAL HEALTH		
Medical Respite Pilot	Authorizes a medical respite pilot program. DOH would have authority to license or certify an organization to run the program. Homeless people in the program would not lose any other benefits from participating.	GNYHA **supports** this program.
OMH-OASAS Merger	Combines the Office of Mental Health (OMH) and Office of Addiction Services and Supports (OASAS) into one agency—the Office of Addiction and Mental Health Services.	GNYHA has long advocated for integration of these agencies and **supports** this proposal. Their often-conflicting rules and regulations have created many challenges. There are also cost-saving opportunities for the State and providers alike. More importantly, a single integrated state behavioral health agency will improve patient care, experience, and outcomes.
Comprehensive Outpatient Services Centers	Authorizes comprehensive outpatient services centers that will be permitted to provide physical health, mental health, and addiction services using a single set of licensing standards and requirements for construction, operation, reporting, and surveillance.	GNYHA **strongly supports** initiatives that reduce barriers to providing fully integrated care and improve patient experience and outcomes.

ISSUE	EXECUTIVE BUDGET PROVISION	GNYHA POSITION
PHARMACY		
Collaborative Therapy Drug Management (CDTM)	Permanently extends CDTM, which allows pharmacists to play a larger role in patient care and medication management, especially for patients taking multiple medications. CDTM is currently scheduled to expire on July 1, 2022.	GNYHA **supports** making CDTM permanent. Many GNYHA member hospitals have operated CDTM programs for years, and independent studies confirm that CDTM leads to better patient outcomes.

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