

**Testimony to the New York State Division of the Budget
Town Hall Hearing**

Friday, November 30, 2007

**Submitted by Steven L. Strongwater, MD, CEO
Stony Brook University Hospital**

Thank you for providing me as a representative of Stony Brook University Hospital with the opportunity to testify regarding the New York State 2008-09 budget.

I am Dr. Steven L. Strongwater, Chief Executive Officer of Stony Brook University Hospital, a 540-bed public teaching hospital that provides care to the residents of Suffolk and eastern Nassau Counties. As a public teaching hospital, Stony Brook plays an important regional role in the community providing care to over 28,000 inpatients, 72,000 emergency room patients, and over 300,000 outpatients annually. Stony Brook offers unique tertiary care services including the region's only Level 1 trauma center, regional perinatal center, burn center, kidney transplantation center, the nation's first pediatric multiple sclerosis center, and bone marrow transplantation, that serve as the training ground for the state's future medical professionals. I am writing to address three issues concerning the state budget that could jeopardize our ability to care for the region's residents and train future health care professionals – bad debt and charity care, New York's GME system, and Federal Medicaid funding .

Bad Debt and Charity Care

The NYS Bad Debt and Charity Care (BDCC) Technical Advisory Committee (TAC) recently held its final meeting on November 14th where it presented draft recommendations for reforming the State's \$847 million BDCC pool. The draft recommendations would maintain the funding for public hospitals at \$139 million which historically funds 20 to 30 percent of the cost of treating the indigent. This contrasts with 60 to 70 percent of costs recovered by voluntary hospitals from the current distributions. This dichotomy is only justified by continued access by public providers of supplemental funds made available through Federal and State match in the NYS Medicaid Plan. We are supportive of the recommendations with the contingency regarding continued access to the Federal / State supplemental payments.

New York State GME System

The New York State Council on Graduate Medical Education (COGME) continues to develop recommendations on reforming New York's GME system. At its most recent meeting, COGME focused on several recommendations that members believed were priorities in promoting reform of the GME system and better physician supply for the State. The members are considering an in-depth analysis of the physician workforce needs of the State over the next 10 to 20 years so that policymakers could use this information to guide potential reform priorities. Stony Brook currently accepts 116 medical students per year (on its way to a planned 140 per year), and trains

approximately 400 residents at SBUH and another 120 at affiliated institutions. We believe it is critically important for the State University to be integral to the training of students from New York State, that become the future physicians of New York State. We ask that the State continue to provide adequate funding to support these GME activities.

Federal Medicaid Support

At the Federal level there have been a number of Medicaid reductions that are set to be implemented once the Medicaid Moratorium expires in May 2008. These reductions include eliminating Federal funds to support Medicaid's fair share of GME costs, reducing Federal match for supplemental Medicaid funding, and eliminating other expenses such as hospital based physician costs. Any and all of these pending actions will devastate the public hospitals in New York State. New York needs to be out front preventing the Federal government's withdrawal of funding its share of the public good to our residents.

Conclusion

There are many pressures on both the public and private hospitals that serve our region and our State. Careful change needs to be made on the path to universal coverage of all patients. The system is fragile and careful change is necessary. The cost of health care needs to be paid, but fairly by all.

Thank you for creating this forum and for the opportunity to submit testimony