



**UUP TALKING POINTS  
2010-2011 EXECUTIVE BUDGET  
SUNY HOSPITALS AND HEALTH SCIENCE CENTERS**

I. UUP's position on Executive Budget proposals

- **Add \$74.5 million to the State subsidy for the SUNY hospitals and health science centers to compensate for mandatory costs and fringe benefits; and**
- **Reject the Governor's proposals to reduce State Medicaid funding for SUNY's teaching hospitals.**

II. Talking Points

- The SUNY hospitals will be required to absorb the full \$54 million cost of 2010-2011 collective bargaining increases and fringe benefits.
- The hospitals will also have to make, for the first time, an additional \$20.5 million payment to the State Employees Retirement System to compensate for the System's investment losses.
- Together this represents an unfunded State imposed mandatory cost increase of \$74.5 million for 2010-2011.
  - If these funds are not provided, the hospitals will be compelled to absorb a total of over \$223 million in unfunded State imposed costs since 2007-2008;
  - This comes on top of more than a decade of virtually no increase in the State's subsidy for hospital operations – for an additional annual shortfall of at least \$400 million;
  - The Governor's Budget fails again to recognize that these are publicly operated hospitals simply because they serve not only large populations of uninsured and underinsured patients, but also patients referred by other community hospitals having medical conditions that are very expensive to treat.
- Several of the Governor's proposals to reduce or reform Medicaid will impact the SUNY hospitals:
  - Increasing the State assessment on hospital inpatient services from 0.35% to 0.70%;
  - Reducing, over three years, payments for indirect medical education cost reimbursements from 4.2% to 1.2%;
  - Freezing the 2010-2011 hospital rate trend factor; and
  - Restructuring indigent care reimbursement methodologies, which may negatively affect one or more of our hospitals.