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## A Statement by HCA President Joanne Cunningham On the Governor's State of the State Address

The home care community couldn't agree more with Governor Paterson's assertion in today's State of the State address that "we must shift funding to primary, preventive and community-based care" – but it is impossible to accomplish this goal while proposing **nearly a half-billion dollars** in cuts to home care services, as the Governor has done.

While the Governor's ledger may in fact show \$200 million in home care cuts, the actual bottom line is far worse for patients who would end up taking an astounding \$460 million hit under the Governor's plan, once the loss of federal Medicaid matching dollars, resulting from these cuts, is accounted for. Every dollar in home care reimbursement reductions that the Governor counts as savings to the state is actually two dollars taken away from essential services for vulnerable patients who are disabled, chronically ill, or recovering from an illness, and who prefer to receive care at home rather than in a facility.

When the Governor today says that "we still incentivize the wrong care in the wrong setting at the wrong price," we ask: how does he intend to right the situation by cutting **almost a half-billion dollars** in home care services?

Patients who rely on home care services cannot sustain a double hit like this one, after past years of underfunding, inadequate reimbursement and rising health care costs have already taken their toll on essential services.

According to a recent study conducted by HCA and the New York Association of Homes and Services for the Aging (NYAHS), 71 percent of programs serving long-term home health care needs and 53 percent of programs serving patients with post-acute/preventive home care needs reported operating losses in 2006, due to inadequate reimbursement and rising costs.

The report, entitled *Unstable Ground: The Fiscal Instability of Home Care in New York State*, also found that **nearly half of home care providers would seriously consider closing their doors under a ten-percent Medicaid funding cut**. This is already a reality throughout much of the state, particularly in rural New York. Since 2004, 14 New York home care agencies have already closed or have been consolidated through mergers.

In recent months, Governor Paterson has advocated strenuously for an increase in the federal Medicaid match provided to New York State. But with nearly a half-billion dollars in cuts on the table, we cannot wait for federal relief –while today's policies decimate New York's home care community and its capacity to provide services to patients in greatest need.

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