



NEWS from the Fiscal Policy Institute

For immediate release Monday, September 8, 2008

Contact: Frank Mauro, Executive Director
518-786-3156 office, mauro@fiscalspolicy.org

Bush Administration Rule Would Force Health Centers to Close *Congress Urged to Block Hostile Rule and Provide Temporary Fiscal Relief Through Medicaid*

Albany, NY (September 8, 2008)—More than 150 health care organizations sent a letter urging New York’s Congressional delegation to block a destructive new federal rule that would greatly reduce funding for a wide range of health care providers across New York. Many clinics would be forced to close and reduce services at the very time they are most needed to protect the public health.

The federal rule would slash Medicaid funding for school-based health centers, dialysis clinics, adult day health centers, family planning clinics, clinics for people with developmental disabilities, and substance abuse counseling and mental health clinics. The state estimates that the rule would reduce federal support by more than \$450 million, decimating New York’s efforts to enhance primary and patient-centered care that helps to avoid more extensive—and expensive—hospital and emergency room treatment.

Health care advocates are appealing to Members of Congress to stop this detrimental Bush Administration policy and implement a nationwide temporary increase in federal Medicaid assistance. A Federal Medical Assistance Percentage (FMAP) increase was a key element of the economic stimulus package successfully implemented in 2003 to protect and preserve health care services in the wake of that recession, and should be replicated immediately.

“If Congress does not stop the ill-conceived new rule, the resulting cuts in funding for essential outpatient hospital and clinic services will hurt both the economy and millions of needy New Yorkers,” said Frank Mauro, executive director of the Fiscal Policy Institute. “At the same time, temporarily increasing the federal share of Medicaid costs will make it possible for the states to get through the current economic downturn with fewer cuts in essential services.”

“The Bush Administration has repeatedly acted with disregard to women’s health needs. This new rule would create a serious threat to those who depend on family planning providers and community clinics for basic health services,” said Susan Pedo, acting president and CEO of Family Planning Advocates of New York State. “This misguided federal policy will impede

the state's investments in patient-centered care. It is a serious threat to the health and lives of women and families."

"This Medicaid regulation would have a drastic impact on the services that many persons living with HIV/AIDS across the State rely upon every day to keep themselves alive and healthy. For example, Harlem United expects losses in the millions. This community-based HIV service organization could be forced to close two adult day health care centers serving 500 clients with complex health care needs," said Matthew Lesieur, director of public policy for the New York AIDS Coalition.

"Community-based mental health, substance abuse and chemical dependence treatment providers operate a broad range of life-sustaining services for some of New York's most vulnerable children and adults," said Lauri Cole, executive director of the New York State Council for Community Behavioral Healthcare. "The proposed rule would severely reduce availability of these vital services at precisely the moment when demand (as evidenced by long waiting lists) is increasing. The Rule would also severely limit our system-wide efforts to enhance client outcomes through improved care coordination."

Shelly Nortz, deputy executive director for policy with Coalition for the Homeless said, "The damage that would befall access to clinic services in New York under this misguided rule cannot be underestimated - we need both the moratorium and the FMAP fix just to keep our community-based health care infrastructure intact."

"Vital chemical dependence treatment clinics will be closed if the proposed rule is implemented," said John Coppola, executive director of the New York State Association of Alcoholism and Substance Abuse Providers.

"If this proposed federal rule is implemented, it will force the closure of many clinics serving the most vulnerable New Yorkers, including people with disabilities and low-incomes," said Susan Constantino, president and CEO of Cerebral Palsy Associations of New York State.

"Methadone services in New York State could be reduced by as much as \$100 million as a result of this rule," said Henry M. Bartlett, executive director of the Committee of Methadone Program Administrators. "This could eliminate half of the available methadone treatment options in New York, leaving as many as 20,000 patients with no services."

The proposed rule is currently under review by the federal Office of Management and Budget. The rule—and the letter signed by more than 150 New York health care organizations opposing it—can be viewed at <http://www.coalitionforthehomeless.org/medicaid2008> or <http://www.fpaofnys.org>.

The Fiscal Policy Institute (FPI) is a nonpartisan research and education organization that focuses on the tax, budget, and economic public policy issues that affect the quality of life and the economic well-being of New York State residents.

FPI reports are available at <http://www.fiscalpolicy.org>.