

UNITED UNIVERSITY PROFESSIONS



TESTIMONY

Testimony on:

The Brooklyn Health Care Crisis

Presented to

**Hon. Richard N. Gottfried
Member of Assembly
Chair
Committee on Health**

By

**Phillip H. Smith, Ph.D.
President**

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Chairman Gottfried and distinguished members of the Assembly Committee on Health, thank you for giving me an opportunity to testify on the critical role played by Downstate Medical Center in maintaining the health and economic welfare of the citizens residing in the Borough of Brooklyn.

I am Phillip H. Smith, President of United University Professions, the largest higher education union in the nation. We represent more than 35,000 academic and professional faculty and staff serving hundreds of thousands of students and patients – at academic institutions, the health science centers, and public teaching hospitals directly administered by SUNY, including those at SUNY Downstate Medical Center's University Hospital and College of Medicine.

I am here today to ask for your support to preserve Downstate Medical Center as a viable, full-service public teaching hospital. Downstate provides critical health care services for the Brooklyn community. Without it, many gaps in health care services will quickly develop. The community will lose thousands of jobs, which will create a devastating economic impact. In time, the number of primary care physicians in the New York City region will be depleted since Downstate educates and trains the majority of the region's primary care physicians.

As you know, restructuring plans are being developed by the University, which would dramatically cut services and jobs at University Hospital and the College of Medicine. Many of Downstate's 8,000 employees, including the 3,600 represented by United University Professions, may become unemployed. Even as I present this testimony, hundreds of our members have been already notified that their employment will be terminated in the very near future.

By way of background, in 2011 Downstate acquired the virtually bankrupt Long Island College Hospital (LICH). It was known at the time of Downstate's acquisition that Downstate itself was inadequately financed and in financial distress. Under those circumstances, it was difficult, if not impossible, to understand how SUNY leadership and state health regulators could permit one fiscally fragile institution to acquire an even more damaged institution without any state guarantees to ensure the financial viability of both. But that is exactly

what happened; a fact confirmed by a recent audit report by the state Comptroller regarding Downstate's finances.

The Executive Budget proposal to cut the state subsidy for SUNY's teaching hospitals, reductions in state Medicaid funding and other actions will only worsen Downstate's financial problems. In the proposed 2013-14 Executive Budget, Gov. Cuomo once again has targeted the state's subsidy to SUNY's teaching hospitals for a reduction. This time, it's a proposed \$28 million cut in state support— an amount that you restored to the governor's budget submission last year.

The College of Medicine is one of the largest medical schools in the United States. It is the only academic medical center in Brooklyn and educates one of the highest populations of students of color in New York and the nation. Over 80 percent of physicians who graduate from Downstate's College of Medicine practice in New York.

Arguably, the College of Medicine is the best response to the Medicaid Redesign Team's recommendation to increase the number and quality of primary care services in New York.

However, more than \$100 million in annual revenues from Downstate's University Hospital subsidize the operation of the medical school. If University Hospital's ability to operate as a full-service hospital is diminished, the future of the College of Medicine becomes doubtful.

Over one quarter of the residents in Downstate's primary service area earns less than \$15,000 per year. A significant loss of jobs at Downstate would have a horrific impact on Central Brooklyn – jobs will disappear, homes would be lost, and small business will shut down. More than 60 percent of Downstate's employees live in Brooklyn, and it is the borough's fourth largest employer. Every dollar invested in Downstate returns \$12 to the Brooklyn economy. Central Brooklyn is already suffering from one of the highest unemployment rates in New York City. It would take years for the Central Brooklyn economy to recover from the loss of more jobs at Downstate.

It makes no sense for the state to take an action that will so negatively affect a community that needs more – not less – state assistance. UUP firmly believes that the state health commissioner and other state

agencies have the means to resolve these problems. SUNY clearly can play an important and deciding role here. Actions must be taken now to prevent any further damage to the college or hospital, which, if permitted to occur, will become irrevocable.

Thank you for letting me speak on the issue of health care in Brooklyn. We remain available to provide any further information you may require.