



UNITED UNIVERSITY PROFESSIONS

Testimony on the 2022-2023 Executive Budget Healthcare

Presented to

Senator Liz Krueger, Chair
Senate Finance Committee

and

Assemblymember Helene E. Weinstein, Chair
Assembly Ways and Means Committee

February 8, 2022

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Chairperson Kreuger, Chairperson Weinstein, distinguished members of the Senate Finance Committee and Assembly Ways and Means Committee, thank you for allowing me to submit written testimony to the Joint Budget Committee on Health.

My name is Dr. Frederick E. Kowal, and I am the president of UUP, the largest higher education union in the country. It is my honor to represent more than 37,000 academic and professional faculty at SUNY, including 14,000 members at our academic medical centers. Our members live and work in communities across the state of New York, serving hundreds of thousands of students and patients at 29 SUNY comprehensive, technical, specialized and university centers, SUNY academic medical centers and state-operated public teaching hospitals, and System Administration.

I'd like to begin by thanking you for your commitment to a fairer and more just New York. Those efforts, and our shared vision, must include fully funded public teaching hospitals. I applaud your tireless efforts and steadfast support on behalf of our students and patients. Our commitment to them is to make our SUNY teaching hospitals as efficient, accessible, and sustainable as possible for our families and communities.

The 2022-23 Executive Budget is a step in the right direction to bolster the SUNY system as a cornerstone of New York's communities but remains glaringly silent for our public teaching hospitals. After years of proposed cuts to SUNY in the previous governor's budgets and a decade of underfunding our university system, we are asking the Legislature to fulfill the promise to SUNY students, patients, faculty, staff, and communities that this Executive Budget makes by putting the necessary additional investments in place to protect and grow public higher education and health care in New York.

Fully Fund SUNY Teaching Hospitals - Save New Yorkers

As we applaud many parts of the Governor's proposed Executive Budget, UUP cannot allow another year to go by – another year of a global pandemic – and see New York state not fund their State University's teaching hospitals. While funding was added across many noteworthy programs in SUNY, the glaring and tragic omission of any critical mission funding for hospital operations and no recognition of the debt service that only the SUNY hospitals bear in state government cannot stand.

Under Governor Cuomo, support for the SUNY hospitals was reduced year after year, until it was finally eliminated completely. This assault has resulted in a net loss of over \$1 billion to these institutions. Our teaching hospitals, located in Brooklyn, Syracuse, and Stony Brook have provided more than 1.3 million New Yorkers across the state with high-quality health care,

regardless of ability to pay or severity of cases presented. The state abandoned these hospitals and the patients they serve by withdrawing financial support for their critical public mission.

As a state and a nation, we currently face critical, and still growing, staffing shortages in multiple medical professions. These include primary care physicians, nursing professionals, and laboratory technologists, among others. While many of these shortages have been dramatically exacerbated by pressure that the pandemic placed on healthcare, they were caused by systemic issues that predated the pandemic and will continue after the pandemic resolves.

The SUNY teaching hospitals play a critical role in training the next generation of medical professionals. Their mission must be supported and expanded if we are going to begin to address the staffing crisis in health care. UUP urges the Legislature to protect these public teaching hospitals and their communities by providing an appropriation of at least \$87 million in operating funds to support their critical public mission. In truth, this would be a reinstatement of an appropriation that should never have been removed.

SUNY's academic medical centers are the only state entities that are required to cover employee fringe benefits and debt service costs. In addition to providing proper hospital state operations support, UUP asks the Legislature to add \$68.8 million in funding to their final budget proposal for the debt service for our three SUNY hospitals. UUP also fully supports Senator Rachel May's bill, that will keep hospital funds in patient care and prevent the Division of Budget from sweeping precious resources for the debt service, that should be the state's responsibility. It is imperative that an appropriation match this critical legislation.

Our three SUNY hospitals have been at the epicenter of the coronavirus pandemic in New York, but they are still obligated to pay debt service to the state for any capital projects that allow them to better serve their communities and save lives. The governor's proposed \$150 million for capital projects can only help to modernize these public teaching hospitals, but only if the state addresses debt service relief. Those capital funds will be out of reach for our hospitals because they cannot afford to pay the debt associated with new projects. If the governor and the Legislature does not address this vicious cycle of disinvestment, our hospitals – SUNY Downstate Health Sciences University, Stony Brook University Hospital and Upstate Medical University – will continue to struggle, and at some point, be unable to provide the level of care that all New Yorkers deserve.

Some argue that our hospitals are health care settings that can generate revenue, therefore nullifying the need for this debt service coverage like other SUNY institutions. That position ignores the plain fact that these institutions are teaching hospitals. The emergency rooms, operating rooms and labs are the classrooms for future doctors and health care professionals.

Over the last two years of a deadly and unrelenting pandemic, UUP members have stepped up and done exhausting, unrelenting work to save lives. During this unprecedented time our state hospitals have been pushed to the brink. They are struggling financially and to retain

overworked staff. Downstate was declared a COVID-only hospital, Stony Brook treated thousands of COVID patients, and Upstate, as the largest hospital in Central New York, took on the COVID surge there. All three have been forced to cancel elective surgeries multiple times, losing revenue they have increasingly relied upon as the state's support has waned.

Thanks to loans and grants from the federal government, the administrations of these hospitals have been able to get by until now. The loans from Washington, D.C. are due. On December 31st of last year, our SUNY hospitals had to repay \$184 million to the federal government. On December 31st of this year, in just ten and a half months, our SUNY hospitals will be required to repay an additional \$204.3 million. A state budget without financial assistance to these safety net hospitals is unconscionable. We urge you to include debt service relief and critical mission funding for these essential teaching hospitals.

Hazzard Pay for Recognition and Retention

We must acknowledge what our members at SUNY's public teaching hospitals have sacrificed and have been through for two years and recognize that their life-saving work continues—today and every day. Together, like no time in our history, we must fight for our State University's hospitals. From COVID to debt service, to Medicaid cuts, to federal changes to the DSH program, and the last decade of pushing privatization, our SUNY hospitals have been under assault—while the need for their services and care only grows. We have a responsibility to support the state's public teaching hospitals, and we must keep them prepared to respond to future pandemics and state health crises.

The governor's proposed \$3,000 bonus for certain essential, front line health care workers is a step in the right direction, but unfortunately, it excludes many workers who have fought arm-in-arm with their coworkers over the last two years to stem the pandemic. If the current requirements were adopted, UUP alone represents 2,745 health care professionals that will be excluded from a benefit they have literally risked their lives earning. This does not account for many of our PEF brothers and sisters who are also excluded.

Employees outlined in this Article VII proposal as eligible for this bonus include "practitioners, technicians, assistants, and aides that provide hands on health or care services to individuals," but do not include many of UUP's members who are engaged in direct patient care or who oversee care work in our public teaching hospitals – but who nevertheless also have daily contact with patients. And the current bill language does not value the work of employees working in the pathology lab testing for a highly contagious virus, or employees who worked under enormous pressure performing health care functions which were – and are – crucial to caring for patients during the pandemic. Those employees are excluded from this benefit simply because they do not interact personally with a patient.

UUP requests that a broader definition of eligibility is developed, and that the income cap be eliminated. Heroism should not be means-tested. These bonuses were hard-earned and should be applied fairly for all our public health care workers.

Medical Education Pipeline

As noted above, the COVID-19 pandemic has put enormous pressure on the state's health care system and exacerbated inequalities in health care access and education. Anyone who has followed the health care industry knows we are battling a staffing shortage, and the shortages in health care professionals will only grow more severe in the coming decade. Stress, burnout, and long-term illness from COVID are all the result of this pandemic, but we also have an aging population and a growing need for industry professionals.

SUNY must play a role in reshaping our future. In addition to being public hospitals that turn no one away, treating rare or hard-to-treat medical conditions, these public hospitals are also teaching hospitals. SUNY's public teaching hospitals provide a vital pipeline of health care professionals to the state. The governor has acknowledged this with a pledge of \$1 million for Pre-Medical Education, but we can do more. This initiative, introduced by UUP as the Medical Educational Opportunity Program (MEOP), to have a pipeline program for undergraduate students looking to pursue medical education was rolled out this past summer at Upstate Medical University. UUP believes it should be fully implemented and expanded to cover programs in the fields of clinical lab technologist, nursing, physician assistants and physical therapy.

Modeled after the highly successful Educational Opportunity Program (EOP), if fully implemented MEOP will guide and assist SUNY students from their undergraduate studies through medical school at one of SUNY's four academic medical centers. A fully funded MEOP could be a resource for medical school preparation assistance, financial support, and professional mentoring. MEOP will draw students from underrepresented and under-resourced communities which will eventually lead to better community care and better health outcomes. With proper support, at an initial cost of \$5 million, more diverse cohorts of students studying to be doctors and other health care professionals will complete their degrees and care for patients in their communities.

Funding Financially Distressed Hospitals

Governor Hochul has laid out a number of programs that will add resources and expand health care services across New York. UUP is asking that our SUNY hospitals be able to participate in these funding programs. The Executive Budget requests \$100 million to aid Financially Distressed Hospitals (FDHs) and structurally improve their financial position in the wake of the COVID-19 pandemic. An institution such as Downstate Medical, the only state hospital declared

a COVID-only facility, must be eligible. Downstate received the least amount of federal assistance of the three SUNY hospitals despite serving one of the most impacted communities during the height of the COVID surge. The perilous financial situation of our public teaching hospitals cannot be overlooked by poorly designed bureaucratic program requirements.

And as we turn the page from Governor Cuomo it is important to reverse his policies that forced austerity budgeting on New York state government. Governor Cuomo never saw a public entity he did not seek to dilute or push to privatize. Our SUNY hospitals have been cut to the bone. We are hopeful Governor Hochul and this Legislature can approach our systems of higher education and health care with respect and support. It is important that we re-examine policy proposals and programs such as the One Brooklyn Plan or Vital Brooklyn, to see where and how our state's only public teaching hospital in New York City, training the next generation of doctors, is not participating in such an expansive and publicly funded project. As those who believe in the power of the government to do good for our communities, we must seek ways to expand SUNY teaching hospitals to provide more services, not less. To tackle the maternal health crisis through Downstate in Brooklyn, to combat healthcare deserts through an expanded footprint of Upstate Medical and to grow Stony Brook Hospital to meet the needs of Long Island's residents.

CLOSING

Thank you for this opportunity to provide UUP's perspective on the FY 2022-23 proposed Executive Budget. We believe that our NY HEALS agenda provides a plan of action and a vision for a stronger SUNY and a stronger New York. As we – hopefully – emerge from the worst of the pandemic, our state desperately needs healing work. We will do all we can to push for this positive change. We urge you to strongly consider establishing and funding these initiatives. On behalf of our 37,000 members and 6,000 retirees, I would like to thank you all for the opportunity to address you today.

Throughout this pandemic, you have proven yourselves as the strongest advocates for our SUNY, our students, and our patients. We greatly appreciate any help that you can provide to our hospitals and academic institutions.

Thank you.