

## Support and build upon proposed hospital and nursing home investments

Investing in our hospitals and nursing homes is vital to preserving access to healthcare for all New Yorkers. The executive budget proposal provides a solid start — by including critical investments in Medicaid rates, supportive funding and capital programs. By supporting and building on these proposals, the Legislature can help strengthen our healthcare system and ensure a sustainable future.

**HANYS urges the Legislature to support these actions that will help close the Medicaid payment gap for hospitals and nursing homes while promoting a pathway to maintain and improve access to high-quality care across all areas of the state.**

**Improve Medicaid payment rates.** HANYS strongly supports the executive budget's proposal to leverage revenue from a managed care organization tax to fund meaningful and sustained investments. Specifically, it includes a three-year, \$1.5 billion commitment to improving Medicaid payments for hospitals and nursing homes. Any efforts to reduce this investment must be rejected.

**Maintain and enhance supportive funding programs for financially distressed hospitals.** With nearly a third of New York's hospitals considered financially distressed,<sup>1</sup> it's critical the state continue providing fiscal support to help hospitals maintain operations and continue vital services. HANYS supports a full \$3.25 billion commitment for supportive funding programs — including a \$500 million restoration of critical Vital Access Provider Assurance Program funding.

**Continue and expand capital funding programs.** HANYS applauds the proposed \$1 billion new capital investment to continue the innovative Safety Net Transformation Program. We also support the \$300 million in operating funds dedicated for the SNTP. However, it's critical that additional capital funding be made available for hospitals and other providers that may not be able to access SNTP funding.

**Reject the Medicaid global cap offset.** The executive budget would dedicate \$1 billion, the largest proposed use of the MCO tax, to offset the Medicaid global budget deficit. This can't stand — the funding must be prioritized for new investments for hospitals and nursing homes.

### The final SFY 2025-2026 budget must stabilize and strengthen our hospitals and nursing homes.

Everyone's health relies on the stability of our state's healthcare system. State policymakers must act now to set our healthcare providers on a path to stability and sustainability. HANYS urges lawmakers to:

1. Support and build upon investments in healthcare.
2. Embrace commonsense workforce policies, innovative care models and protections against insurers and Big Pharma.
3. Reject funding cuts and damaging policy proposals.

<sup>1</sup> New York State Division of the Budget. (2025) FY2026 NYS Executive Budget Briefing Book. <https://www.budget.ny.gov/pubs/archive/fy26/ex/book/briefingbook.pdf>