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## **What Price Rescue for Public Hospitals? City Budget Can't Sustain de Blasio's Health Care Financial Fix**

By Errol Louis

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New York can no longer afford our expensive habit of ignoring or deferring the fiscal crisis brewing at Health + Hospitals, into which Mayor de Blasio recently announced that the city will pump \$700 million – warning that the number could swell to more than \$2 billion by 2020.

“The current situation is not sustainable,” the mayor said during the presentation of the executive budget, in what might be the understatement of the year. The perennial deficits at H+H aren't just unsustainable, they're a ticking fiscal bomb threatening to blow a massive hole in the administration's agenda, swallowing billions of dollars that would be better spent on schools, transportation, job creation, affordable housing and the like.

We need firm, forceful and politically unpopular action to stem the losses at H+H, and that starts with straight talk from both sides of City Hall about just how dire the situation has become.

The origins of the crisis are complex, but come back to a few simple truths. Health care is evolving away from a focus on hospital-based emergency care toward preventive care and getting patients home as soon as possible.

Insurance companies and the medical professions have realigned financial incentives away from blindly paying for tests and procedures (whether needed or not) and toward actually keeping patients healthy.

The result is that hospitals are shrinking in size and don't need so many of wards full of recuperating patients, and they are competing with smaller, leaner clinics and health care organizations.

To make things even tougher for Health + Hospitals, New York has a staggering 375,000 undocumented non-citizens who lack health insurance, according to the Mayor's Task Force on Immigrant Health Care Access. Under the federal Affordable Care Act, they are specifically barred from getting government-subsidized private health insurance – so they end up using public hospital facilities for even routine health needs, putting more strain on the system.

“They're our fellow New Yorkers. We believe in supporting them,” de Blasio said at his budget briefing of the undocumented who don't have insurance. That's in keeping with the liberal New



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York assumption that any and all city services, no matter the cost, should be provided to undocumented immigrants.

A 2014 report by the Citizens Budget Commission flagged the problem with having so many people use hospitals for normal health needs, noting that nearly a quarter of admissions to H+H facilities are “preventable” — not medically necessary.

It's an expensive proposition. Another budget-buster is the administration's position, announced in its new report on H+H, that “unlike what has happened in other cities, Health & Hospitals will remain a vibrant public system — it is not for sale and the city will not abandon it.”

That translates into a half-hearted effort to streamline. De Blasio has promised that no hospitals will be closed and no personnel will be laid off (although some jobs will be left vacant by attrition). One wonders when and how any real savings will ever happen if the administration refuses to bit the bullet on major expenses.

What we need is a new conversation about the true cost of public health care in New York — one that acknowledges that spending billions on health care means less money for summer youth jobs, subsidies for affordable housing, adult literacy programs and other important needs.

Given what \$2 billion could do to shrink classroom sizes or expand afterschool recreation and senior citizen programs, it's time to talk about doing radical surgery on our hospital system, and soon.