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De Blasio: Details on Hospital Plan Will Await Panel's Report

By Dan Goldberg

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Mayor Bill de Blasio on Tuesday said the details of his plan to save the city's struggling public hospital system would come into focus once a blue-ribbon commission, soon to be appointed, presents its findings.

The panel of experts will pick up the work of a \$3 million, 56-page Manatt Health report that was released on Tuesday, and offered 12 strategies meant to increase revenue while cutting costs.

The system is facing a \$1.8 billion deficit at the end of the decade, in large part because New York City Health + Hospitals treats so many uninsured and underinsured New Yorkers who cannot pay for their total cost of care.

Federal cuts to charity care programs have only exacerbated a problem that has been growing since the end of the Giuliani administration, the last time the city's public hospitals were in the black.

De Blasio first called for the Manatt report in February when he announced that his administration was providing Health + Hospitals with an additional \$337 million to shore up its finances. The mayor added another \$160 million in his latest spending plan.

Many of the report's suggestions have been tried before or require state approval, and could prove tricky to implement.

For example, the report points out that the public hospitals will lose billions because of federal cuts to the Disproportionate Share Hospitals program. Congress could postpone those cuts, or the state could alter how those cuts impact Health + Hospitals, but both of those outcomes are outside city control.

One of the more interesting ideas mentioned in the report is to use unutilized or underutilized space on hospital campuses for other purposes, such as mental health needs or affordable housing.

Metropolitan Hospital, for example, turned an old nurses' dorm into a 203-unit subsidized senior housing project.

But de Blasio, when pressed, could not offer any specifics on what this plan would look like or how much acreage might be available.



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"There may be some land where we can get some revenue," de Blasio said during a press conference at City Hall outlining his executive budget. "We have not gotten to the point of sketching it out. It's all part of the broader review."

De Blasio then offered "story guidance" to the press corps, saying the affordable housing idea was not the "central piece of this."

"The issue is on the personnel side," the mayor said.

Personnel accounts for roughly 70 percent of Health + Hospital expenses, according to the report.

The administration promised no layoffs and the mayor would instead like to see "thousands" fewer employees achieved through attrition.

The public hospital system already has an attrition plan but is, so far, failing to reach its target.

"Health and Hospitals is the biggest risk to the city's budget in this cycle," Citizens' Budget Commission analyst Maria Doulis said. "The plan they laid out is risky, in the sense that it's proposing things, expense reductions that Health + Hospitals has tried to undertake before and has not been able to do."