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Good morning. I'd like to thank Chairmen Rivera and Gottfried for the opportunity to testify before the committee regarding the New York Health Act.

My name is Christine Pittman Ballard and I'm the Director of Education & Informatics at Pandion Healthcare: Education & Advocacy. Pandion is a not-for-profit 501(c)3 association whose membership is comprised of 17 hospitals and their related health systems in the nine counties of Monroe, Livingston, Ontario, Wayne, Seneca, Yates, Allegany, Steuben, and Chemung. We work closely with the Healthcare Association of New York State (HANYS) and the American Hospital Association (AHA), collaborating on many issues and activities.

In Rochester, the top two employers are UR Medicine/The University of Rochester and Rochester Regional Health. Rochester's hospitals generate $6.3 billion in economic activity, $715 million in tax dollars, $524 million in community benefits and 43,000 jobs. Hospitals are the economic drivers of their communities.

Pandion supports the goal of universal coverage and access to care for all New Yorkers. However, we oppose the New York Health Act due to underlying concerns about how a state-based single payer system would be funded, how hospitals and doctors would be paid for the care they provide, and the effect that it would have on healthcare innovation.

Implementing the New York Health Act without first understanding why healthcare spending continues to grow and without having a sound strategy to manage the costs would be a grave mistake. Healthcare spending has exceeded our general economic growth for decades. Meanwhile, New York's hospitals have the second-lowest operating margins in the nation, and some rural hospitals are struggling to keep their doors open.

We are seriously concerned that provider reimbursement would be reduced under the New York Health Act. A large share of hospital reimbursement comes from Medicare and Medicaid, which do not adequately cover the cost of care. In the Rochester area, 68% of inpatient discharges and 60% of outpatient visits are covered by Medicare and Medicaid.

The RAND Corporation report raised some concerns regarding a single payer-model. Most alarmingly, there was no evidence that a single-payer system would improve the quality of patient care. We believe that the New York Health Act could have the unintended consequence of undermining the innovative programs that our hospitals are currently pursuing to improve the community.

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Innovations in Healthcare

For decades, Rochester has been recognized nationally for its innovative and collaborative approach to quality and affordable healthcare. Our region houses the University of Rochester School of Medicine and Dentistry and at least ten other schools of nursing. Despite tremendous financial, workforce, technology, marketplace and regulatory challenges, Rochester-area healthcare providers are continuing to redesign healthcare delivery for the future.

Our hospitals are leading the way in the use of technology, new medical devices and telemedicine. They are partnering with community leaders in an effort to improve population health and to address societal issues such as food deserts, opioid addiction and violence.

The Finger Lakes Region has been a hub for healthcare innovation for decades. For example, Rochester is one of only fifteen communities in the U.S. with an emergency mobile stroke unit. The University of Rochester's Mobile Stroke Unit is an ambulance equipped with a CT scanner that has slashed the response time to a stroke in half. This approach can preserve brain cells and save lives.

In addition, Rochester Regional Health has established a transitional housing program to care for the homeless population. The lack of stable housing often correlates with higher rates of behavioral health disorders, which drive up the cost of healthcare delivery. Since its inception, more than 70 patients have been placed in transitional beds, with 80% being discharged to permanent housing. Emergency department visits were decreased by 54 percent.

These are just two examples of the extraordinary work our hospitals are doing to reduce the cost of care and improve patient outcomes. We would be devastated if the New York Health Act unintentionally impeded or eliminated the innovative work that's being done in our community.

Our Recommended Approach: Fact-Based Consensus

Rather than a quick fix, hospitals and patients would benefit from a bipartisan, long-term approach that manages cost growth over time, takes advantage of technology and innovation, and strives to continuously find more effective and efficient ways to deliver high-quality care to all who need it.

Our recommendations include:

- **Insuring the remaining 5%:** About 95% of New Yorkers have health coverage. Expanding existing programs and outreach could extend coverage to everyone.

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- **Addressing the needs of the elderly:** Use technology, creatively use labor, change labor roles and revise regulations.

- **Building on DSRIP:** Enhance community-based services and collaboration among providers to provide patient-centric care.

- **Invest in technology, infrastructure and innovation:** Support innovation and technology to continue the transformation of healthcare. That means capital funding for infrastructure improvements, advancing care integration and care delivery innovation, and funds for the stabilization and modernization of hospitals statewide.

- **Building on DSRIP:** Enhance community-based services and collaboration among providers to provide patient-centric care.

- **Workforce:** Support today's and tomorrow's caregivers. Ensure we have the trained workforce needed for the future, not just in traditional healthcare settings, but in home care and other settings as well. Upstate New York has a nursing shortage. Invest in the training of future nurses.

- **Payment adequacy:** Insist on adequate payments to our nonprofit and public providers for the healthcare services they provide to patients. Medicare and Medicaid both underpay for the cost of delivering care (Medicaid pays 74 cents for each dollar of care provided; Medicare pays 94 cents). These underpayments force providers to make tough decisions on which services to cut.

- **Flexibility:** Break down regulatory barriers and reject healthcare policy proposals that constrict innovation and reduce flexibility in all areas of healthcare, from workforce to technology.

- **Behavioral health support:** Adopt funding and policy measures that support hospitals' and health systems' ability to provide essential, yet chronically-underpaid behavioral health services, including inpatient psychiatric services and telehealth services. For example, The University of Rochester Medical Center and Robert Wood Johnson Foundation are collaborating on a virtual-reality cognitive behavioral therapy app.

- **Administrative simplification:** Simplify transactions between payers and providers and eliminate unnecessary claims payment delays and denials that strain already overburdened administrative systems.
- **Support long-term care:** As our population ages, any discussion of reform must include long-term care. Post-acute providers have become central to care coordination and patient care transitions.

In closing, we believe that a thoughtful, fact-based approach must be taken to thoroughly understand the impact that a single-payer system could have on patients, healthcare providers, and all New Yorkers. Hospitals should not have to live in constant fear of budget cuts. They provide care to patients 24 hours a day, 7 days a week, 365 days a year, and they are the engines of our local economy. Thank you.