

Congress of the United States

Washington, DC 20515

The Honorable Kathy Hochul
Governor
State of New York
Albany, NY 12242

April 5, 2024

Dear Governor Hochul,

We are grateful for your leadership on individual and family health in our communities, including the creation of a health equity council and the successful application for a federal Medicaid Section 1115 waiver. Nevertheless, as members of New York State's Congressional delegation, we write today to express our concern over a recent report¹, issued by the New York State Department of Health, that found shocking disparities in access to healthcare in Brooklyn, particularly among low-income people of color.

The report, which was released in January, outlines the healthcare access issues across Brooklyn and includes data about twelve local hospitals. It contains overviews and profiles of Brooklyn communities, analysis of inequities in healthcare capacity and access, and data about perinatal health capacity which is an important determinant of overall health. The study finds that hospital quality is low across the entire borough, with ten hospitals reporting average-to-low patient safety and quality ratings. However, the burdens do not fall equally on residents, and overall, hospital quality is lowest in the communities with the largest Black populations.

The disparities in health outcomes in Black and Hispanic communities are well documented. This report nevertheless offers a sobering analysis: Black mothers in Brooklyn are eight times more likely to die during pregnancy or childbirth than White mothers. While patients with private insurance are increasingly fleeing to Manhattan for care, expectant mothers on Medicaid are being treated in Brooklyn, where there are only 0.11 perinatal staffed beds per 1,000 residents, the second-lowest rate in any New York region. We would like to highlight several other disturbing disparities in care in Black, Hispanic, and low-income communities of color:

- Within Brooklyn, the numbers of providers (primary care, women's health, pediatricians) per 100,000 population and staffed hospital beds are lowest in communities of color and high poverty communities, with at least 20% fewer doctors and beds per capita.
- The absolute number of healthcare providers who accept Medicaid is lowest in high poverty and predominantly Hispanic communities, where the Medicaid coverage rates are at least 10% higher per capita.
- The largest capacity and access gaps are found in zip codes with a large proportion of Black and Hispanic populations, with the number of per capita doctors in these communities far lower than in majority White communities, and Brooklyn as a whole.
- A significant and increasing portion of Brooklyn residents with commercial insurance are seeking care outside of Brooklyn, which experts say exacerbates financial struggles for public hospitals that serve a disproportionate number of Medicaid patients.

In reviewing the data, "Brooklyn—as a community overall, as well as individual neighborhoods within it—is a microcosm of the reality that communities in the state, nation, and world face," the study's authors wrote. The reality is that Black and Hispanic New Yorkers, who are more likely to be among the more than seven million people who rely on Medicaid for their coverage, are not being adequately served by the healthcare system. In Brooklyn alone, over 50% of people are Medicaid beneficiaries.

¹ https://www.health.ny.gov/press/reports/docs/brooklyn_perinatal_access_report.pdf

Although Medicaid is a crucial lifeline for our constituents, New York's Medicaid program is not meeting the needs of our communities. We understand that the program currently reimburses hospitals 30% less than the actual cost of delivering care to beneficiaries. This has created a reimbursement gap of about \$6.8 billion between the cost of delivering care for Medicaid patients and the payments hospitals receive. The significant Medicaid gap emerged because Medicaid rates were held essentially flat over the past 15 years while hospitals experienced cost growth over that same time period from labor, drugs, and supplies, as well as other costs such as information technology, food services, and energy. Without new investments, this gap will continue to grow, and hospitals will continue to reduce services, such as Brooklyn's Kingsbrook Jewish Medical Center, further fueling inequitable health outcomes.

However, by raising Medicaid rates to cover the cost of hospital services over the next four years, New York can reduce the resulting care gaps and health disparities for the 40% of all New Yorkers covered by the Medicaid program. We understand that the Executive has significant cash reserves and monthly cash balances to close the Medicaid reimbursement gap by SFY 2028, including a significant down payment in the SFY 2025 Executive budget. Notably, the Federal government would pay an estimated 60% of the proposal through Federal Medicaid matching funds.

We understand that a majority of Democratic state legislators support raising New York's Medicaid reimbursement rate to fully fund hospitals to 100% of cost, in an effort to achieve healthcare justice for all New Yorkers. As part of this initiative, the hospital industry would agree to clearly defined metrics to demonstrate improvements in health disparities from the State's investments. According to polling conducted by the Healthcare Education Project, a joint initiative of the Greater New York Hospital Association and 1199SEIU, a majority of voters support this plan:

- 70% of respondents believe that Albany should do more to ensure that all New Yorkers have access to quality, affordable healthcare.
- 79% of respondents support increasing hospital rates to cover the cost of care.
- 83% of respondents believe that Medicaid underpayments lead to higher prices charged to patients with private insurance.

Thank you for the full and fair consideration of our concerns, and your commitment to improving the health of our most vulnerable communities. It is our belief that New York has a moral obligation to guarantee access to quality healthcare for all and to end the chronic underfunding that has fueled the health disparities in our largely Black and Hispanic communities. We are hopeful we can find a common ground on this important matter that touches the lives of all New Yorkers.

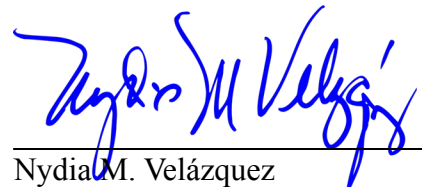
Sincerely,



Dan Goldman
Member of Congress



Yvette D. Clarke
Member of Congress



Nydia M. Velázquez
Member of Congress