



State Senator Velmanette Montgomery  
 25th New York Senatorial District  
 Ranking Democratic Conference Member, Children & Families

April, 2013

# SUNY DOWNSTATE UPDATE

## Why SUNY Downstate is Important

- SUNY Downstate is the fourth largest employer in Brooklyn and employs 2000 people.
- SUNY Downstate educates some 1,600 medical students annually, many of whom remain in Brooklyn providing critical medical professionals. Its closure would jeopardize the future of New York’s health-care system. More Downstate-trained doctors practice medicine in New York City than from any other medical school. One in every three doctors in Brooklyn graduated from SUNY Downstate. More than half of Brooklyn’s doctors in certain specialties have been trained at the center.
- Downstate is not just a medical facility; it is a critical component of the wellbeing of Brooklyn residents, in terms of the delivery of quality health care, education of future medical professionals, maintenance of family sustaining jobs, and the overall economic health of the area
- Downstate provides care to nearly 400,000 patients each year, many of them requiring the specialized inpatient and outpatient treatment only offered at the medical center. Downsizing, privatization, or closure would each result in a significant medical desert in the heart of Brooklyn.
- As a State owned public hospital, SUNY Downstate is a quality institution that offers quality treatment to all and provides New York City with a buffer against inflationary pricing regimens of private, for-profit hospitals.

## Why the Democratic Conference Unanimously Voted “NO” on the SUNY Downstate Section of the Budget

The budget proposals for SUNY Downstate left serious questions about the realistic goals for the institution, and many, many questions about the actual plan.

In addition, the **budget bill eliminates the requirement that there be consultation by elected and community leaders** of the plan development and give all approval, oversight and control for the plan to the New York State Department of Health Commissioner and Governor Cuomo.

Below I am listing sections from the budget language on SUNY Downstate and the what they mean to the Community. If this plan makes you ask questions and raises concerns, **CONTACT COMMISSIONER SHAH AND GOVERNOR CUOMO AND TELL THEM!**

BUDGET LANGUAGE	WHAT THIS MEANS TO THE COMMUNITY
<p>SUNY Downstate is required to submit a sustainability plan by June 1, 2013            “Notwithstanding any contrary provision of law, the approved sustainability plan for Downstate Hospital shall be deemed final and the chancellor shall initiate implementation of such sustainability plan by June 15, 2013.”</p>	<ul style="list-style-type: none"> <li>• This plan is dependent on the sale of LICH. What happens if the battle to save LICH is not resolved by June? Will SUNY Downstate close?</li> <li>• The implementation date of this part is immediately, and using April 1 as an approximate start date, this would leave SUNY 3 month to develop and approve the sustainability plan. Is this enough time to develop such a plan?</li> <li>• The NYS Dept. of Health and NYS Dept. of Budget would have exactly two weeks to review and approve this plan. Is two weeks enough time?</li> <li>• What if DOH and DOB are not able to complete their review by the June 15? Would this delay triggers an “approval” of the plan as is?</li> </ul>
<p>“Such sustainability plan shall be subject to the approval of the commissioner of health and the director of the division of the budget and shall set forth recommendations for accomplishing the restructuring of Downstate Hospital for the purpose of achieving fiscal viability while preserving its status as a teaching hospital. Such sustainability plan shall include the elimination and/or reduction of</p>	<ul style="list-style-type: none"> <li>• <b>The budget did not allocate any funds to support SUNY Downstate.</b></li> <li>• What is meant by “fiscal viability?” What exactly are the goals and how will we know when they have been met? What about community viability?</li> <li>• The sustainability plan seems to be requiring the possible elimination of every service offered by a hospital! What will be left? What services will be around to</li> </ul>

BUDGET LANGUAGE	WHAT THIS MEANS TO THE COMMUNITY
<p>acute, ambulatory and support services that are not necessary or financially sustainable and any additional measures necessary to achieve such restructuring and achieve financial stability.”</p>	<p>safeguard the community?</p> <ul style="list-style-type: none"> <li>• There seem to be no limits to “...any additional measures necessary..” Does this mean sacrificing the public hospital to save it for a private operator?</li> </ul>
<p>Section 7 amends the Education Law and allows SUNY Downstate to participate in managed care networks or other joint and cooperative arrangements with for-profit corporations. Such contracts shall be approved by the Commissioner of Health with respect to for-profit corporations. The relevant Education Law references 10 NYCRR Section 405.3(f), which provides for regulations on hospital management contracts, i.e. agreements between a hospital governing body and a contracting entity to assume the primary responsibility for managing day-to-day operations of an entire facility for a three year period. Therefore Section 7 could be read to allow for a for-profit entity to run the day-to-day hospital operations at SUNY Downstate.</p>	<ul style="list-style-type: none"> <li>• Other parts of the plan talk about “outsourcing” 20% of basic hospital operations, like lab work, x-rays, etc. Are there no concerns for accountability, slippages in quality control and patient confidentiality?</li> <li>• “Managing day to day operations” So what will SUNY actually be doing, if they aren’t running the hospital, they’ve outsourced services, and dispensed with large portions of acute/ambulatory care and support services?</li> <li>• This sounds suspiciously like the privatizing of a major public medical institution</li> </ul>
<p>Section 8 amends the education law allows for the Chancellor to transfer credit funds from a SUNY health care facility to a general SUNY account, which may be in order to pay back the 2012 loan from non-health facility SUNY accounts to SUNY health care facility accounts.</p>	<ul style="list-style-type: none"> <li>• Who will oversee these payments to insure SUNY Downstate doesn’t fall further into debt, or be forced to liquidate property or further cut back on services and training? An outside source? Or just the Governor’s office?</li> </ul>
<p>Section 9 adds a new section to the Public Health Law to allow SUNY Downstate, other public general hospitals, and/or with the sponsoring local governments of such other public general hospitals to participate in the Delivery System Reform Incentive Payments Program (DSRIP). New York State would have to submit an application or an amendment to its current Medicaid 1115 waiver to participate in DSRIP, and interested local entities would be required to come up with the non federal share match to participate in the DSRIP program.</p>	<ul style="list-style-type: none"> <li>• This is problematic considering that SUNY Downstate is already in a questionable financial condition.</li> <li>• DSRIP is Medicaid 1115 waiver program that currently only exists in California and Texas. In California, it is a pay-for-performance program that allows public hospitals to receive up to \$3.3 billion statewide if they achieve multiple specified milestones, including infrastructure development, redesign, and improvement in care.</li> <li>• This will have to be approved by the Federal Government, and may come with further reductions, stipulations, and oversight, with no way of predicting the eventual cost.</li> </ul>
<p>Section 10 adds a new section to the Public Health Law to allow SUNY Downstate, other public general hospitals, and/or with the sponsoring local governments of such other public general hospitals to participate in the implementation of Medicaid Redesign Team initiatives. As with the DSRIP program, interested local entities would be required to come up with the non federal share match to participate in the MRT initiatives.</p>	<ul style="list-style-type: none"> <li>• What is the purpose of this section?</li> <li>• Which Medicaid redesign ideas are being proposed? Further reductions in payments and accessibility?</li> </ul>

**Commissioner**  
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