

**State University of New York (SUNY) Upstate Medical University**  
**Senate Finance and Assembly Ways and Means Joint Legislative Hearing**  
**State Fiscal Year 2025-26 Executive Budget Health and Medicaid**  
**February 11, 2025**

**Background**

SUNY Upstate Medical University (Upstate), which started as Geneva Medical College in 1834 and is the nation's first co-ed medical school, has grown and transformed into a premier academic medical university in Syracuse, New York. Upstate is unusual in serving as a public, safety-net and a comprehensive health sciences institution. It is the largest employer (12,500 employees) in more than 40 counties in the State and the 2<sup>nd</sup> largest SUNY campus by revenue. We play a pivotal role in the region's economy (\$3.2 Billion State economic impact per year) and healthcare system, serving an estimated 1.8 million people in a 25-county region. Upstate offers a broad array of services, including education, biomedical research, and clinical care. Through our extensive network of hospitals, clinics, and educational programs, Upstate is committed to advancing healthcare, driving innovation, and improving the quality of life for the communities it serves. This dedication has solidified Upstate's reputation as a leader in healthcare and medical education, with a mission focused on enhancing the well-being of Central New York and beyond.

**Academic Medical University**

The region's only academic medical university is home to four distinguished colleges: the College of Medicine, the College of Nursing, the College of Health Professions, and the College of Graduate Studies. Each college offers a variety of programs that equip students for impactful careers in healthcare and biomedical sciences. The College of Medicine provides intensive training for future physicians, while the College of Nursing focuses on preparing students to excel in diverse nursing roles. The College of Health Professions features specialized programs in fields such as respiratory therapy, physical therapy, and medical imaging, aligning graduates with the demands of the healthcare industry. The College of Graduate Studies centers on biomedical sciences, fostering research and innovation to advance medical knowledge and treatment.

**Biomedical Research Enterprise**

Upstate's biomedical research efforts stand at the forefront of addressing some of the most critical health challenges today. Research focuses on prevalent human diseases such as cancer, diabetes, heart disease, nervous system disorders, vision impairment, and infectious diseases. Upstate's researchers are engaged in groundbreaking studies aimed at understanding these conditions' underlying causes and developing new treatments and therapies. This research not only contributes to scientific knowledge but also directly impacts patient care, leading to improved outcomes for those affected. To accelerate bringing scientific discoveries to the bedside, Upstate launched Upstate Biotech Ventures (currently at \$10 Million), the first venture fund in the SUNY system.

**Upstate University Health System**

The Upstate University Health System is a cornerstone of the region's healthcare infrastructure,

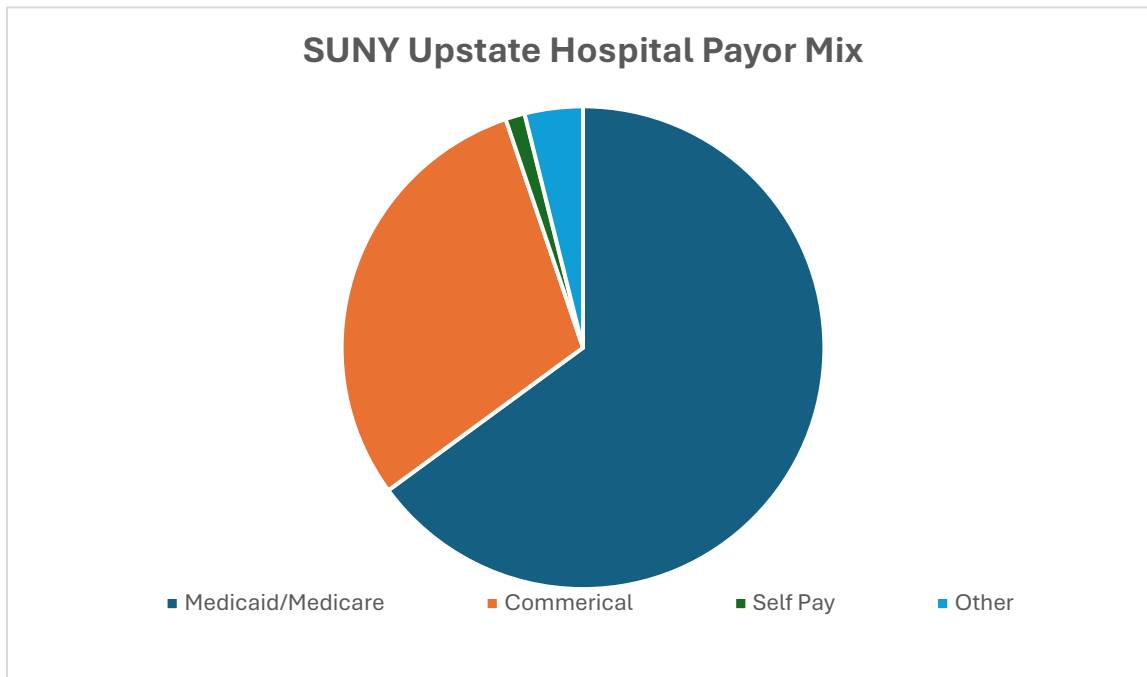
serving a large and diverse population, including many of the most seriously ill and injured patients. We are the largest safety net provider and the only Level 1 Trauma Center throughout our 25-county region. We offer over 70 unique, unduplicated services for our region and beyond, including the Children’s Hospital, Burn Unit and Poison Control. The health system comprises several key facilities, including Upstate University Hospital, Upstate University Hospital at Community Campus, Upstate Golisano Children’s Hospital, and the Upstate Cancer Center. Additionally, Upstate’s Clinical Practice Plan, staffed by faculty from the College of Medicine, provides expert care across a wide spectrum of specialties. Upstate’s reach includes partnerships with throughout our rural, suburban and urban counties, ensuring that high-quality healthcare is accessible throughout the region.

**Central New York’s Largest Employer**

Upstate is more than just a community asset delivering high-quality and low-cost care and educating healthcare and other medical professionals locally; we also employ thousands of individuals in high-level jobs across the region. Upstate currently supports 12,500 direct jobs across the multiple locations in New York. In FY24, the combined direct and indirect employment impact of Upstate felt by the state of New York totaled 20,453 jobs. Since FY08, the employment impact of Upstate has grown by 46%.

**Payor Mix**

As the region’s largest Safety-Net Hospital, our payor mix is dominated by governmental payors, Medicaid and Medicare, which reimburse at far less than the cost of providing services.



## **FY 26 Executive Budget SFY: Impact of Health-Related Proposals**

### **ISSUE: New Emergency Department Capital Appropriation**

#### **POSITION: SUPPORT S.3004/A.3004, pg 588**

In December 2024, the SUNY Board of Trustees advanced a \$450m proposal to Governor Hochul for a new Emergency Department at Upstate Hospital (proposal attached). We were pleased to see the FY 26 Executive Budget proposal includes a \$200m capital appropriation for SUNY Upstate Hospital to begin this work. A new Upstate University Hospital ED is direly needed for Central New York. As the only Level 1 Trauma Center serving a 25-county region, it is imperative that ED is brought up to date. The current ED is over 60 years old and is grossly inadequate for today's standards of care and increasing demand. In 2023, there were nearly one million inpatient discharges, outpatient visits, ED visits (one third of which are pediatric). University Hospital receives more patients via ambulance than any other hospital in the region. Between 2023-24 there has been an increase of 42% in ambulance traffic for University Hospital (compared with 4.1% and 18.7%) for the other two hospitals in Syracuse. Last year, we were unable to accept nearly 7500 transfers. A new, up-to-date, sound infrastructure is a necessity to treat patients but also to address regional capacity issues and overcrowding, all while balancing the continuum of care. **We urge the Legislature to fund the SUNY Board of Trustees' proposal.**

### **ISSUE: BIOMEDICAL RESEARCH**

#### **POSITION: PROTECT AGAINST ACTIONS TO REDUCE OR ELIMINATE FUNDING**

New York State is the second leading recipient of National Institute for Health funding, with \$3.6 billion in 2024; 70% of which was awarded to scientists at medical schools. Medical schools collectively employ more than 62,000 people and each employee supports an additional 1.35 jobs within the NYS economy. Medical research conducted at the medical schools supports 17,000 of those 62,000 jobs and \$3.4 billion in output to the NYS economy. Upstate's commitment to research is evident in its significant growth in research spending, which has risen from \$35 million in FY19 to \$54.8 million in FY24 — a 56% increase over five years and a 23% increase between FY23 and FY24. It is the 5<sup>th</sup> largest research program within the 64 campus SUNY system. Upstate is also known for its excellence. For instance, the best saliva COVID diagnostic test came from Upstate as did the Principle Investigator of the first COVID vaccine. This research activity generates considerable economic benefits at the state, regional, and local levels, fueled by the spending and employment of research faculty, staff, and students. In FY24 alone, Upstate's research expenditures contributed \$111.5 million to the statewide economy. Collaborative partnerships with affiliated hospitals further amplify the impact of Upstate's research initiatives. The research enterprise supported 627 jobs in FY24, with 382 positions directly employed at Upstate's Syracuse campus. Additionally, these research activities generated \$5.7 million in state and local tax revenue, benefiting communities across Central New York. **We urge the Legislature to protect and preserve medical research funding for New York State.**

**ISSUE: Managed Care Organization (MCO) Tax**

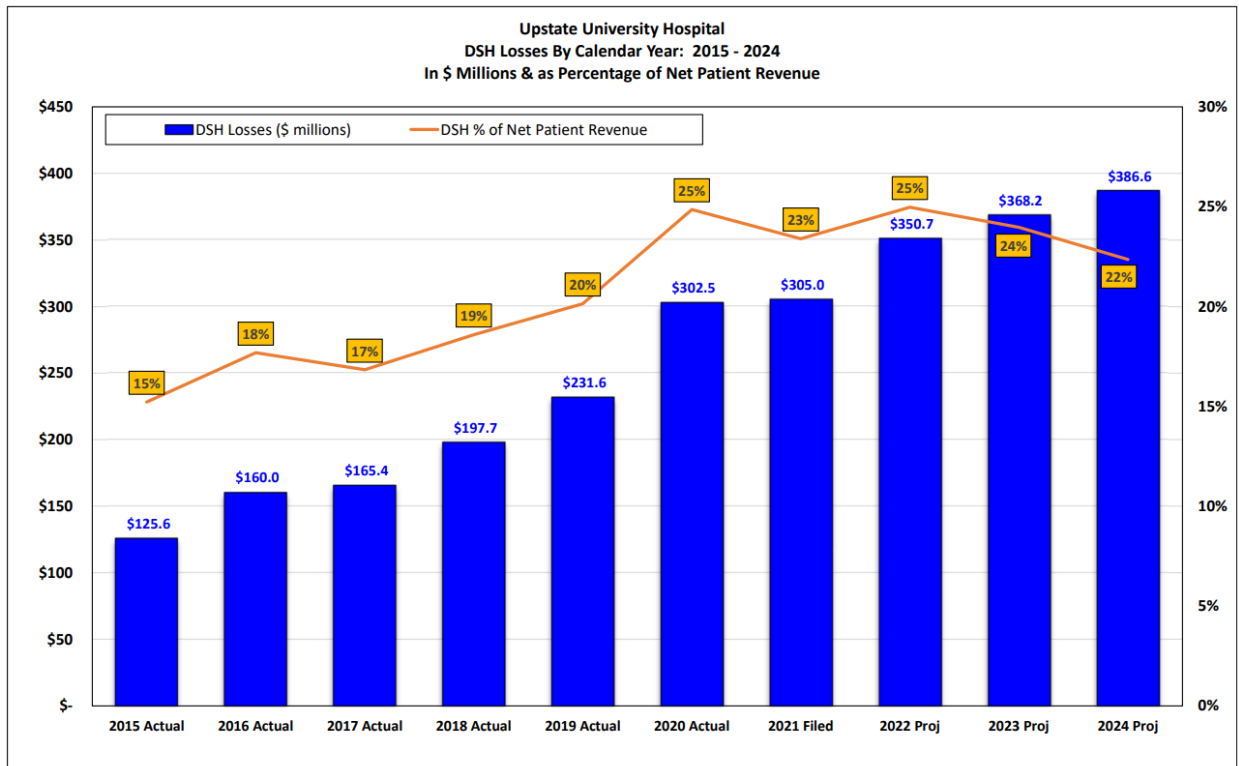
**POSITION: SUPPORT**

In December 2024, the State secured CMS approval to implement a new Managed Care Organization (MCO) tax to leverage additional Federal resources. The Executive Budget proposal codifies the structure of the proposed tax and establishes a plan for spending, totaling \$3.7 billion in net State Share benefit. We support the implementation of the tax and the Executive Budget proposal to allocate funding for healthcare initiatives, including hospital funding. **We urge the Legislature to accept this proposal.**

**ISSUE: DISPROPORTIONATE SHARE HOSPITAL PROGRAM (DSH)**

**POSITION: SUPPORT**

The Medicaid Disproportionate Share (DSH) Program revenue stream, designed to help support hospitals that serve large numbers of Medicaid and uninsured patients, is critical to Upstate Hospital's continued viability and our ability to deliver high-quality care to those who may not have access to insurance or face other barriers to obtaining healthcare services. Unfortunately, these funds are at risk at the federal level with proposed nation-wide cuts delayed and averted only through March 31, 2025. It is crucial that New York State protects and maintains this funding. Candidly, DSH funding supports our ability to operate. In the absence of DSH funding our safety net status and ability to provide emergency services and specialized care would be in jeopardy, especially given the reach of our services spread throughout a wide geographic region of 25 counties and a patient-mix of low-income and medically complex. Additionally, our DSH funding helps maintain our mission of providing compassionate and equitable care to all individuals, regardless of their financial situation. This support is essential for ensuring that that Upstate hospital remains a vital resource for the healthcare infrastructure of central New York. Unfortunately, DSH allocations are often delayed, by years. This creates an even more precarious situation. **We urge the Legislature to continue to protect the DSH Program, align payments with actual losses and accelerate the payment reconciliation + allocation.**



**ISSUE: 340B**

**POSITION: PROTECT AND PRESERVE THE 340B PROGRAM**

The 340B program is a vital component to SUNY Upstate’s public mission as the largest safety net hospital in a 25-county region. Unfortunately, there has been a growing trend to dismantle this vital program. In recent years, pharmaceutical manufacturers and PBMs have undertaken many aggressive actions to weaken the 340B program. Additionally, the new federal administration is considering cuts to the program. Upstate Hospital participates in the 340B program as a disproportionate share hospital and as such provides a wide array of patient centered programs and services otherwise unavailable in our community. Most notable are: Only ACS certified Level 1 Trauma Center in Central New York; The Upstate Golisano Children’s Hospital provides care for children over a vast 22-county region and treats over 100,000 pediatric encounters annually; The Upstate Neurological Institute is the only neurosurgery and complex spine surgery service in Central New York and level 4 Epilepsy Center. The Institute houses the most advanced care for Alzheimer’s, Parkinson’s, Multiple Sclerosis, headache, & neuromuscular diseases; The Clark Burn Center at Upstate, which serves over 37 counties; Upstate offers specialists in Endocrinology, Diabetes and Metabolism care. Through our Joslin Diabetes Center (the only Joslin in the State), we provide care to the largest number of patients with diabetes of any center in Central New York; The Upstate Cancer Center provides the region’s most comprehensive care and treatment options. Upstate is the region’s only provider for children who have cancer; We are the only approved Adult and Pediatric Transplant program in CNY. Additionally, savings from the 340B program have fueled pharmacy lead community benefit initiatives such as a Medication Assistance Program, Meds-To-Beds services, and Prior Authorization services and an in-house Retail/Specialty Pharmacy Program. These services aim

to provide easy access to medications, affordability, and increased therapy adherence for our most vulnerable patients. We utilize our 340B savings to help further benefit our patients, with a strong focus on low-income, uninsured, and under-insured populations. 340B savings are critical in offsetting the costs associated with providing care for these patients. Discriminatory actions with fiscal impact against the 340B Program would force our institution to make difficult choices as to which safety-net services to cut. There are limited opportunities to subsidize losses for these services and our 340B savings allow us to continue to provide, grow and expand services to patients who may not otherwise receive the necessary care due to access and affordability of care. **We urge the Legislature to protect and preserve the 340B Program.**

### **ISSUE: HOSPITAL-AT-HOME PROGRAM**

#### **POSITION: SUPPORT**

The Executive Budget proposal builds upon the “Acute Hospital Care At Home” demonstration program from the federal Centers for Medicare and Medicaid Services (CMS) during the COVID19 public health emergency by authorizing hospitals to provide care in patient’s homes without obtaining a license as a home care agency. Participating hospitals would be required to submit operating cost data to the Department of Health annually. Upstate University Hospital has a robust and critical Hospital at Home program. **We urge Legislature to support the Executive Budget proposal, and ensure protections against any Federal actions to end the program.**

### **ISSUE: HEALTH CARE SAFETY NET TRANSFORMATION FUND**

#### **POSITION: SUPPORT INCREASED FUNDING**

The Executive Budget provides \$1B in new funding for the Health Care Safety Net Transformation Program, which encourages safety-net hospitals to partner with organizations to improve and enhance healthcare delivery in a flexible regulatory environment. This program is valuable for Upstate Hospital in that it is a new funding stream opportunity allowing for creative and productive partnerships. In addition, given that the Executive Budget does not include any new capital grant funding for hospitals beyond the Health Care Safety Net Transformation Fund, **we urge the Legislature to support and increase this funding.**

### **ISSUE: SUNY HOSPITAL DEBT SERVICE**

#### **POSITION: MAKE DEBT SERVICE RELIEF PERMANENT**

Thanks to the Legislature, for the past several years, NYS has not “swept” patient revenues from the SUNY three hospitals, back to the General Fund, to reimburse the costs of incurring debt. This has provided much needed relief and support and is consistent with how this type of indirect benefit of the State is provided to our academic campuses. **We urge the Legislature to make this debt service relief permanent**, which is valued at approximately \$33 million for Upstate Hospital.

**ISSUE: 2025 CAPITAL ADD-ON RATE CUT**

**POSITION: Restore the FY 2025 Cut**

Last year's final adopted State Budget reduced the Medicaid capital rate add-on for hospitals by 10% (this is in addition to the 10% cut implemented in SFY 2022). **We urge the Legislature to restore this cut.**

**ISSUE: WORKPLACE VIOLENCE**

**POSITION: SUPPORT LEGISLATION/FUNDING TO PROTECT HEALTHCARE WORKERS**

While the Executive Budget does not propose any specific funding to address workplace violence, this issue is front and center at Upstate Hospital and throughout our region. Recently, hospital CEOs in the greater Central New York region started an initiative, *Respect and Heal*, to present a united front to support frontline staff. Together we understand that no hospital is immune from workplace violence nor should anyone in healthcare feel they are facing safety issues alone. We support federal and state legislation with the strongest consequences for those who violate safety rules and passage of legislation to protect healthcare staff. **We urge the Legislature to amend Penal Law § 120.05 (3) to make it a Class C felony to assault or intimidate any employee or volunteer working in a hospital setting. We also urge the Legislature to identify funding that would enable hospitals and health systems to create safer facilities for their employees and patients, including security-related facility improvements, equipment and technology to improve hospital safety.**

**ISSUE: WORKFORCE LEGISLATIVE ACTIONS**

**POSITION: SUPPORT EXECUTIVE BUDGET PROPOSAL**

The Executive Budget proposal includes legislation to allow New York to join the Nurse Licensure Compact, which will make it easier for nurses licensed in other states to practice in New York, either physically or virtually. The budget also expands the scope of practice for CNAs to administer routine medications in nursing homes and allow physician assistants to practice more independently. **We urge the Legislature to accept these proposals.**

**ISSUE: COMMUNITY BENEFIT EXPENSES**

**POSITION: OPPOSE**

The Executive Budget Proposal would require hospitals to report community benefit expenses across eight categories to DOH 180 days after the end each fiscal year and identify how the expenses support the priorities of New York state, including the NYS Prevention Agenda. Information reported by hospitals would be posted to the DOH website. Upstate Medical University publishes an annual report, economic impact report and a community impact report. As a public hospital and academic medical center, we report our activities through a multitude of platforms. Adding another mandated report would be duplicative and unnecessary. **We urge the Legislature to reject this proposal.**

**ISSUE: WORKFORCE FUNDING ISSUES**

**POSITION: SUPPORT EXECUTIVE BUDGET PROPOSAL/REJECT ECRIP CUT**

The Executive Budget would fund the following programs at the following levels: • Doctor's Across New York: would provide level funding (\$15.9 million) • Nurses Across New York: would

provide level funding (\$3 million) • Area Health Education Centers: does not include last year's \$500,000 legislative add-on (\$2.2 million) • Rural Access and Network Development Program: does not include last year's \$1.1 million legislative add-on (\$9.4 million) • Workforce Innovation Center: would provide level funding (\$10 million) • Diversity in Medicine: does not include last year's legislative add-ons totaling \$2.5 million (\$6 million) Would eliminate the Empire Clinical Research Investigator Program (ECRIP, \$3.45 million). **We urge the Legislature to fully fund these programs and reject the ECRIP cut.**

**ISSUE: ALLOW PRACTITIONERS TO DISPENSE A 3-DAY SUPPLY OF OPIOID USE DISORDER MEDICATION**

**POSITION: SUPPORT**

The Executive Budget proposal includes legislation to more fully align with Federal regulations by allowing all hospitals, including those with a full-time pharmacy, to dispense a 3-day supply of medications that a patient can take home with them while awaiting referral to treatment. **We urge the Legislature to accept this proposal.**

**ISSUE: ALLOW PARAMEDICS TO ADMINISTER BUPRENORPHINE**

**POSITION: SUPPORT**

The Executive Budget proposal includes legislation allowing paramedics to administer buprenorphine. This will allow EMS providers to more effectively treat and save lives upon contact, especially in rural areas. **We urge the Legislature to accept this proposal.**

**ISSUE: COMMUNITY PARAMEDICINE DEMONSTRATION PROGRAM**

**POSITION: SUPPORT**

The Executive Budget proposes to extend the community paramedicine demonstration program, which allows emergency medical technicians and advanced EMTs to operate in expanded roles, for an additional two years through May 22, 2027. **We urge the Legislature to accept this proposal.**

**ISSUE: REQUIRE ACCESS TO TRAINED FORENSIC MEDICAL EXAMINERS AT ALL HOSPITALS**

**POSITION: SUPPORT THE INTENT; MODIFY FOR IMPLEMENTATION**

The Executive Budget includes legislation requiring all hospitals to provide access to trained medical forensic examiners for sexual assault survivors, including pediatric cases. The Budget includes \$2 million to strengthen DOH's capability to enforce this requirement and potentially expand telehealth capacity in hospitals that have legitimate challenges securing their own trained examiners. Under our current workforce, this would be difficult to implement. Training for these positions takes up to a year. We would suggest modifying the proposal to accommodate hospitals that do not have the current staff available and/or in the pipeline. **We urge the Legislature to MODIFY this proposal.**

**ISSUE: EMERGENCY MEDICAL SERVICES (EMS) RELATED REFORMS**

**POSITION: SUPPORT**


The Executive Budget includes a number of proposals for EMS, including: designating EMS as an essential service and allowing for the creation of special taxing districts for the financing and operating of general ambulance services; establishing the Emergency Medical Community Assessment Program to develop criteria and scoring metrics to assess the capabilities and



performance of EMS agencies statewide; requiring the State Emergency Medical Services Council, in collaboration and with final approval of DOH, to develop a statewide comprehensive emergency medical system plan that will be used to develop individual county EMS plans; requiring counties to designate primary response agencies, which would be required to respond to all requests for emergency medical services unless they can prove capacity limitations; authorizing DOH to approve and support EMS demonstration programs that aim to develop and evaluate novel delivery models and care strategies; and tasking DOH, in consultation with SEMSCO, with establishing licensure standards for EMS professionals. **We urge the Legislature to SUPPORT this proposal. We also see this issues as an opportunity to discuss capacity issues within our Emergency Department.**


# EXERPTS FROM THE SUNY/UPSTATE UNIVERSITY HOSPITAL PRESENTATION TO THE SUNY BOARD OF TRUSTEES FOR A NEW HOSPITAL ANNEX

**IN DECEMBER 2024 TH SUNY BOARD OF TRUSTEES RECOMMENDED A \$450 MILLION CAPITAL INVESTMENT FOR UPSTATE UNIVERSITY HOSPITAL'S NEW HOSPITAL ANNEX**

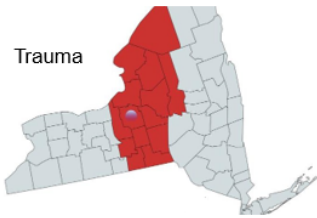


## SUNY Upstate Hospital

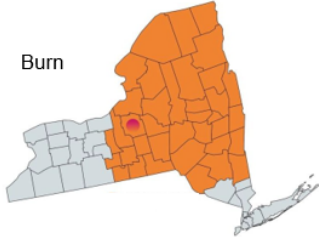
Unduplicated Services in 1/3 (and more) of NYS



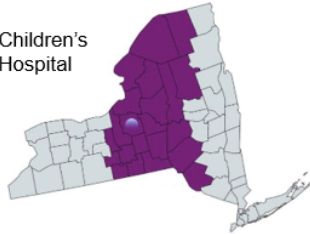
- A critical asset for Central New York and Beyond
  - Tertiary and quaternary healthcare services that surrounding hospitals do not provide
  - In 2023, SUNY Upstate had over one million inpatient discharges, outpatient visits, and ED visits (one third of which are pediatric) from the region
- One of the few Magnet Hospitals and has a 3-star rating from CMS for quality, exceeding the rating of most neighboring hospitals
- While Upstate is a teaching hospital that focuses on high acuity inpatient services, it has also invested in the full array of outpatient services the community



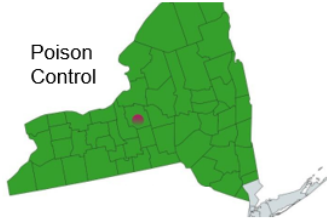
Trauma



Burn




Children's Hospital




Poison Control






**SUNY THE STATE UNIVERSITY OF NEW YORK**



## SUNY Upstate Hospital

### Most Urgent Needs



Operating Rooms

Burn Unit

Emergency Department

Maintain Current Hospital

References and data in slides reflect the SUNY Upstate University Hospital at Downtown

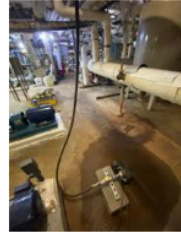
**SUNY THE STATE UNIVERSITY OF NEW YORK**



## Maintenance and Improvement of Existing Hospital

UPSTATE  
UNIVERSITY HOSPITAL

- Ramboll an architectural and engineering company was retained to do a full review of hospital mechanical engineering systems
- They identified approximately 50 projects that need to be completed to maintain operations
- These projects, plus more than 30 others are necessary to maintain the current hospital infrastructure over the next 5 years
- These projects fully utilize the current capital balance plus \$50 million per year traditional capital appropriation



SUNY THE STATE UNIVERSITY OF NEW YORK



## Build A New SUNY Upstate Hospital Annex\* Capital Budget Request of \$450 Million - All In

UPSTATE  
UNIVERSITY HOSPITAL

### New Emergency Department

- Current ED capacity approximately 35 bays
- New ED between 55 - 75 bays

### New Burn Unit

- Current burn unit undersized & outdated
- New Burn Unit between 6 – 8 ICU beds

### New Operating Rooms

- Current 18 operating rooms often at or above capacity
- New Operating Room Unit between 2 – 4 rooms

*\*NOTE: It is likely the design will need to include a ground corridor that directly connects to the current hospital*

SUNY THE STATE UNIVERSITY OF NEW YORK



## BIPARTISAN SUPPORT FOR SUNY UPSTATE EXECUTIVE BUDGET REQUEST



We strongly urge you to invest in our Upstate Hospital in your 2026 Executive Budget.

Sincerely,

William B. Magnarelli  
Member, NYS Assembly  
129<sup>th</sup> District

Marianne Buttenschon  
Member, NYS Assembly  
119<sup>th</sup> District

Rachel May  
State Senator  
48<sup>th</sup> District

Albert A. Stirpe  
Member, NYS Assembly  
127<sup>th</sup> District

William A. Barclay  
Member, NYS Assembly  
120<sup>th</sup> District

John W. Mannion  
State Senator  
50<sup>th</sup> District

Pamela J. Hunter  
Member, NYS Assembly  
128<sup>th</sup> District

John Lemondes  
Member, NYS Assembly  
126<sup>th</sup> District

Joseph A. Griffo  
State Senator  
53<sup>th</sup> District

Christopher J. Ryan  
State Senator-Elect  
50<sup>th</sup> District

SUNY THE STATE UNIVERSITY OF NEW YORK

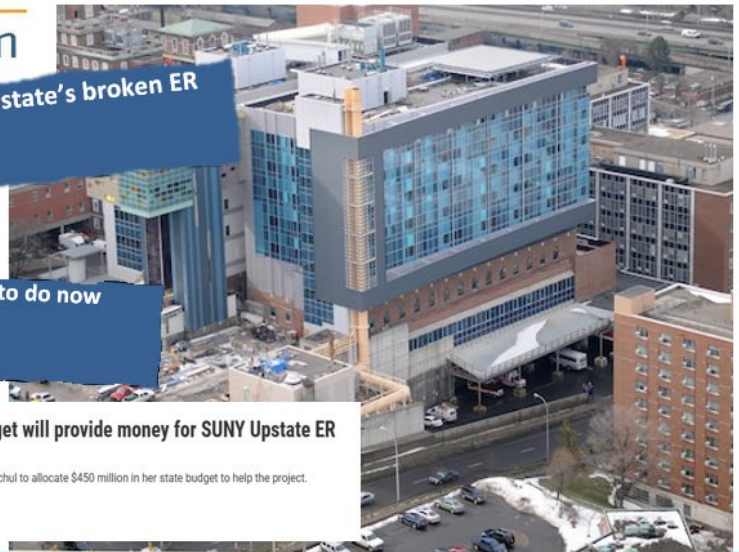


## COMMUNITY & BIPARTISAN LEGISLATIVE SUPPORT

THE POST-STANDARD  
**syracuse.com**

Pressure mounts for Hochul to replace Upstate's broken ER with new hospital annex  
Jan. 08, 2025, 6:32 p.m.

Upstate needs a new emergency room. Here's what to do now  
Jan. 12, 2025, 7:05 a.m.



### Lawmakers hope state budget will provide money for SUNY Upstate ER

Jessica Cain, January 14, 2025

The SUNY Board of Trustees is asking Gov. Hochul to allocate \$450 million in her state budget to help the project.

▶ LISTEN - 1:43