



MASSACHUSETTS HOSPITAL ASSOCIATION

**March 25, 2009**

**Statement from Massachusetts Hospital Association President & CEO Lynn Nicholas on Governor Deval Patrick's announcement of new healthcare funding:**

"Today Governor Patrick announced changes to his proposed FY 2010 budget recommendations that will restore \$255 million in vital funding for hospitals and other healthcare providers, as well as additional funding for mental health and public health services. Harmful FY 2009 funding cuts to the two largest safety net hospitals are also being rescinded. These changes are positive and will contribute to stabilizing the healthcare community in Massachusetts.

Healthcare reform has three basic tenets: coverage expansion; protection of safety net providers; and closing the gap between what it costs to provide care to MassHealth (Medicaid) patients and what the state pays hospitals for that care. We applaud the efforts by Governor Patrick and his team to make continued advancements on all three fronts – but even with the additional funding announced today, the underpayment gap would actually widen under the proposed 2010 budget. It is an unsustainable course for our hospitals and it would endanger a major sector of our economy.

We urge the Governor to use more of the new federal stimulus funds coming to the state to close the underpayment gap. This would ensure continued access to hospital care, stimulate the economy, increase employment and actually raise additional federal dollars for our state. The new federal matching funds cover 60 percent of the state's MassHealth payments, which means the state will spend just 40 cents for every dollar's worth of care provided.

Massachusetts Hospital Association commends the Governor for his commitment to seek creative solutions in these difficult times and we pledge to work with him collaboratively."

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