



A Message from President and CEO

Medicaid Program Changes

Two weeks ago, we received word from New York State regarding changes to the Medicaid Disproportionate Share Public Hospital Payments reimbursement program that public hospitals participate in for taking care of large numbers of patients who have Medicaid or are uninsured. This is the result of federal changes to this program for all public hospitals in the U.S. Since that time, we have been in communication with New York State, so that we completely understand the changes and their ultimate impact on WMCH Health.

Yesterday, *The Journal News* ran an article regarding the program changes that was incorrect and inflammatory. For detailed and accurate information, please see this FAQ.

As a \$2.2 billion organization, we regularly work together to address both opportunities and challenges throughout our 10-hospital network. When we have concrete information regarding the Medicaid Disproportionate Share Public Hospital Payments reimbursement program changes, we will fully and accurately inform you.

As always, I appreciate your support in building trust and promoting well-being at WMCH Health and thank you for your commitment to WMC, your patients, colleagues, and our mission.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Israel".

Michael D. Israel
President and CEO

FAQ

Q. What is the Medicaid Disproportionate Share Public Hospital Payments program?

A. *This program reimburses public hospitals for prior years' costs for care provided to patients who have Medicaid or are uninsured patients.*

Q. Is WMC facing a \$74 million budget shortfall as reported in *The Journal News*?

A. *No. First, there is no "budget shortfall." WMCH health regularly manages our \$2.2 billion organization through a variety of ever-changing opportunities and challenges based on myriad factors, such as volume, revenue streams, reimbursement and even mandated pension charges. Second, the federal Medicaid formula is very complex and the number that *The Journal News* is publishing is **not correct**. Finally, in the letter we received from New York State, they underscored that their "priorities are fair allocations to all hospitals involved in the program, stability of the workforce and preservation of the highest levels of patient care." To that end, we are currently in communication and working with New York State government on the program changes and what the accurate, final individual changes will look like for WMCH health. This was communicated to *The Journal News*.*

Q. *The Journal News* says that this "threatens thousands of workers and patients." Is that true?

A. *No. Every day collectively we manage many factors that have both potential positive and negative impacts on our organization. This is no different and, when we have final information from New York State on the payment program changes, we will work together to address them.*