



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD No. 4

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LESLIE BOGHOSIAN MURPHY

Chair

JESSE R. BODINE

District Manager

March 17, 2026

The Honorable Kathy Hochul
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Hon. Andrea Stewart-Cousins
State Senate Majority Leader
188 State Street Legislative Office Building, Room 907
Albany, NY 12247

NYS Senator Gustavo Rivera
Chair, Committee on Health
Albany Office
172 State Street, Capitol Building 502C
Albany, NY 12247

NYS Senator Liz Krueger
Chair, Finance Committee
Albany Office
172 State Street, Capitol Building Room 416 CAP
Albany, NY 12247

Hon. Carl E. Heastie
State Assembly Speaker
Legislative Office Building, Room 932
Albany, NY 12248

NYS Assemblymember Amy Paulin
Chair, Committee on Health
Albany Office
LOB 822
Albany, NY 12248

Mayor Zohran Mamdani
City Hall
New York, NY 10007

Speaker Julie Menin
City Hall
New York, NY 10007

Council Member Linda Lee
Chair, Finance Committee
250 Broadway, Suite 1744
New York, NY 10007

Council Member Mercedes Narcisse
Chair, Committee on Hospitals
250 Broadway, Suite 1792
New York, NY 10007

**Re: Letter in support of New York City Health + Hospitals/ Bellevue Hospital
Budget Priorities in New York State and New York City**

Dear Governor Hochul, Mayor Mamdani, et al:

At its March 4, 2026 Full Board meeting, by a vote of 45 in favor, 0 opposed, 0 abstaining, and 0 present but not eligible to vote, Manhattan Community Board 4 (MCB4) voted to write expressing our support for the below to protect and preserve vital funding for New York City Health + Hospitals/ Bellevue Hospital. This follows the unanimous vote for support from the Housing, Health and Human Services Committee from its meeting on Thursday, February 5, 2026 for the below:

- (1) The Fee-for-Service Upper Payment Limit, which provides an enhanced Medicaid reimbursement rate that more closely reflects the actual cost and utilization of service being made permanent (instead of expiring March 31, 2026);
- (2) The telehealth parity law, which enables vulnerable patients to receive telehealth services, being made permanent;
- (3) The capital budget reimbursement for hospitals being restored; and
- (4) An overall increase in Medicaid reimbursement rates for safety net providers because increasing Medicaid reimbursement rates for safety net providers to better reflect the actual cost of delivering care is the best method to address disparities among hospitals and promote health equity;

We encourage you as elected leaders in New York State and New York City to work with your colleagues to advance and expedite achievement and passage of these vital financial requirements.

New York City Health + Hospitals (NYC H+H)

NYC H+H is the largest municipal health system in the United States. It consists of 11 hospitals, 29 clinics, and 5 Skilled Nursing Facilities, with a total of 7,500 beds. NYC H+H serves more than 1 million patients. It has over 43,000 employees, making it the 11th largest NYC employer. NYC H+H has a 2026 proposed budget of \$13.5 Billion and New York City has a 2026 NYC budget of \$116.5 Billion.

NYC H+H is a safety-net healthcare system (As defined by NYS, a safety net hospital is one in which greater than 30% of its inpatients and 35% of its outpatients are reliant on Medicaid, Medicaid/Medicare, or do not have health insurance.). Greater than 65% of patients are on Medicaid or uninsured versus 25%-28% in private, nonprofit hospitals. The funding shortfall is mostly covered by State and federal Supplemental Medicaid payments (15%) and NYC (28%).

NYC H+H/ Bellevue Hospital

Bellevue Hospital is the only tertiary care (ie, referral) hospital in NYC H+H. Complex cases from all other NYC H+H hospitals are referred or transported to Bellevue Hospital. It has 850 patient beds. Of Bellevue Hospital's approximately 520,000 patient encounters in 2025, 105,000 were telehealth. There were approximately 110,000 ER visits in 2025, and this has increased since the closure of Mount Sinai Beth Israel. Bellevue Hospital is nationally recognized in trauma, oncology, stroke, heart failure, psychiatric services, perinatal care, and others services. It takes all-comers, regardless of ability to pay or insurance or immigration status. 60% of patients are on Medicaid or have no health insurance. Medicaid reimburses approximately 70% of the cost of care. This leads to financial stress.

What is Medicaid?

Medicaid is the single largest source of health care coverage in the United States. In the 2024 federal fiscal year, the cost was approximately \$900.3 Billion. States administer Medicaid, using federal parameters. The income limit for most enrollees is 138% of federal poverty level (FPL), which is about \$22,000 for an individual and about \$44,000 for a family of four (4).

As to eligibility for Medicaid, traditional Medicaid is eligible to low-income children 18 and younger, pregnant women, parents of dependent children, adults older than 65 years of age, and people with disabilities. The Medicaid Expansion Population covers childless adults 19-64 years of age without a disability and with incomes up to 138% FPL.

Medicaid and Safety Net Hospitals

Medicaid reimburses only about 70% of the cost of care. All safety net hospitals struggle and rely on some type of supplemental payment to maintain services. Supplemental

Medicaid payments help offset costs for indigent care and make up some (but not all) of the revenue shortfall.

H.R.1 – The “One Big Beautiful Bill Act” and the Impact on Medicaid

H.R.1 will result in \$1 trillion reduced healthcare funding over the next decade, mostly in Medicaid. While it does not end Medicaid, it restructures it in ways to reduce enrollment, federal payments, and flexibility. There are separate tracks for ACA subsidies and Medicaid. The loss of ACA subsidies affects people buying insurance. The subsidies have not been renewed as of January 1, 2026.

This Act has a negative impact on Medicaid, as it severely reduces the federal share of payment. It requires 80 hours per month work, volunteer, or study by adults unless greater than 65 years old or having children less than 14 years of age. It reduces retroactive coverage from 60 to 30 days. The Act requires recertification every 6 months instead of every year. H.R.1 reduces the Medicaid supplemental reimbursement rate. It also requires cost sharing for the Medicaid expanded population.

State/NYC Impact of H.R.1

People who are eligible for Medicaid are likely to fall off due to paperwork, language barriers, housing instability, or churn. 950,000 people in NYC (1.5 million in NYS) will be negatively affected (as per the NYC Independent Budget Office). There will be a \$1.3 Billion increase in hospital uncompensated care, and a \$10 Billion loss in state funding, accompanied by \$4.5 Billion in new state costs.

There is estimated to be a 76,000 loss of healthcare jobs and a loss of 136,000 jobs in related economic activity.

Bellevue Hospital Vitally Needed Budget Priorities

MCB4 urges New York State and New York City to strengthen Bellevue Hospital's position in both the State and City budget processes. The federal and state supplemental Medicaid payments and New York City currently cover the funding shortfall for NYC safety net hospitals. However, H.R.1, the so-called One Big Beautiful Bill, aims to cut more than \$1 trillion dollars in healthcare spending over the next decade, the majority from Medicaid.

The continued functioning of Bellevue Hospital is critical to residents of Manhattan because Bellevue Hospital delivers care to uninsured and Medicaid patients at a scale unmatched by NYC private hospitals, carries major trauma and behavioral-health responsibilities, stabilizes the city's public hospital network, and provides essential surge capacity during public health emergencies.

Bellevue Hospital serves as a tertiary care hospital for the entire New York City Health+Hospitals system including all of Manhattan. Bellevue Hospital is a safety net hospital in

which everyone, regardless of income, insurance status, or immigration status, is entitled to care. Bellevue Hospital provided care to 520,000 outpatient encounters (including over 105,000 telehealth visits for vulnerable patients) and 110,000 emergency room patients in the past year, an increase over the previous year.

Of note, as relates to telehealth, Bellevue Hospital provided access to healthcare providers via telehealth to 105,770 patients who had issues with transportation, childcare coverage, work requirements, illness or disability. If telehealth parity is not maintained and made permanent, it endangers and jeopardizes access to vital health care services for vulnerable patients. As noted, the payer for approximately 60% of Bellevue's patients is Medicaid, which reimburses only about 70% of the actual cost of care, leading to substantial financial pressure.

Moreover, NYC Health + Hospitals infrastructure (building structure and systems) is on average 17 years old compared to an average of 9 years old for other NYC facilities and NYC H+H facilities have over \$20 billion in capital needs over 10+ years to comprehensively update and enhance system assets along with major modernization projects.

MCB4 strongly supports strengthening Bellevue Hospital's position in both the State and City budget processes. We do so because this will protect and preserve the ability of safety-net facilities such as Bellevue Hospital to have the desperately needed funds to provide services, and so the vulnerable and undeserved patient population can continue to have access to vital health care services.

Conclusion

MCB4 requests support for:

- (1) The Fee-for-Service Upper Payment Limit, which provides an enhanced Medicaid reimbursement rate that more closely reflects the actual cost and utilization of service, being made permanent (instead of expiring March 31, 2026). The Upper Payment Limit is a supplemental payment that is intended to cover the difference in reimbursement between Medicaid Fee For Service payment and what Medicare would have paid for the same service at a higher reimbursement level;
- (2) The telehealth parity law, which enables vulnerable patients who face barriers to care (impaired mobility, inadequate transportation, work or childcare responsibilities) to receive telehealth services, being made permanent;
- (3) The capital budget reimbursement for hospitals being restored; and
- (4) An overall increase in Medicaid reimbursement rates for safety net providers such as Bellevue Hospital because increasing Medicaid reimbursement rates for safety net

providers to better reflect the actual cost of delivering care is the best method to address disparities among hospitals and promote health equity.

Therefore, MCB4 respectfully requests your support for and expedited achievement of these vitally needed Bellevue Hospital budget priorities.

Your state and city financial support for NYC Health & Hospitals/Bellevue is urgently needed for our community and our patients.

Sincerely,



Leslie Boghosian-Murphy
Chair
Manhattan Community Board 4



Joe Restuccia
Co-Chair
Housing, Health,
and Human Services
Committee



Maria Ortiz
Co-Chair
Housing, Health,
and Human Services
Committee

Cc:

Hon. Linda B. Rosenthal, NYS Assembly Member
Hon. Tony Simone, NYS Assembly Member
Hon. Erik Bottcher, NYS Senate Member
Hon. Jumaane Williams, NYC Public Advocate
Hon. Mark Levine, NYC Comptroller
Hon. Brad Hoylman-Sigal, Manhattan Borough President
Hon. Gale Brewer, NYC Council Member
Mitchell Katz, M.D., President and CEO, NYC Health + Hospitals
Eric Wei, M.D., CEO, NYC H+H/ Bellevue Hospital