

**New York Assembly
Ways and Means Committee
October 23, 2009**

Testimony by:
David R. Smith, MD,
President, SUNY Upstate Medical University
Syracuse, NY

Chairman Farrell, and other distinguished members of the Assembly here today.

The SUNY Upstate Medical University, located in the City of Syracuse, is the only academic medical center in the Central New York region with 17-county catchment area from the Canadian Border to Northeast Pennsylvania. It consists of four colleges, a biomedical research enterprise, and University Hospital. It is also home to the recently opened Golisano Children's Hospital.

Our degree programs educate the next generation of health care providers, and the majority of our graduates stay on to serve in our state. Our biomedical research focuses on human diseases — including those that most severely affect New York State. And our clinical care provides unique services available nowhere else in the region. In addition, SUNY Upstate is more than destination for patients and students; we also bring our education, clinical care, and outreach to dozens of locations. We have a clinical campus in Binghamton and a regional network of partnerships. Our service mission is reflected in our name — Upstate — and we are poised for responsive growth to meet the needs of our region and to be a true leader in the new economy.

SUNY Upstate provides extraordinary public service balanced on slender stalk of state budgetary support — approximately 11 percent for the campus mission and 7 percent for the clinical mission. This relatively small amount of state support is the critical core that allows us to hire the faculty upon whom our infrastructure depends. Reductions here have serious long-term implications for not only our growth, but for our viability.

Last year, SUNY Upstate suffered a series of destructive cuts. The campus budget saw a crushing 15 percent reduction in state support (\$7.2 million.) The three SUNY Hospitals (of which we are one) took a \$25.4 million reduction in state support, and the State reneged on its commitment to provide for a portion of union-mandated employee benefits costs.

Today, we face cuts that are coming from many directions, including unfunded mandates that shift employee-related costs and Medicaid cuts that are significantly more dramatic than articulated in any one budgetary document. At the same time we face these cuts our ongoing role as a “safety net” healthcare provider for the poor and underinsured is further expanded by the sluggish economy.

To summarize, the impact of today's cuts will be felt over the next 18 months:

The \$90 million cut levied against the State University of New York will translate into a predicted **\$10 million cut to SUNY Upstate (\$3.2 million for the balance of the SFY and \$7 million annualized for the 2010-11 SFY.)**

The reductions being proposed for University Hospital will mean **an overall cut of 10 percent of our Medicaid reimbursements – approximately \$4.7 million annualized.**

Albany has also informed the University Hospital that its self-funded pension costs will rise for the next fiscal year. **Now \$10.1 million, those costs will swell to an estimated \$15.8 million next year.** This is largely driven by the recent stock market problems.

Preliminary discussions with SUNY and DOB have revealed the **intention to make the 2010-11 budget totally flat with no extra monies to fund raises – a \$110 million hole system wide.**

We have made no secret of our desire to bring our classroom to the far reaches of our region and to work with our Mayor and County Executive to drive economic development project through public private partnerships. We would like nothing better than to open branch campuses in the Watertown/Fort Drum Region and the Utica Rome Region. But before we can take those steps we need to know our campus base is secure. The last 18 months has been nothing close to secure and this DRP portends more of the same.

Despite a cascade of cuts over the past three years, SUNY Upstate Medical University has continued to invest in itself to bring improved medical services, job opportunities, and relevant educational programs to the people of Central New York. However, the cuts seriously undermine our ability to do this, and stretch a delicate fabric all too thin. There are limits to our own growth -- limits to the numbers of patients we can accommodate and limits on the size of our student body, as most of our programs are tied to placements clinical settings. To continue to hammer away at our base level of support hammers away at our very mission.