

*For Immediate Release*

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## **Governor's Budget Threatens the Hospital Mission**

**CRANSTON, R.I. – Jan. 16, 2014** - Hospitals in Rhode Island will face \$19 million in direct payment reductions through the governor's FY15 budget proposal. The proposed cuts will further destabilize fragile hospitals and threaten their important mission.

"This budget fails to recognize the difficulties hospitals are facing," said Edward J. Quinlan, president, Hospital Association of Rhode Island. "Hospitals posted a negative operating margin in 2013, a unique occurrence that has only happened once before (FY11) and highlights financial struggles our organizations are already facing."

"As lawmakers work to strengthen our state, we urge them to recognize the important role hospitals play in keeping our state healthy. We employ more than 21,000 health care professionals with a payroll of nearly \$2 billion. In total, the economic impact of hospitals in our state exceeds \$6 billion. It is clear that hospitals are critical to keeping our state strong."

"We have significant concerns regarding the impact of these cuts," said Quinlan. "Hospitals provided nearly \$200 million in uncompensated care last year to Rhode Island's neediest. These payment reductions place the mission of hospitals in jeopardy."

Hospitals are unique, with no ability to raise prices or discontinue services. They stand ready 24 hours a day, seven days a week and 365 days a year to care for patients during their greatest time of need. Rhode Islanders turn to hospitals on more than 2 million occasions each year.

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*Founded over a half century ago, the Hospital Association of Rhode Island is a statewide trade organization that assists member hospitals in effectively meeting the health care needs of Rhode Island, through advocacy, representation, education and services. HARI members work collaboratively to improve the quality of care delivered and address issues threatening access to health care including increasing health costs, workforce shortages and decreasing reimbursement. HARI members work together to ensure that all Rhode Islanders will receive comprehensive, high-quality health care.*