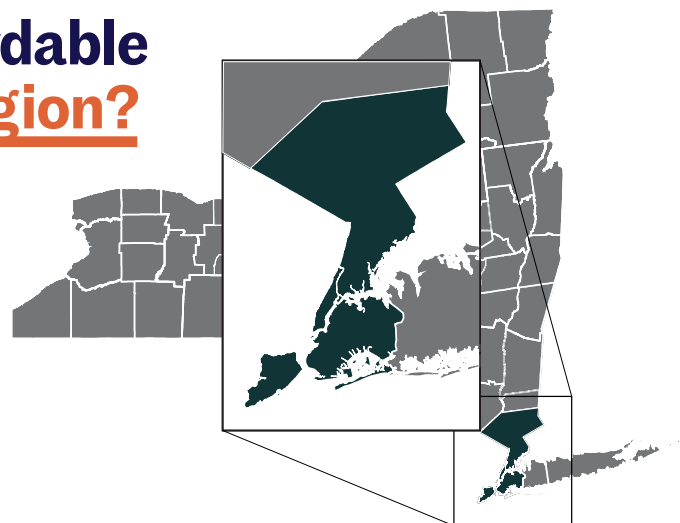


Why is Health Care So Unaffordable In the New York City Metro Region?

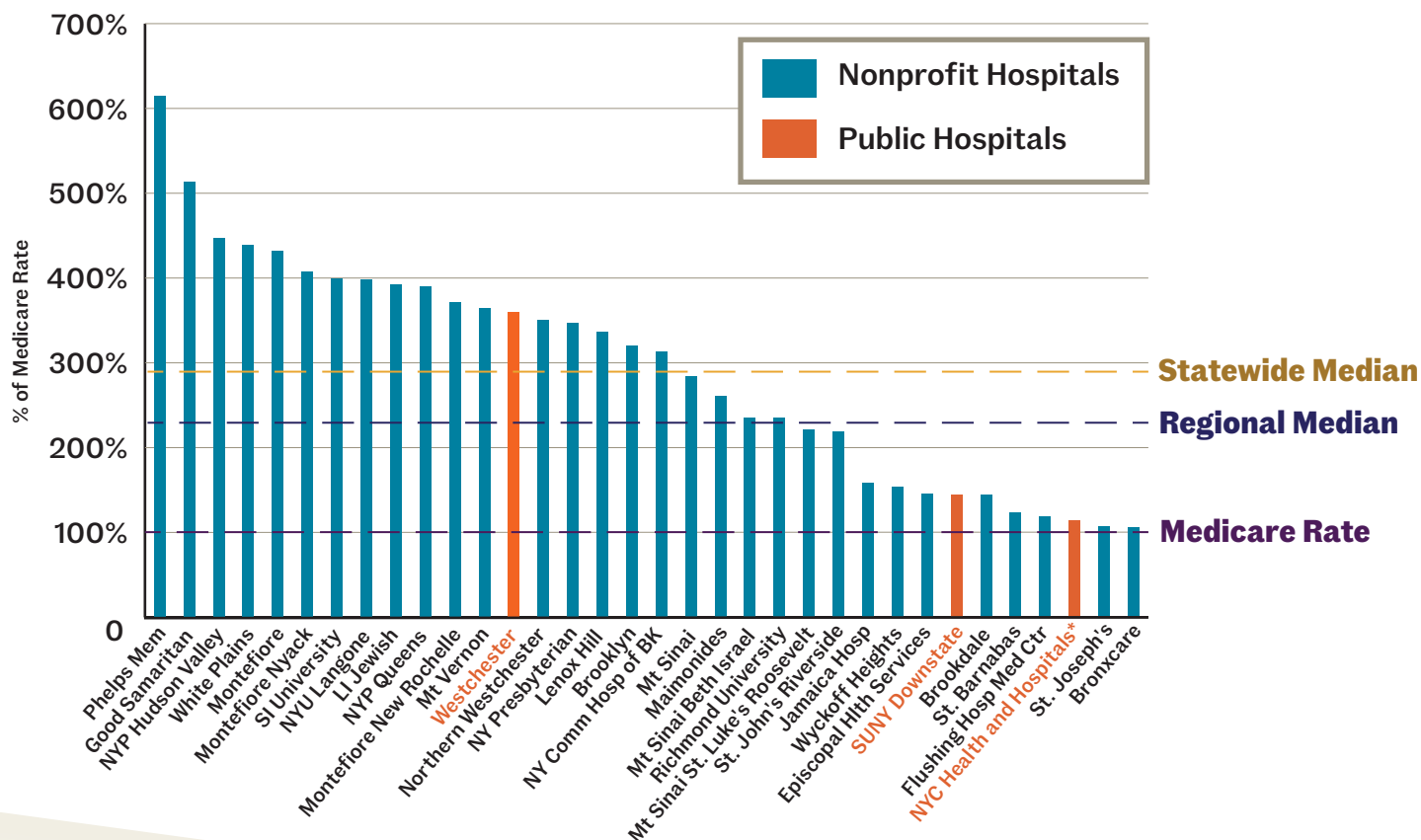
New York's health care spending has **tripled** over the past three decades. It has the **second-highest** overall health care spending per person (\$14,000) and the **second-highest premiums** for family coverage (\$26,400) in the nation. Hospital care is the single biggest contributor (39%) to health care spending in New York, rising **twice** as fast as income and **four** times as fast as inflation over the past decade.



The origins of New York's expensive, fragmented, and inequitable health care system arise from policymakers' decisions in the 1990s to move from a regulated system of health care pricing and planning to a market-driven one. Post-deregulation hospital consolidations lead to high hospital prices for everyone, and inequitable access to care for people of color. High hospital prices adversely affect payers, employers, unions, and patients alike, resulting in high insurance costs, elevated patient cost-sharing, and medical debt.

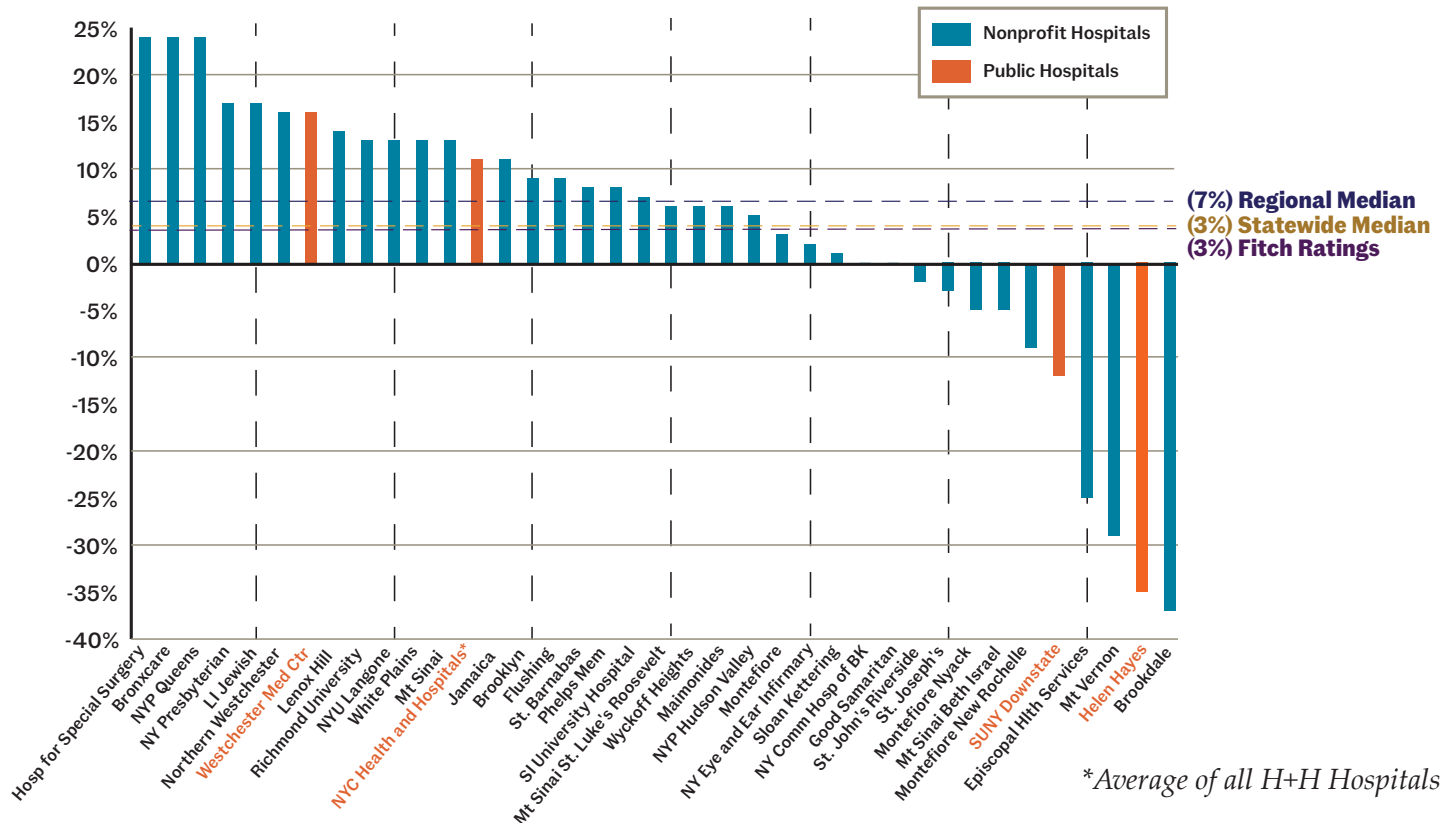
Hospital Commercial Prices in the New York City Metro Region

Across the NYC Metro Region, there is a stark divide between private nonprofit (34) and public (13) hospitals regarding prices, profits, and quality of care. On average, **private nonprofit hospitals charge over 320% of the Medicare rate**. By contrast, the public hospitals charge 125% of the Medicare rate.



*Average of all H+H Hospitals

Hospital Operating Profit Margins in the New York City Metro Region

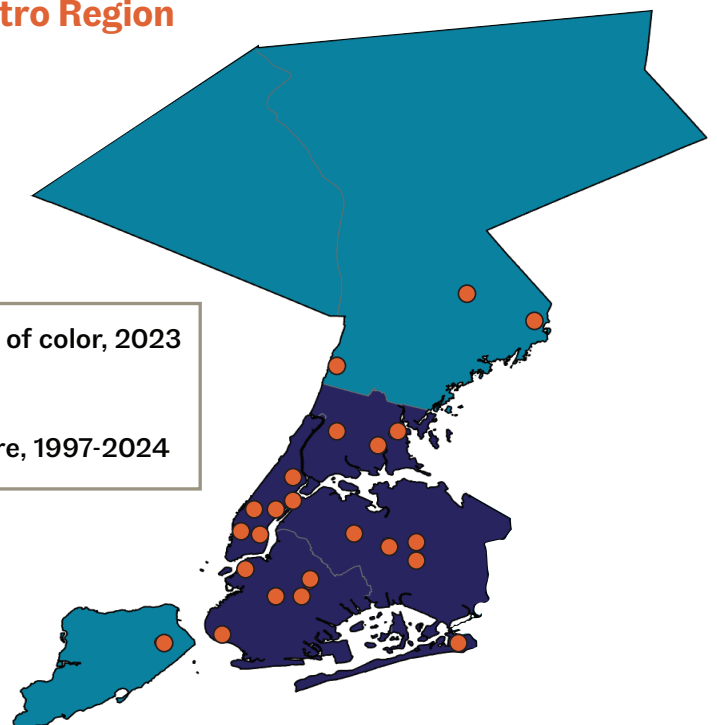
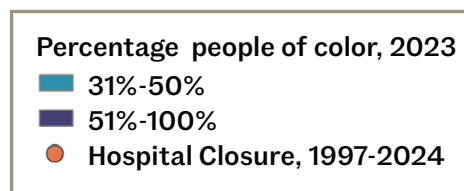


Despite their tax-exempt status, **nonprofit hospitals had a median operating profit of over 10% in 2022**, compared to a still relatively high 6% for public hospitals. These average operating profit margins are both well above the 3% Fitch Ratings considered healthy for nonprofit hospitals to meet their obligations.

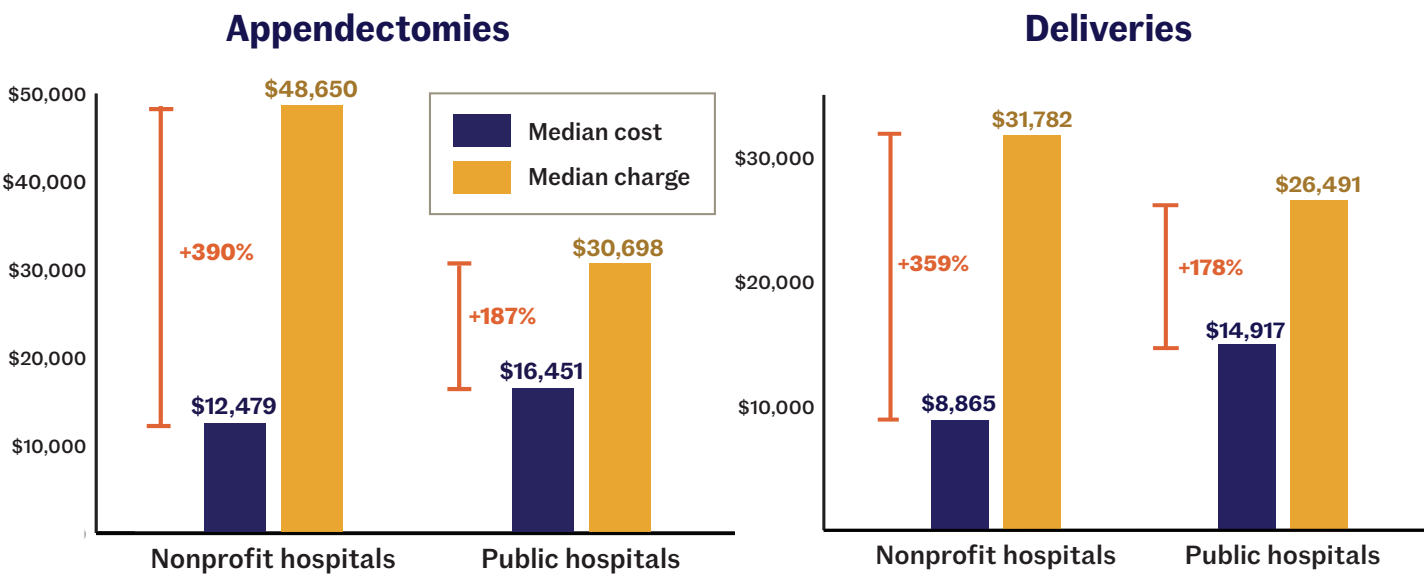
Hospital Closures in the New York City Metro Region

Since health care deregulation in the 1990s, the region has experienced the **highest rate of closures (23)** out of all regions in the State.

These closures typically occurred in counties with more residents of color and where more residents have medical debt.



Median Costs and Charges by Procedure in the New York City Metro Region



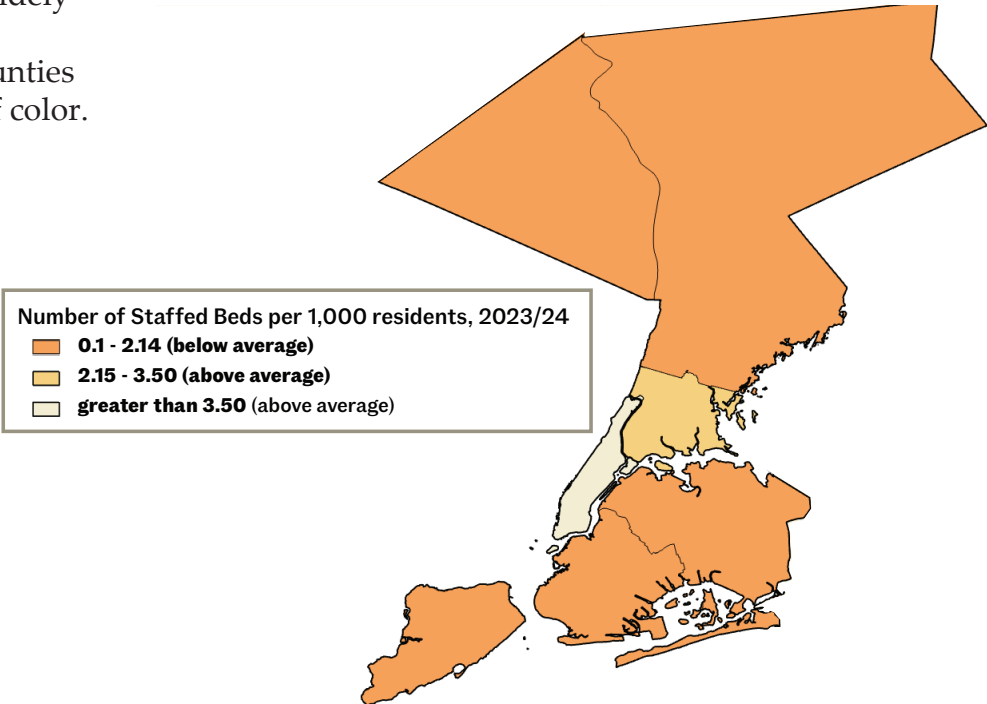
In the New York City Metro Region, nonprofit hospitals charge **over 3.5 times their costs** for vaginal deliveries, while public hospitals are only charging 1.75 times their costs. For appendectomies, nonprofit hospitals charge almost 4 times their costs, while public hospitals are only charging almost 2 times their costs.

Over a third of NYC Metro’s hospitals (19 of 47) belong to the state’s six largest health systems. Consolidation in the NYC Metro market has allowed its hospitals, especially private nonprofit hospitals, to leverage their market power to command high charges for common procedures.

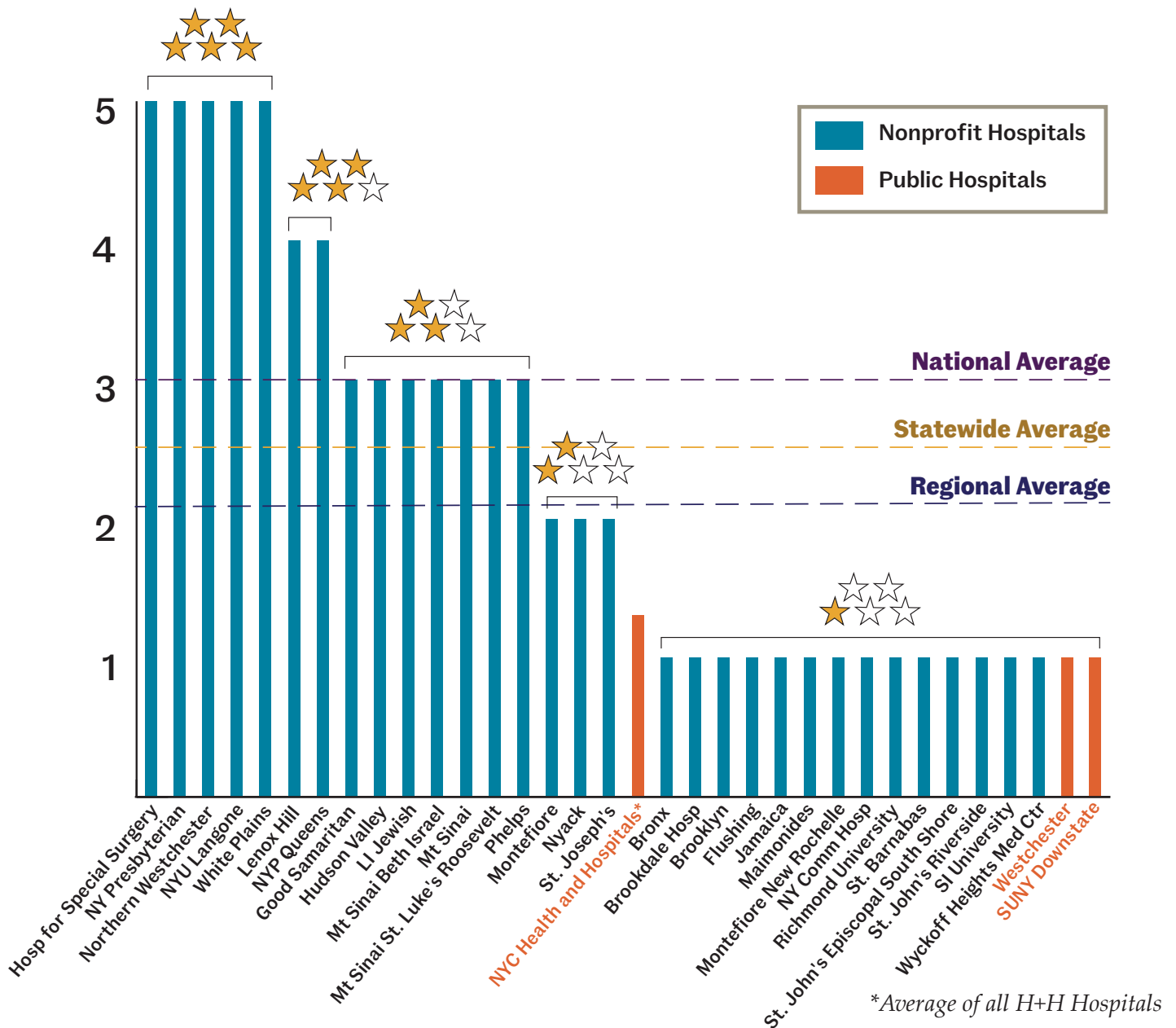
Number of Staffed Beds per 1,000 residents in the New York City Metro Region

Access to hospital care varies widely across the NYC Metro Region, disproportionately affecting counties with a higher share of people of color.

In Manhattan, where over half (50.4%) of residents are White, there is an average of 4.7 beds per 1,000 residents. However, in Queens (where 71.1% of residents are people of color), there is only 1 bed per 1,000 residents.



CMS Quality Ratings for Hospitals in the New York City Metro Region



Hospitals in the New York City Metro Region have the **lowest average quality scores** in the State, with many hospitals receiving just 1 star on the 5-star federal quality rating system.

New York policymakers should consider a range of policy options—many of which have been adopted by other states—to address the unaffordability, lack of access, and low quality that plague the State's health care system. Read the full report, *Why is Health Care in New York So Unaffordable and What Can be Done to Fix It?* to learn more about how New York can address its lack of transparency, high prices, and uneven quality of care at cssny.org.