Medicaid Cost Shift Talking Points

- The Governor’s SFY 2024 Budget proposes to shift $625 million in Medicaid costs onto local taxpayers to pay for runaway state spending on the program.

- The budget does this by ending the longstanding practice of sharing federal Medicaid savings with counties and NYC that are provided by the Affordable Care Act (ACA).

- This funding, known as eFMAP, has been critical to counties’ ability to hold property taxes in check by limiting the local financial burden of Medicaid.

- The minimum four-year cost to local taxpayers of the proposal is between $2.5 billion and $2.9 billion, according to the Governor’s budget.

- **This proposal will make New York Less Affordable** – At a time when New Yorkers are paying more for housing, food and fuel, the Governor’s plan will make New York State even less affordable by forcing local governments to increase property taxes by an estimated 5-10%, driving up the cost of home ownership and rent for all New Yorkers.

- By SFY 2027, the state cost shift from this single initiative will be equivalent to an average property tax increase of 7 percent statewide and as high as 14 percent in some counties.

- **It’s Unnecessary** – The Governor’s budget proposes to fully fund state reserves *two years ahead of schedule* by depositing $5.4 billion into these accounts before the end of SFY 2023, while also projecting a general fund surplus of $35 billion by the end of SFY 2024.

- **It Undermines Congressional Intent** – New York’s Congressional Delegation, led by Senate Majority Leader Charles Schumer, fought hard to ensure that local taxpayers wouldn’t bear the burden of expanding Medicaid by specifically designating this funding for counties. By pocketing these funds, the Governor’s plan undermines the intent of Congress.

- While the state has simultaneously raised concerns about unsustainable growth and potential program abuses in the Medicaid program, the proposed budget includes no substantial program integrity reforms.

- To make matters worse, the State is also proposing to permanently keep six years of eFMAP funds, exceeding $1 billion worth of federal assistance owed to counties from unreconciled reimbursements.

- Governor Hochul must remove this disastrous proposal from her budget and work with counties to reach a compromise that does no harm to counties and maintains the cap on local contributions to Medicaid.