

THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <https://www.djreprints.com>.

<https://www.wsj.com/articles/city-says-it-could-pay-extra-1-1-billion-into-medicaid-under-cuomo-proposal-11580299237>

POLITICS

City Says It Could Pay Extra \$1.1 Billion Into Medicaid Under Cuomo Proposal

State has capped the localities' Medicaid share since 2013, but governor proposes requiring localities to cover growth in local share over 3%



Residents receive Medicare education and health-care options at an afternoon event in Harlem, N.Y.. PHOTO: SPENCER PLATT/GETTY IMAGES

By Jimmy Vielkind

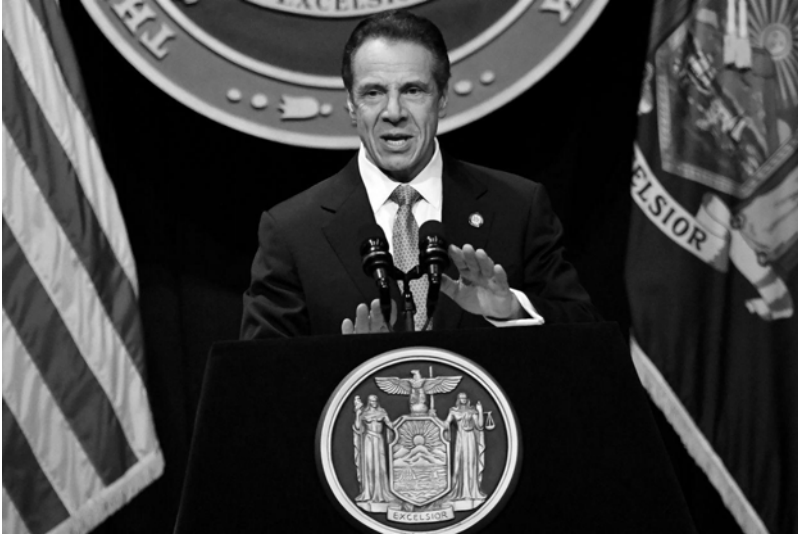
Jan. 29, 2020 7:00 am ET

New York City and the state's counties could be forced to pay over \$800 million more a year under a proposal by Gov. Andrew Cuomo to change how New York funds its Medicaid program, which municipal officials around the state say has prompted confusion and concern among them.

The Democratic governor last week proposed that localities should once again be on the hook for some of the growth in the cost of the Medicaid program, which provides health-care services to more than six million people.

Mr. Cuomo is seeking \$2.5 billion of Medicaid savings to bridge a \$6.1 billion deficit in the state's \$178 billion budget. The roughly \$80 billion Medicaid program is funded by the federal, state

and
local



New York Gov. Andrew Cuomo delivers his State of the State address. PHOTO: HANS PENNINK/ASSOCIATED PRESS

governments.

The state has capped the localities' Medicaid share since 2013, but Mr. Cuomo proposed requiring counties and New York City to cover any growth in the local share in excess of 3%. If a municipality breaches the state's 2% cap on property tax levy growth, the governor would require it fund the entire increase of the local Medicaid share. Counties rarely break the tax cap, which requires a supermajority vote.

Mayor Bill de Blasio said during a public-radio interview on WNYC-FM on Friday the Mr. Cuomo's proposal would stress localities.

SHARE YOUR THOUGHTS

Are you happy with your state's handling of Medicaid? Why or why not? Join the conversation below.

"You're going to have a choice of either giving people health care or cutting a whole lot of other vital services, or, you know, literally going into bankruptcy in a lot of places," he said.

David Greenberg, associate director at the New York City Office of Management and Budget, said the local share of Medicaid funding in New York City increased by 7% between the state's 2018 and 2019 fiscal years. Using this growth rate, he estimated, Mr. Cuomo's proposal would prompt \$646 million of additional costs if the city abided by the property-tax cap, or \$1.1 billion if it didn't.

State Budget Director Robert Mujica said New York City's estimated impact was inaccurate. He said a better measure would be an average of Medicaid cost increases over the last eight years,

which is 2.38% for the city.

New York City accounts for more than half of Medicaid spending in the state, and the impact of Mr. Cuomo's proposal among other counties varies. New York State Association of Counties Executive Director Stephen Acquario said his group was still gathering data, but estimated it would add roughly \$180 million in aggregate costs to counties, based on the most recent years of Medicaid spending.

Mr. Cuomo said the changes were necessary to give counties "skin in the game" and avoid "blank-check syndrome." While state and federal laws determine the criteria for Medicaid eligibility, counties are in charge of enrollment.

The state's projections assumed localities would keep cost growth within the 3% benchmark because a panel of industry experts planned to recommend structural changes to Medicaid.

"We want a partnership like we used to have, in making sure the integrity of the program is there and that it's serving the right people," Mr. Mujica said.

County executives were mostly skeptical during a gathering this week near the Capitol. Erie County Executive Mark Poloncarz, a Democrat, said he estimated the proposal would add \$7.5 million a year to his costs, and likely prompt property-tax increases.

"For them to say that everyone's going to be just over or at 3% is just inaccurate," Mr. Poloncarz said. "What happens if we do get a recession, where the revenues are no longer coming in, but we still have these needs—and probably have more people applying for Medicaid if they lose their jobs and no longer have health insurance?"

Write to Jimmy Vielkind at Jimmy.Vielkind@wsj.com