

Cuomo administration budget amendments detail local share Medicaid changes

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ALBANY — The Cuomo administration offered more details Friday on its proposal to curb local governments' Medicaid spending as the state looks to close a \$6 billion budget shortfall.

The Division of Budget released [a series of amendments to Gov. Andrew Cuomo's Fiscal Year 2021 executive budget](#), including language clarifying proposed changes to the local share of Medicaid — an issue that has drawn vocal criticism from New York City and county leaders.

The amendments, [state budget officials said](#), codify that localities that hold growth below the current Medicaid Global Cap — currently 3 percent — would get 25 percent of the savings. They also clarify that proposals regarding the property tax cap and growth in Medicaid spending relate only to the local share — not the federal — and define the base year for the Medicaid spending growth calculation as fiscal year 2020.

The language ties the year-to-year growth metric in the local share to the Medicaid Global Cap, rather than the original 3 percent fixed rate, and clarifies that localities that exceed the property tax cap in one year and not the next receive savings from the state at a higher base, according to the administration.

The Medicaid Global Cap is expected to drop to 2.9 percent in FY 2022.

Cuomo argued that allowing local governments to get 25 percent of the savings will serve as an “added incentive” to curb their Medicaid spending.

“You can make money if you keep it under 3 [percent],” he said.

Any government that exceeds the cap is now on the hook for the overages, though, something many around the state argue is implicitly unfair as the state runs so much of the Medicaid program.

Local government officials, who [recently lobbied against the budget language in Albany](#), have rejected the administration's suggestion that they played a major role in the state's Medicaid shortfall and argued they have little control over the program due to state and federal regulations.

New York City and county leaders and some state lawmakers had also criticized the lack of clarity surrounding the governor's proposed changes to the local share of Medicaid.

New York State Association of Counties spokesperson Mark LaVigne said in an email that “Counties remain committed to finding innovative solutions to ensure the integrity of the Medicaid program.”

But he warned, “If the proposal doesn't work as planned, the consequence is severe as it would erase the property tax reductions that have come from the Medicaid Caps.”