

Cuomo officials face heat over Medicaid woes

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ALBANY, N.Y. (AP) — Top state health officials were peppered with a series of questions by New York lawmakers over concerns that governor's call to curb soaring Medicaid spending could end up hurting residents' wallets.

Democratic and Republican members of the Legislature's fiscal committees used a Wednesday budget hearing to press the state's Commissioner of Health Howard Zucker and State Medicaid Director Donna Frescatore for more transparency about what has led to soaring Medicaid costs that Gov. Andrew Cuomo's administration failed to predict or disclose ahead of last year's budget.

"We don't trust you," Democratic Sen. Gustavo Rivera, Senate chair of the Committee on Health, said as he called for more specifics on Cuomo's plans for Medicaid. "You got to build that. This ain't helping."

The Democratic governor has yet to announce his plan for an appointed Medicaid Redesign Team he wants to task with finding \$2.5 billion in Medicaid savings ahead of the legislative deadline to pass a budget by April 1. Cuomo's administration has said rising long-term care costs and his \$15 minimum wage law are fueling soaring costs for Medicaid, the government health care program for people with low incomes, which serves one out of three New Yorkers.

But advocacy groups for Medicaid recipients and the state's health care industry warned lawmakers Wednesday that Cuomo's swift deadline doesn't leave enough time for a serious look at the impact of potential solutions — from tax hikes on private insurance that could raise premiums, to rethinking how the state and counties determine who's eligible for which Medicaid services, to pushing more costs on counties.

“If counties have to pick up more costs, you're destroying their budgets,” said Democratic Assemblyman Thomas Abinanti, who claimed Cuomo’s administration is trying to shift blame for rising Medicaid costs elsewhere. “They're going to have to cut back on roads, they're going to have cut back on services.”

Cuomo’s proposal would allow his administration to resort to \$2.5 billion in cuts to planned Medicaid payments to hospitals and other health care providers if the Medicaid Redesign Team fails to find enough savings that protect recipients and local governments.

“Cutting provider payments will cut them to the bone,” Healthcare Association of New York State President Bea Grause warned.

But state officials said they believe the team can do it.

“No one wants to cause anything that will jeopardize the care of those in New York whether in nursing homes or hospitals,” Zucker said.

Cuomo in recent weeks has attributed some blame for rising Medicaid costs to counties. New York is one of a few states that require counties to chip in for Medicaid costs, but the state began begin picking up increases in county contributions to Medicaid in 2011 under Cuomo.

Cuomo is proposing to require New York counties who raise property taxes above a 2% cap to pay for Medicaid cost increases above 3%.

That could cost counties outside New York City perhaps \$200 million, according to New York State Association of Counties Executive Director Stephen Acquario. Cuomo’s proposal could cost New York City \$1.1 billion, according to city officials.

Several lawmakers scoffed when Frescatore and Zucker didn’t provide a state estimate of the financial impact of Cuomo’s proposed Medicaid reforms on counties. Republican

Assemblyman Phil Palmesano said it's "completely disingenuous" to suggest that counties have control over Medicaid costs.

The state and federal government set rules for Medicaid eligibility, while New York counties play a role in enrolling and checking the assets of older adults and people with disabilities seeking long-term care.

Democratic Sen. Liz Krueger, chair of the Senate Finance committee, questioned how counties could "magically" keep down costs within state limits.

Medicaid director Frescatore said counties could work with the state to find ways to run their programs more efficiently, and to better identify the assets and resources of individuals applying for Medicaid.

Acquario said the state should allow counties to do more Medicaid audits and investigations if officials want counties to amp up scrutiny over Medicaid recipients. "We cannot ask local taxpayers to pay anything more than what they're paying," Acquario said.

Several lawmakers said state health officials should have long foreseen that Medicaid costs were rising above Cuomo's 3% spending cap instead of pushing through a last-minute reform effort. The increasingly aging state has seen spiraling costs for long-term care in recent years despite the cap.

"I don't even know why the governor was surprised," Krueger said.

Cuomo officials have long argued the 2011 reform helped rein in spending for several years.

Still, Frescatore said it could be time to look at the 2011-era spending cap, which is based on a ten-year average of the Consumer Price Index for medical costs.

The governor's \$178 billion budget proposal would spend \$20 billion of state funds on Medicaid in the fiscal year starting April 1. That's a 3% — or \$573 million increase —

from the previous year, and includes the governor's call to find \$2.5 billion in Medicaid savings.

But Rivera and other lawmakers criticized the governor for also calling for spending cuts to specific programs that tackle issues from diversity in medicine, to supportive housing, to health workforce issues, to helping New Yorkers with cystic fibrosis.

"We're already in this mess and you're not being honest with us," Rivera said. "We got to fix this together."