

DiNapoli tells counties rising Medicaid costs aren't fault of localities

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ALBANY — County officials erupted in applause when Comptroller Tom DiNapoli said that, contrary to what the governor's executive budget might suggest, the Medicaid gap dominating the state budget is largely not the fault of localities.

"While this proposal appears to reflect a belief that local officials are responsible in some way for rising costs, clearly the ground rules for Medicaid are set at state and federal levels," he said to loud approval at an annual legislative conference sponsored by the New York State Association of Counties at the Desmond Hotel on Monday.

But later, as the luncheon's dessert course was being served, the county officials all but tuned out the final minutes of DiNapoli's speech, chatting and moving about the ballroom as the comptroller flew through other county-specific proposals in the executive budget. They included reworking state reimbursements for local child welfare services, as well as a recitation of the ways a \$3 billion environmental bond could support localities with water quality efforts. He urged them to be proactive on census participation to ensure proper federal funding and step up their interactions with state representatives hashing out legislative budgets in coming months.

None of that, however, could steal attention from the main issue — or from the luncheon's final offering, chocolate cake.

"The whole moral of the story is that Medicaid is coming down on the counties. That's what the problem is," said one attendee who had finished his cake and verified it was good enough to add to the distractions.

DiNapoli did not offer many detailed thoughts on Gov. Andrew Cuomo's [proposed budget gap fillers](#) — deeper analysis from his office is coming soon — but he said there are still more questions than answers about the timeline and who will take the brunt of the impact.

DiNapoli says the outstanding concern is whether the state Medicaid Redesign Team — tasked with finding \$2.5 billion in savings in two months — will emerge with proposals by April 1 that must also gain legislative approval. That process that should require careful review and input before lawmakers sign off, he said.

"In short, we're talking about a lot of dollars and some very important decisions to be made in a very tight time frame," he said.

He said he has faith that the two men chosen to lead the MRT — Michael Dowling, president and CEO of Northwell Health, and Dennis Rivera, the former president of SEIU 1199 — will be independent and that

they know their way around Albany politics. But, he said, it's also important that counties "have a seat at the table," and he'd be "very pleased" to have his auditors be a resource.

In fact, his office already has determined a potential annual savings of about \$1 billion by identifying waste, fraud and abuse in the past four years, he said.

That should be taken into account as the yet-to-be-named team looks for ways to save money while preserving services. In an interview following his speech, DiNapoli said his office has not been contacted by the governor or MRT representatives regarding those potential savings.

DiNapoli said he's hearing broad concern from localities about the unknowns — county and New York City officials are scrambling to determine how they might be able to avoid Cuomo's proposed penalties, even as they're not entirely responsible for the way their Medicaid program costs function. It's still unclear, for example, [how much New York City could lose](#) and how that could be avoided. "It's a fair question," DiNapoli said.

"The city put out that their numbers [were at like 7 percent](#) — that's way above 3 percent. That's going to be an issue," he said, referring to the figure the governor used as a threshold for annual growth in the program. Under his plan, the state would be responsible for up to 3 percent in Medicaid spending growth. Localities would be responsible for spending increases above that figure.

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