

# Lawmakers push back against Cuomo Medicaid deficit reduction ideas

*By Tom Precious*

*Published January 29, 2020|Updated January 29, 2020*

ALBANY – State lawmakers on Wednesday wanted to direct their wrath at an array of ideas Gov. Andrew Cuomo is proposing to close a deficit in the state’s Medicaid program that provides health insurance for nearly one-third of New Yorkers, but they couldn’t get to him.

So they did the next best thing and took their complaints to two of his top health officials.

Before Health Commissioner Dr. Howard Zucker and Medicaid Director Donna Frescatore departed a legislative hearing room Wednesday, they were told by lawmakers in no uncertain terms that: fiscal books are somehow being cooked; facts are being withheld; painful service cuts are aimed at elderly, poor and disabled New Yorkers; and county taxpayers are going to be harmed by cost shifts proposed by Cuomo.

“What you’re asking us to do as a Legislature is to trust you. Folks, this don’t build trust. ... We don’t trust you,” State Sen. Gustavo Rivera, a Bronx Democrat who chairs the Senate health committee, fumed to the two top Cuomo health advisers.

Rivera, and others, were frustrated by answers lacking specifics, the blocking of information to legislative staff experts and a plan by Cuomo to create a private, outside panel to come up with \$2.5 billion in Medicaid savings that won’t report its findings until sometime shortly before a state budget is due March 31.

By the end, Assemblyman Thomas Abinanti, a Westchester County Democrat, didn’t even both with a question for Zucker or Frescatore. He just used his allotted time to rebuke what he called the Medicaid deficit’s “self-created crisis” by the Cuomo

administration that, he said, is now intent on trying to blame others or shift huge state expenses onto counties.

“You’re destroying their budgets,” the lawmaker said of plans to shift what the Cuomo administration is banking on \$150 million in Medicaid expenses onto counties that don’t stay within certain local property tax levy limits or keep Medicaid spending in their communities below 3% annually.

It is a number that local officials say the administration is low-balling.

Officials in New York City, which accounts for about half of Medicaid costs in the state, said Cuomo’s cost shift plan could, based on recent insurance cost levels, hit the city with a \$1.1 billion tab in the coming year. [Cuomo officials later said the city’s \$1.1 billion claim was vastly overstated by at least \$880 million.]

“The consequences are devastating,” Dean Fuleihan, the first deputy mayor of New York City said of the impact that will occur if the city has to pick up Medicaid expenses now paid for by the state.

“This is not just a New York City problem. This is a cost being imposed on governments across the state,” he added in a conference call while Democrats and Republicans were up in Albany grilling the Cuomo health advisers.

Last week, Erie County Executive Mark Poloncarz said Medicaid costs would have been about \$8 million higher in each of 2017 and 2018 had Cuomo’s new cost-sharing plan been in effect. How much it could be in 2020 is anyone’s guess at this point.

The state is facing a \$6.1 billion deficit in the coming fiscal year, with two-thirds of that generated by Medicaid red ink. High costs for providers meeting the state’s new minimum wage requirements and rising long-term care costs for seniors and disabled people are among the big expense drivers. The Cuomo administration has solved part of the problem by simply rolling over – or delaying – payments to providers from one fiscal year to the next.

Cuomo has two other ideas now: incentivize counties to help find Medicaid savings by raising state costs onto them if those savings aren't realized, and, create a panel – called the Medicaid Redesign Team, or MRT – to find \$2.5 billion in savings. With budget talks already underway, Cuomo has yet to appoint the panel, except its two co-chairs: a longtime health care union leader and the New York City head of a hospital system that is the state's largest. One lawmaker Wednesday pondered out loud about potential conflicts of interest inherent in having a hospital boss decide winners and losers in Medicaid cuts.

Throughout the morning and into the afternoon, Zucker and Frescatore sought to remain calm and largely displayed diplomatic demeanors. They pushed back on some lawmakers' worries, sought to use numbers to calm rhetoric and even agreed they'd work to resolve situations, like a cut to a program for adults with cystic fibrosis.

But they angered lawmakers by repeatedly not having information – such as how much each of the counties in New York spend on Medicaid – readily available. And their explanation why a report due on Medicaid costs due last April was only made public this week landed with a thud.

Could the MRT panel report back by March 1 to give lawmakers time to consider its ideas? "I don't want to commit to a date or time," Zucker told Rivera after the lawmaker called Cuomo's MRT timetable "completely unrealistic" given the state budget deadline pressures in March. The two health officials assured lawmakers that all Medicaid stakeholders – including local governments and state lawmakers, as well – will be represented on the MRT.

Cuomo's county cost shifting plan received much attention Wednesday. Assemblyman Richard Gottfried, a Manhattan Democrat and chair of the Assembly health committee, said Cuomo's comments about county Medicaid costs "implies something wrong is going on" and that counties are just handing out Medicaid enrollments to people "willy nilly."

"This isn't an allegation that anything's wrong," Frescatore told him. Rather, the state, which for several years has been picking up annual cost increases once borne by counties, just wants local governments to re-engage with the state in trying to control costs.

"This isn't about placing blame," she said.

A Republican from the Democratic-dominated Assembly had some more basic questions, like when did the Cuomo administration first learn of the Medicaid crisis and why wasn't the information shared earlier with lawmakers. "How are we in this mess?" asked Kevin Byrne from Putnam County.