

## **Keep the Cap: Local Medicaid Advocacy Talking Points**

- New York Counties and the City of New York stand united behind working with the State to more effectively manage the cost of Medicaid and improving the quality of care for those in need.
- But any state Medicaid proposal must protect local taxpayers and services by keeping the current cost control caps in place.
- A number of state and federal decisions, and demographics, have caused recent Medicaid cost increases, including
  - New York State raised the minimum wage, costing Medicaid \$1.8 billion.
  - New York State enhanced services to seniors, even as our population ages and seniors become a growing part of our demographic profile.
  - Long-expected cuts in federal reimbursements for Medicaid are taking effect.
- Counties and New York City have no control over these cost drivers:
- In 2012, to help counties keep to the 2% property tax cap, Governor Cuomo and State Lawmakers enacted a zero growth Medicaid cap.
- The Medicaid cap worked. It empowered counties to hold property taxes stable or lower them.
- This year's Executive Budget proposal will reverse ten years of progress in controlling property taxes, taking a major step backwards.
- It includes 3 initiatives that would undo the local Medicaid cap and increase the local Medicaid share that local taxpayers have to pay to the state.
- If counties and the City are forced to absorb more Medicaid costs, we will have to increase property taxes, reduce staff, and/or make cuts to services like:
  - veterans' programs,
  - road maintenance and repair,
  - youth services,
  - public libraries,
  - Meals on wheels and other senior services,
  - workforce development and tourism promotion, and more.
- We stand ready to work with state leaders and with the Medicaid Redesign Team to address what is under local control and recommend solutions that are under state control.
- However, local governments do not control the main drivers of Medicaid costs.
- Local governments administer Medicaid according to the State's rules and regulations.

- Our neighbors and businesses should not shoulder the burden of higher local taxes for a program that counties have little power to restrain.

## Background

- New York is one of the few states in the nation to require local funds to cover a large share of the Medicaid program.
- County taxpayers have been funding Medicaid since the 1960s.
- Local taxpayers now pay \$7.6 billion each year to the state for Medicaid.
- This proposal would increase what local taxpayers pay by at least \$150 million a year.

The local Medicaid caps did what they were supposed to do: relieve property taxpayers from skyrocketing annual increases. Property taxes have grown less than the rate of inflation for the last 15 years, with average growth around 1.4 percent since 2011.

