

NY Medicaid hearing yields few answers for savings

Lawmakers criticize state health officials for lack of details on deficit-reduction plan

By [Bethany Bump](#)

Times Union

Jan. 29, 2020 Updated: Jan. 29, 2020 6:45 p.m.

ALBANY — What can New York counties do to control Medicaid costs? That was the billion-dollar question lawmakers had for state health officials at the third hearing of the year to delve into the 2021 state budget. The session, however, did not yield many answers.

Roughly one week after Gov. Andrew M. Cuomo revealed a deficit-closing plan that involves holding counties to task for Medicaid spending growth, state Medicaid director Donna Frescatore argued before a panel of lawmakers in Albany on Wednesday that local districts have more control over program growth than some might think.

About 47 percent of all Medicaid eligibility cases are decided by local counties, she said. Counties also manage the care plans for roughly 907,000 New Yorkers enrolled in Medicaid "fee-for-service" programs, she said.

"Local districts play some important roles in the day-to-day administration of the program," Frescatore said. "I believe that they are closest on the ground. They see what happens in their local districts and they can partner with us in finding ways to reduce and rein in growth in costs."

Under repeated questioning, however, she and state Health Commissioner Howard Zucker were unable to say exactly what kind of actions counties might take to control costs.

Their comments were a response to Cuomo's executive budget address last week, in which he proposed a cost-shifting scheme he argued would

end the “blank-check syndrome” counties allegedly developed after the state in 2012 agreed to pick up a partial share of their Medicaid costs.

The state that year froze the share localities pay for Medicaid in order to help them stay within the state's 2 percent property tax cap. The state's share of the program increased as a result, and this past fall budget officials revealed the Medicaid program was experiencing a structural deficit to the tune of \$4 billion.

Cuomo last week proposed reviving the Medicaid Redesign Team — initially created just after he took office in 2011 — with a mandate to identify \$2.5 billion worth of savings by April 1, when the new state fiscal year begins. The governor also proposed that counties whose Medicaid spending exceeds 3 percent annual growth pick up the extra cost — effectively unfreezing the 2012 cap on local spending.

Counties responded by pointing out they have little control over Medicaid costs. They determine who qualifies based on rules the state and federal governments set, and have no power to adjust reimbursement rates paid to providers, they said.

But Frescatore suggested otherwise at Wednesday's hearing, noting that some local districts have “found better ways” to identify an applicant's financial resources when determining who's eligible for benefits. In other words, local officials are better at weeding out from the program people who don't truly qualify.

“Some districts have found, for example, that they can use databases, data sources when somebody's applying that they review or look at to be able to test to see if there are other resources that are available that would factor into the initial eligibility determination,” she said.

State Sen. Diane Savino, D-Staten Island, wondered whether it would make sense to extend the “asset look-back” period when it comes to determining eligibility based on financial resources. The current look-

back for home care is 30 days, she noted, as opposed to the five-year look-back for nursing home care.

“I hear from many of my constituents who have invested in a long-term care policy so that they don’t have to spend down their assets or give away everything they have (to qualify for Medicaid),” Savino said.

Stephen Acquario, executive director of the New York State Association of Counties, said the idea should be considered, along with any others to rein in spending. All ideas should be explored, he said, before the state decides to unfreeze the local Medicaid cap.

“This is the most dramatic reexamination of the Medicaid program in the state in a decade,” he said, referring to the proposed redesign team. “And it’s a very serious program. (Medicaid) consumes about half the state budget and it’s a massive program. So everything should be on the table.”

A handful of lawmakers seemed to reject the suggestion that New York should rein in Medicaid spending at all, and said the program has only overspent an “arbitrary” spending cap that was enshrined into state law by Cuomo.

“I resent that every year when the state has a deficit we look at Medicaid. ... Human beings deserve to have a right to affordable quality health care,” said Assemblyman Charles Barron, D-Brooklyn, a frequent Cuomo critic.

Other lawmakers were dismayed to learn that Frescatore and Zucker had come to Wednesday’s hearing without details on the redesign team. Neither official could say who would serve on the body, what powers they would be given, or whether they would be able to furnish a list of recommendations to the Legislature ahead of the April 1 deadline.

Senate Health Chair Gustavo Rivera requested those recommendations by March 1, and called out a provision in the governor’s budget language

that would trigger \$2.5 billion in across-the-board cuts if the Legislature doesn't agree to the team's savings proposals.

"It is a little bit concerning — scratch that — a *lot* concerning that you are coming to a public hearing on Jan. 29 and you're telling us that by April 1 we have to just accept something that's going to be put together by a magical crew of folks," Rivera said. "We don't know who they are; we don't know the power they will have; and the time limit is either we accept it or ... there's just an across-the-board cut. That is not acceptable."