

# NYC might have to pay an extra \$1.1B in annual Medicaid costs

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New York City could [be on the hook for \\$1.1 billion in extra costs](#) thanks to Gov. Andrew Cuomo's new Medicaid proposal, officials charge.

First Deputy Mayor Dean Fuleihan, Mayor Bill de Blasio's number two man, told reporters Wednesday the governor's plan will foist a "100 percent shift in all Medicaid costs to New York City and other localities"—estimating a \$1.1 billion future bill is in store for residents of the five boroughs.

"Our numbers are based on what happened between fiscal years '18 and '19," Fuleihan said in a conference call, noting that according to 2018 and 2019 data the city's local Medicaid costs resulted in a seven percent increase to the program.

"Until we see different things [the state] can produce to tell us otherwise, then we have to go with that."

Cuomo is [facing a \\$6.1 billion budget hole](#) in his 2020 \$178 billion state budget.

The state's division of budget identified the need for \$2.5 billion in savings—or cuts—to the program by the budget's April 1 deadline.

Cuomo's new savings proposal would force the city and the other 57 counties to pay for cost increases to the Medicaid program exceeding three percent, beginning in 2022.

The state has capped the local Medicaid share since 2013 as part of a deal that caps local property-tax increases at two percent annually. The five boroughs are not subject to that cap.

But the city said if the new plan had been law in 2019, they would've been stuck with an extra \$646 million tab, and based on officials' analysis Wednesday, that figure has jumped to \$1.1 billion.

"We were willing to work to find savings so we do not end up simply hurting people who need Medicaid services," added Steve Banks, the Commissioner of the Department of Social Services, who was also on the call.

Meanwhile in Albany, state lawmakers presiding over a budget hearing pelted health officials with questions seeking cost breakdowns associated with Cuomo's plan.

"We don't trust you," state Senator Gustavo Rivera (D-Bronx) charged.

Medicaid Director Donna Frescatore said the state does not recognize the city's \$1.1 billion calculation—while admitting her program didn't bother to do its own.

"We've seen that estimate. We did not complete that estimate. I don't have, you know, a separate estimate for you today," Frescatore stammered.

"I can't help but think that the inclusion of New York City with the two percent tax cap is nothing more than a mechanism to shift the entire burden of the Medicaid increase unfairly ... to the city of New York," raged Assemblyman Ed Braunstein (D-Queens).

"I'm very troubled."

The health care program serves more than six million New Yorkers.

But DOB argued the state used a different set of data to calculate average program spending for the city—using numbers from 2012 to 2019 estimated at a 2.38 percent increase.

"For New York City, if it were to go above 2 percent growth in its property tax levy, would pay \$221 million based on our projection of 3 percent growth," DOB Freeman Klopptt told The Post.

