

NYSAC sees big cost spike for taxpayers in proposed Medicaid changes

By Shannon Young

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ALBANY — Gov. Andrew Cuomo's proposed changes to the local share of Medicaid expenses could put New York taxpayers on the hook for as much as \$1.7 billion in new costs, according to a new report from the New York State Association of Counties.

The [analysis released Tuesday](#) suggests that budget language requiring counties and New York City to keep [local Medicaid cost increases below the global Medicaid cap](#), mandating that localities adhere to the 2 percent property tax cap and intercepting federal Medicaid funding to counties “could have severe negative consequences for counties and local taxpayers for years to come.”

NYSAC Executive Director Stephen Acquario said the association intends to partner with the state to put New York’s Medicaid program “on a sustainable fiscal path,” but argued “the current proposal charges counties with reigning in costs that we do not control.”

The analysis estimated that counties would pay the state a penalty of \$42.6 million for each 1 percent of growth above the global cap under the budget proposals, while New York City would pay \$71.4 million — \$114 million for the state as a whole. Had the proposals been in place in 2019, it found, “the annual negative impact to counties and NYC would have been between \$150 million to \$1.7 billion, depending on how the Division of Budget implements the proposed language.”

NYSAC President John Marren urged Cuomo to let the Medicaid Redesign Team, which is tasked with identifying \$2.5 billion in Medicaid program savings but not local share changes, to examine cost containment overhauls “that don’t punish local taxpayers.”

“We are asking state legislators to reject these budget proposals,” he said in a statement.

Sen. Liz Krueger, a Manhattan Democrat and Finance Committee chairwoman, told POLITICO last week her chamber is “very committed to keeping the counties whole and not having a statewide issue attempt to balance its budget on the backs of the counties who have done nothing wrong.”

State budget officials did not immediately respond to requests for comment on NYSAC's analysis. The Cuomo administration has previously disputed the estimates of local officials.

The report cautioned that if counties cannot prevent Medicaid spending increases due to state and federal regulations or offset them with service cuts, they may be forced to raise property taxes — something which would trigger additional penalties if they go above the tax cap. It further pointed to data suggesting that New York’s Medicaid spending growth has been “far greater than the global cap for many years.”

NYSAC, which [has vocally opposed the proposed changes](#), concluded that the budget proposals will further have “a compounding negative impact on county taxpayers, county services and the quality of life programs in communities across the state.”