



NEW YORK STATE SENATOR

Thomas F. O'Mara

## **Senator O'Mara's weekly column 'From the Capitol' -- for the week of August 11, 2025 -- 'Unsustainable spending remains expensive and dysfunctional'**

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Senator O'Mara offers his weekly perspective on many of the key challenges and issues facing the Legislature, as well as on legislative actions, local initiatives, state programs and policies, and more. Stop back every Monday for Senator O'Mara's latest column...

This week, "Unsustainable spending remains expensive and dysfunctional"

# Weekly Column from

NYS SENATOR TOM O'MARA

***for the week of August 11, 2025***

**“Unsustainable spending remains expensive and dysfunctional”**

A recently released report from the federal Centers for Medicare & Medicaid Services offers a timely update on what has long been one of New York State's most alarming concerns: explosive growth in Medicaid spending.

In analyzing the federal findings, which summarize nearly \$1 trillion in nationwide spending on Medicaid for the fiscal year ending in September 2024, the Albany-based Empire Center for Public Policy writes, “New York's Medicaid program remained a spending outlier in 2024, with per-resident outlays that were 24 percent higher than those of any other state and 77 percent above the national average.”

Many of us in the Legislature have long decried this out-of-control spending, which, for many years, has been the heaviest of burdens for counties and local property taxpayers.

According to the Empire State summary:

- While New York accounts for less than 6 percent of the nation's population, our state's \$98 billion Medicaid budget is more than 10 percent of national spending on the program.
- On a per-resident basis, New York's Medicaid spending was by far the highest of any state at \$4,942. The second-highest was Kentucky at \$3,989 per resident. The national average was \$2,791 per resident.
- New York's No. 1 ranking results from several factors, including higher, above-average enrollment (currently 35 percent of the population, including 47 percent of New York City residents) and a broad range of covered benefits.

Keep in mind, as well, the following findings from the Empire Center, “If, for example, New York lowered its per-resident outlays to match the No. 2 state, Kentucky, its overall Medicaid spending would be \$19 billion less and the state government's share of those savings would be about \$8 billion.

“If New York matched the spending rate of Massachusetts, its total Medicaid savings would be \$25 billion and the state-share savings would be \$11 billion.

“And if New York matched the per-resident rate of New Jersey, the total savings would be \$48 billion and the state-share savings would be \$20 billion.”

Yet, despite what seems to be clear evidence of the unreasonable extravagance of New York's Medicaid spending, the response over the past several years has been to just keep on expanding the program -- to illegal migrants for example -- and to simply ignore the cost, including the outrageous cost of ongoing abuse, fraud, and waste reported by the state comptroller and other watchdogs.

It's the same old song and dance. Earlier this year, the Empire Center had this to say shortly after the release of Governor Hochul's 2025-2026 Executive budget. “Governor

Expensive and dysfunctional is what New York taxpayers have long shouldered footing the bill for the costliest Medicaid burden in the nation.

It has been and remains explosive growth, to say the least, growth that continues to impose a heavy and unfair burden on taxpayers, particularly local property taxpayers.

“Public health insurance coverage for asylum seekers and other migrants may drive further costs to the State,” the governor has previously warned. That was before the crisis began spinning out of control. Yet even before that, Medicaid spending in this state had become unsustainable now and well into the future. Still, New York’s all-Democrat majority, one-party, far-left leadership has continued to view Medicaid as the cure-all for what ails this state: Just keep having taxpayers foot the bill, even while the taxpayers’ well keeps running dry.

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