



NEW YORK STATE SENATOR

George Winner

Keep shining reform spotlight on Medicaid

GEORGE WINNER July 21, 2010

| ISSUE: **MEDICAID**



Upon taking office in the New York State Senate in January 2005, one of the first pieces of legislation I proposed would have initiated a full state takeover of local Medicaid costs and eliminated the property tax as a source of Medicaid funding.

At that time I said, "Our goal must be a Medicaid system where county governments never again have to raise property taxes in order to meet rising Medicaid costs. This needs to be part of the Medicaid reform debate this year. Upstate property taxpayers have been

burdened beyond fairness and reason. I believe we need to eliminate, once and for all, the local property tax as a source of Medicaid funding. We need to reinvent the system. The most effective way to do that, in my opinion, is to make it the state's responsibility. If it's our responsibility, we'll have no choice but to act on the cost containment to make it possible."

Five years later, that statement and that goal of reinventing the system still hold true. So I was pleased by the news late last week that the New York State Association of Counties (NYSAC) and its current president, Chemung County Executive Tom Santulli, have created a commission to study how to transition the administration of Medicaid from counties to the state, which represents one of the key steps toward a more cost-effective, smarter, efficient system of Medicaid in the decade ahead – better for taxpayers, yes, but also better for providers and recipients too.

So the fundamental idea behind a proposal that I advanced in the Senate five years ago will carry on. In my view, it's a timely and welcome development. New York, after all, remains the only state in America still requiring counties to pick up substantial Medicaid costs. Counties statewide currently pay more than \$7 billion a year for Medicaid. These costs grow by roughly \$200 million annually.

NYSAC President Santulli said, "Medicaid is the single largest cost for counties and county property taxpayers in New York. We believe the Federal Healthcare Reform Act lays the perfect foundation for a full-blown takeover of the entire Medicaid program. Let's take property taxpayers out of the financing equation for the state's Medicaid program."

There are certain fiscal challenges that New York government is going to be forced to meet head on in the next few years and the cost of Medicaid is at the top of the list. Or it should be.

“Counties want nothing more than getting out of the Medicaid business once and for all, and we should have never been financing this at the property tax level in the first instance. It’s wrought with inefficiencies,” said NYSAC Executive Director Stephen J. Acquario. “This commission will be empowered to study the county role in this first step of the process.”

[Read more about this ongoing NYSAC effort.](#)

One of this year’s great disappointments is that the 2010-2011 state budget does not jump-start a truly aggressive strategy to rein in Medicaid costs. Very early in this year’s legislative session, the Senate Minority Task Force on Medicaid Fraud, on which I served as a member, put a concrete proposal on the table to begin reinventing the system by addressing the abuse, fraud, and waste that have plagued it for far too long. We believed that our initial recommendations, which pointed to annual savings of approximately \$500 million as a starting point, represented a careful, deliberate, long-term, results-driven blueprint for taking control of what can only be described as an out-of-control state program, one now costing state taxpayers one billion dollars a week.

And while state leaders largely turned their backs on our specific plan, the issue will not go away. One in five New Yorkers are currently enrolled in Medicaid, a number that’s projected to increase to one in four by 2012.

The urgency of this fiscal crisis demands a renewed focus on reinventing Medicaid. As long as groups like NYSAC and the Task Force on Medicaid Fraud keep shining the spotlight on the system’s abuses and shortcomings, I’m confident there’ll be no denying the needed reform.