



NEW YORK STATE SENATOR

Patrick M. Gallivan

Major Medicaid Reform Legislation Approved In Social Services Committee

PATRICK M. GALLIVAN February 14, 2011

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CHAIRMAN GALLIVAN SHEPHERDS MEDICAID “OPT-OUT” BILL THROUGH SOCIAL SERVICES COMMITTEE

Senator Patrick M. Gallivan (R,C,I – Elma), Chairman of the Senate Social Services Committee today announced a major piece of reform legislation has passed through the Social Services Committee with his enthusiastic support. The bill, often referred to as Medicaid opt-out legislation, allows for increased local control of Medicaid by permitting county governments to “opt-out” of non-mandated services that do not fit the needs of their specific county, significantly reducing the cost burden on local property taxpayers.

“For too long New York State’s Medicaid system has tried to be everything to everyone, but the simple truth is, everyone doesn’t need everything. The one-size-fits-all approach has produced a system that provides sub-standard care at a cost of more than \$1 billion per week; a price tag larger than the Medicaid systems of California and Texas combined,” said Gallivan. “This legislation is New York State’s best chance at finally getting Medicaid costs under control and I was happy to work with the bill’s primary sponsor to ensure its advancement through the Social Services Committee.”

Every state must cover 14 federally mandated Medicaid services with more than 30 additional services also available, which states have the option to provide if they desire. New York State offers every optional service.

While Governor Cuomo has created a “Medicaid Redesign Team” charged with finding efficiencies in the system and improving the quality of care, Senator Gallivan promised that the Senate will continue to offer additional solutions.

“New York State is one of the only states in the nation that burdens local counties with a portion of its Medicaid costs, which in turn are passed on to property owners. It is the primary reason New York is home to some of the highest property tax rates in the nation, which force businesses to leave and residents to follow,” said Gallivan.

New York State spends \$54 billion per year, nearly 70 percent more than the national average on Medicaid.

“Local governments are drowning in costs from Medicaid mandated services that are often redundant or unnecessary. The system is simply unsustainable, said Gallivan, “this reform will ensure New York’s Medicaid system is able to provide necessary services to every New Yorker who needs them, while respecting local taxpayers. I implore the Governor to adopt Medicaid-opt-out legislation as part of his Medicaid reform platform” concluded Gallivan.

The legislation (S.1813 – Ranzenhofer) was approved by the Senate Social Services Committee during its regular committee meeting, Monday, February 14 at 1:00 p.m.