



NEW YORK STATE SENATOR

Catharine Young

## Extra Medicaid Payment for Counties Averted

CATHARINE YOUNG October 27, 2011

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OLEAN - The state will not require counties to make an extra Medicaid payment in 2012 after all, saving taxpayers millions of dollars statewide, announced Senator Catharine Young (R,C,I-Olean).

Savings total more than \$1.2 million in Senator Young's district alone. The change will reduce 2012 Medicaid costs by \$610,000 for Chautauqua County, \$211,000 for Cattaraugus County, \$207,000 for Allegany County, and \$180,000 for Livingston County.

The lawmaker had requested the state Health Department to reverse a mandate that forced the expense to be added to the counties' upcoming budgets, even though it normally would have been booked in 2013.

As a result of the Senate's efforts, counties have received a letter from the state Health Department that stated that "Recognizing budget and fiscal constraints facing county governments, the Department is revising its policy regarding the due date for payment by Rest of State districts for this cycle.

"Your wire transfer into the escrow account for this cycle would normally be due on December 31, 2012, the day before the 'normal' due date of New Year's Day 2013, a banking

holiday. However, given the current fiscal situation facing localities, the Department has determined that the payment due date for cycle 1843 will be moved to January 2, 2013. Please be assured that the Medicaid cycle will still be released and paid on January 2, 2013 with State funds temporarily bridging any cash gap,” the letter continued.

Counties make payments at the beginning of each week to fund their share of Medicaid. In 2012, there will be 53 Mondays, rather than the normal 52. The state Health Department previously had sent a letter to counties informing them that because the January 1, 2013 legal holiday falls on a Tuesday, the local governments would be required to send the money earlier in December.

The extra payment was putting an unnecessary strain on county budgets that needed to be fixed, Senator Young said.

“We pushed hard to correct the situation. Local governments were making difficult decisions about how to handle this expense during their budget deliberations. We didn’t want them to raise taxes to pay for it,” she said.

“I applaud the state Health Department for their willingness to take a more workable approach to solve this situation. Now, the state will temporarily cover the payments that are required to be forwarded to the federal government in order to help the counties,” Senator Young said.

County officials reacted positively to the change.

“I have been working closely with our Senator on this issue. I am very happy that the state got this done because it helps a lot. It not only affects us, but counties across the state,” said Chautauqua County Audit and Control Chairman Jay Gould.

Chautauqua County Minority Leader Rudy Mueller also had contacted Senator Young to ask for help.

“This is really important because it doesn’t make sense to pay something in 2012 that actually was due in 2013, and I thank everyone who had a hand in this change. It is an important piece. We are trying to get below the two percent property tax cap,” Dr. Mueller said.

Cattaraugus County Administrator John Searles said, “We are ecstatic and want to thank the Senate for their efforts on behalf of the counties in Western New York. This news was welcomed and timely.”

Allegany County Legislature Chairman Curt Crandall said, "We are grateful for Senator Young's efforts in this matter which results in a big savings for the taxpayers of Allegany County. Our local share of the Medicaid program is a large part of the county budget, and this savings is very much appreciated."

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