



NEW YORK STATE SENATOR

Thomas P. Morahan

New York Successfully Moving to Transform Medicaid into a High Quality, Cost-Effective Health Insurer

THOMAS P. MORAHAN July 16, 2009

I am pleased to let you know that a recent report, “Transforming New York’s Public Health Insurance Programs: Expanding Access, Improving Quality and Controlling Costs,” cites how New York’s Medicaid program has been reformed through the reduction of inpatient rates, investment in primary and preventive care and ambulatory care services, and by providing incentives to practitioners who work in medically underserved areas and meet patient-centered medical home standards that advance integrated and coordinated care.

In addition to reforming reimbursement systems, my colleagues and I in the State Senate have pushed several major initiatives to strengthen the quality of care delivered to enrollees, thereby improving enrollee outcomes and overall health. These initiatives include:

- selective contracting for certain procedures to ensure that beneficiaries receive care in facilities that produce the best outcomes;
- non-payment for ‘never events’, avoidable hospital complications and medical errors that are identifiable, preventable and serious in their consequences to patients;
- the introduction of comprehensive service utilization review to help Medicaid better identify patterns of inappropriate health care utilization for the benefit of beneficiaries and

overall program efficiency; and

- a number of pharmacy initiatives intended to reduce medication errors, as well as encourage pharmaceutical practices that produce better patient outcomes and yield savings.

Medicaid is the single largest purchaser of health care in New York State, insuring more than 4 million New Yorkers and costing almost \$50 billion. We can utilize Medicaid's purchasing power to move our health care system toward more efficient and effective delivery models. The 2007-2009 Health Care Transformation Report also highlights New York's efforts to tackle the complex and misaligned eligibility rules embedded in its public insurance programs, eliminating some and streamlining others, so that eligible New Yorkers are able to obtain and maintain health insurance coverage.

I have complimented the State Office of Health Insurance Programs at the New York State Department of Health for also taking steps to make certain that low-income New Yorkers are able to get and keep the health insurance coverage they need. Payment and program reforms ensure that Medicaid buys real value for patients and taxpayers alike, while making coverage expansions possible. To view the full report, please visit

http://www.nyhealth.gov/health_care/docs/2007-2009_health_care_transformation_report.pdf. You can also get more information about New York State's Medicaid program can be found at http://www.nyhealth.gov/health_care/medicaid/.

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