



NEW YORK STATE SENATOR

George M. Borrello

Senator George Borrello Insists Gov. Hochul Restore Medicaid Reimbursement Funding For Counties

GEORGE M. BORRELLO February 24, 2023

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ALBANY – Sen. George M. Borrello is insisting that Gov. Kathy Hochul restore up to \$1 billion in Enhanced Federal Medicaid Percentage (eFMAP) funding for counties in her 2023-24 budget. Senator Borrello also called on the governor to release \$1.2 billion in eFMAP reconciliation payments due to counties since 2017.

In the 2023-24 budget she released February 1, Gov. Hochul proposed keeping federal eFMAP payments at the state level. The funding has been coming to counties and local governments that contribute to Medicaid. Sen. Borrello sent a letter to Gov. Hochul asking for the funds to be restored and seeking

release of the back-due eFMAP reconciliation payments. Eight of his Senate colleagues co-signed the letter, including Sen. Rob Ortt, Senate Minority leader.

“County leaders from across my district and throughout the state have reached out to me about this misguided proposal. As a former county official, Gov. Hochul knows that costs imposed on local governments by Albany eventually come out of New Yorkers’ pockets in the form of higher property taxes,” Sen. Borrello said. “Saddling local taxpayers with up to \$2 billion in additional costs at a time when New York State has an \$8.7 billion budget surplus is obscene and unconscionable, particularly when it was taxpayers’ spending that fueled the surplus. This is no way to thank New Yorkers for their faith in our economy.”

In the 57th Senate District alone, retaining eFMAP payments in Albany this year would cost Allegany County taxpayers \$1.3 million, Cattaraugus County taxpayers \$2.17 million, Chautauqua County taxpayers \$4 million, Genesee County taxpayers \$1.2 million and Wyoming County taxpayers \$692,000.

According to the New York State Association of Counties, Congress intended eFMAP funds to go directly to local governments to help hold costs down. New York State has been passing through 80 percent of the payments due to counties. Albany is supposed to “reconcile” the payments to ensure counties receive all eFMAP aid they are due, but the state hasn’t done so since 2017.

Since 2003, the federal government, through acts of Congress, have enhanced the Federal Medical Assistance Percentage four times to provide fiscal assistance or incentives to states to expand health insurance coverage for their citizens. Each time an eFMAP has been implemented,

Congress has required states to share the savings with their local government partners that helped pay for part of the non-federal match. Because counties in New York fund \$7.6 billion of the state’s Medicaid program, those funds have been shared with counties.

Prior to 2017, counties received these funds in two installments: the first, an advance of 80 percent of the federal savings estimated by the state for the coming year, the second, a payment for the remaining amount after actual costs were reconciled to determine how much of the funding withheld initially may still be owed.

Unfortunately, the state has been unwilling to complete any reconciliations since SFY 2016.

“Not only does the governor’s proposal to keep eFMAP in Albany hurt New York taxpayers, it also nullifies Congress’ intent that the eFMAP funds be shared with local governments that contribute to the Medicaid system. County governments contributed to the Medicaid system in good faith, anticipating

eFMAP funding would help reduce the cost to local taxpayers,” Sen. Borrello said. “At a time when New Yorkers face an affordability crisis and New York leads the nation in outmigration, the great emptying of the Empire State, the last thing we should do is add to the tax burden of hardworking taxpayers and business owners.”

The letter Sen. Borrello and his colleagues sent to the Governor is attached.

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