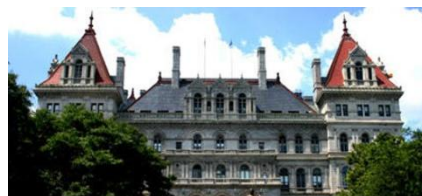


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Guest Column

for the week of January 17, 2011

"Medicaid Redesign"

Most of the talk around the Capitol in these early days of a new legislative session expects the 2011—2012 New York state budget adoption process to be nothing short of a series of epic, 15-round heavyweight title fights among this year's four main contenders: spending control, mandate relief, a property tax cap, and private-sector job creation.

I won't disagree. In fact, Round 1 of one of this year's main events is already underway. It pits New York's \$53-billion Medicaid system against the undeniable, long-overdue need for reform.

Most of us know what's at stake because we've been shouting about it for at least the past decade. New York taxpayers – especially upstate property taxpayers – are footing the Medicaid bill to the tune of more than \$1 billion a week for a health care delivery system that's plagued by abuse and fraud, as well as fraught with unacceptable mismanagement and overutilization.

Into this ring stepped Governor Andrew Cuomo in his first State of the State address in early January. And right from the opening bell, he started taking some dramatic swings. He appointed New York's first-ever Medicaid Director, Jason Helgeson, a Wisconsin health care professional. We've since learned that Mr. Helgeson did indeed fashion some dramatic reform actions in the Midwest. But we've also heard some criticism of the Wisconsin experience, which at least signals the need for caution. It's clear the jury's still out in some respects, but it's also clear that something dramatic happened in Wisconsin. That's more than we can say for New York.

The governor quickly followed with the appointment of a Medicaid Redesign Team, under Mr. Helgeson's direction. This redesign team, one of three appointed by the governor (two others will examine mandate relief and overall state government consolidation), is already at work studying the Medicaid system. It's charged with hashing out a set of reform recommendations in time for consideration as part of the 2011-2012 state budget, which is supposed to be adopted by April 1st.

So the idea is to sit all the major stakeholders down in the same room, around the same table, face to face, and say: Work it out. At the very least, it's going to produce a fascinating new political dynamic. It involves public meetings and a new website (<http://www.governor.ny.gov/medicaidredesign>) to allow any health care professional, patient, taxpayer, local official or concerned citizen to directly share their own ideas for change. Good idea. For the governor, it does a few things. Number one, it's a new approach and that's important for an administration coming in on the idea of creating a "new New York." But it also focuses the effort like never before. That's positive too.

So I'll make a few early observations. First, and for me maybe most importantly, let's not overlook the entire New York experience. I reminded the governor in a recent letter that there are examples of New York-born, locally based efforts that have been successful and that could possibly serve as models for statewide changes. Chemung County Executive Tom Santulli, for example, has initiated efforts that improve medical outcomes and reduce costs. The Horseheads-based Salient Corporation has developed cutting-edge software technology that improves the management and utilization of the system, as well as pinpoints patterns of abuse and potential fraud. It's currently being utilized by many counties across the state, as well as within the state Medicaid Inspector General's office. One question I continue to ask is why the state Health Department – the key administrative agency overseeing Medicaid – isn't using it also?

And finally, speaking of abuse, fraud, and waste, let's not move away at all from the ongoing effort to put in place a "zero tolerance" strategy to prevent it once and for all.