



NEW YORK STATE SENATOR

George Winner

For The Third Time

GEORGE WINNER October 20, 2010

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One of the golden rules of political communication is this one: tell your audience, then tell them again, and then tell them one more time. By the third time, the traditional thinking goes, the citizens you're trying to reach with your message may begin to listen and might even start to remember a little of what you have to say.

So I'll return again this week, for the third time in the past few months, to the issue of Medicaid reform. Not only do I believe it is one of the defining issues of the current election

season, but how it gets addressed in the next legislative session that begins in January 2011 is going to go a long way toward deciding New York's economic and fiscal future.

Several years ago, during my first term as a member of the New York State Senate, I proposed legislation to initiate a state takeover of local Medicaid costs and eliminate the property tax as a source of Medicaid funding. At that time I said, "Our goal must be a Medicaid system where county governments never again have to raise property taxes in order to meet rising Medicaid costs. This needs to be part of the Medicaid reform debate this year. Upstate property taxpayers have been burdened beyond fairness and reason. I believe we need to eliminate, once and for all, the local property tax as a source of Medicaid funding. We need to reinvent the system. The most effective way to do that, in my opinion, is to make it the state's responsibility. If it's our responsibility, we'll have no choice but to act on the cost containment to make it possible."

We all should understand by now that New York State's system of Medicaid is costing state and local taxpayers approximately \$52-billion annually. It's consuming the resources of local governments at an unsustainable pace. New York is one of the few remaining states still requiring localities to share in the cost of Medicaid – and in New York that means local property taxpayers are on the hook for about \$7 billion annually. Medicaid is the largest mandated item in every county budget. According to the New York State Association of Counties (NYSAC), it consumes approximately 45 percent – and in some instances 100 percent -- of each county's real property tax levy.

It's the reason why earlier this year NYSAC established a Presidential Commission on the State Takeover of Medicaid, which recently issued its final report and recommends a state takeover of Medicaid beginning next year. The new NYSAC report, "A Time for Change," can be found online at www.nysac.org.

It will serve, I hope, to further a legislative discussion and debate that absolutely must take front and center stage in New York government in 2011. In releasing the report Chemung County Executive Tom Santulli, who just concluded a term as NYSAC's president and who established the Medicaid commission, said, "We spend \$1 billion a week on Medicaid. This will be the biggest challenge facing the new Governor and his administration, and the next biggest challenge is property taxes. If they want to change the direction of this State, they need to address Medicaid, and our counties stand ready to help."

Like the legislation I sponsored several years ago, NYSAC seeks a multi-year, phased-in state takeover of local Medicaid costs. My proposal also stressed that it wasn't unreasonable to recognize that two-thirds of local Medicaid spending occurs in New York City. New York City should still be responsible, I said at the time, for approximately one-half of its local Medicaid spending in exchange for a state takeover of the remaining 50%, thereby protecting upstate taxpayers from shouldering a disproportionate share of the higher takeover costs in New York City. As a result, the state would have assumed responsibility for the approximately \$2.5 billion in local spending in counties outside of New York City, as well as \$2.5 billion of New York City's local Medicaid spending. The remaining \$2.5 billion would remain the responsibility of New York City.

But in order for the state to afford any proposed takeover, it will require accompanying cost containment and efficiency reforms – and there are any number of plans on the table to achieve the required Medicaid savings through the elimination of abuse and fraud, and to address overutilization, among other initiatives.

I hope it all gets a fair hearing, because there's nothing more important to the future of our communities and taxpayers.