



# MEDICAID WATCH '05

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## Some key facts to consider:

- Already the biggest spender on Medicaid, New York led 45 other states in percentage increase in Medicaid enrollment in the first half of 2003, according to the Kaiser Commission on Medicaid and the Uninsured.
- In most states, children are the majority of Medicaid recipients. In New York, more recipients are adults, and the proportion who are children is among the lowest in the country.
- Our Medicaid spending per enrollee is \$10,788, nearly two-thirds above the national average.
- Hospital lobbyists attack Governor Pataki's budget, but it would leave our Medicaid spending on hospitals above the combined total of California and Texas — which have a combined population three times that of New York.

## VIRTUALLY EVERYONE AGREES MEDICAID COSTS TOO MUCH. WILL ALBANY FINALLY ACT?

New York's business leaders, county executives, farmers, taxpayers, editorial writers, Governor Pataki, Senate Majority Leader Bruno, Comptroller Hevesi ... all agree on one thing:

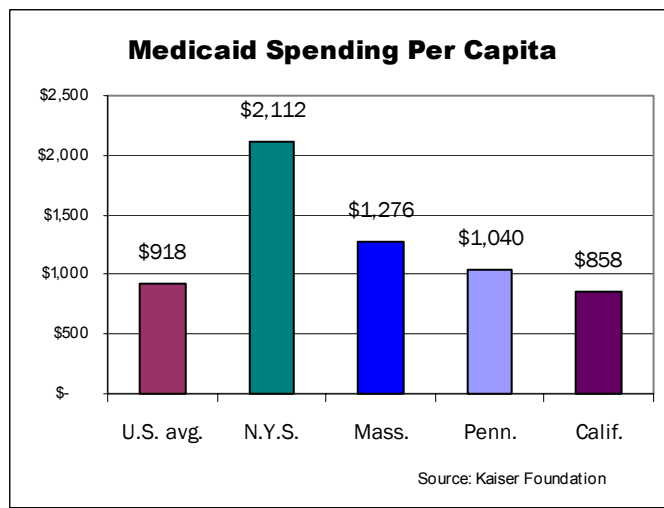
### Medicaid costs too much.

Just how much does the program cost New Yorkers? And how does that compare to what other states spend?

Governor Pataki's budget projects total spending around \$45 billion on Medicaid, including federal and local funds, in the 2005-06 fiscal year. The powerful hospital workers union and other organizations want billions more.

The program cost every New Yorker an average of \$2,112 in fiscal 2003, the latest year for which national data are available. That was 2.3 times the national average, and far above comparable states such as Massachusetts, Pennsylvania and California.

If we could get New York's spending down to merely twice the national average, taxpayers could save a total of \$5.3 billion. Roughly half those savings could accrue to Albany and our



local governments. Such reform would go a long way toward eliminating the budget problems facing the state, New York City and many counties.

What kind of reform, exactly, is needed? Two things.

The Legislature is considering a proposal from Governor Pataki to cap the Medicaid costs Albany imposes on localities and property taxpayers. That's a good idea. If future governors and legislators have to pay more of the bill, they're

likely to keep a more careful eye on spending.

But capping local increases, alone, won't solve our fundamental problem of Medicaid costing too much.

The Governor and the Legislature must also act to scale back New York's outmoded health-care system, restructure long-term care, and otherwise **control Medicaid costs**. Not shift costs — control them. That's the only real answer.

## HEALTH-CARE SPENDING: UP \$6.2 BILLION IN FIVE YEARS

Medicaid and New York State's other public health-care programs aren't just taking more from taxpayers — increasingly, they soak up resources that otherwise might go to education, transportation and other programs.

From 2001 through the

coming year, spending on Medicaid and related programs will have grown by \$6.2 billion, not counting federal funds. That's nearly twice the increase in aid to public schools and transportation spending, combined.

Increases in the cost of care and number of Medicaid recipi-

ents (some of that resulting from policy choices by the Governor and Legislature) both drive up spending. The Budget Division projects coverage will continue to rise sharply, from 3.6 million New Yorkers this year to just under 4 million in 2007.