



MEDICAID WATCH '05

ALSO IN THIS SERIES:

<i>Overview</i>	3/14
<i>Where it goes</i>	3/17
<i>Hospitals</i>	3/24
<i>Long-term care</i>	3/28
<i>HCRA</i>	3/31
<i>Quality of care</i>	4/4
<i>Other states</i>	4/7

Some key facts to consider:

- Most experts agree New York spends too much on hospitals in part because we have too much capacity. Adjusted for population, New York has one-third more hospital beds than Massachusetts.
- The average hospital stay in Massachusetts is 4.9 days. In New York, it's 6.0 days, 22 percent higher.
- Massachusetts has more privately owned hospitals, and proportionately fewer owned by the state or local governments, than New York does.
- Some 63 percent of Medicaid recipients in Massachusetts are in managed care, compared to 53 percent in New York.
- If we could simply get New York's overall Medicaid spending down to **twice** the national average, instead of 2.3 times average, taxpayers would save \$5.3 billion a year.

HOW DOES MASSACHUSETTS MANAGE TO SPEND SO MUCH LESS THAN NEW YORK DOES?

Those who defend New York's enormous spending on Medicaid like to say we have to spend so much because we're different from everyone else: We're home to a world-renowned hospital system, and we have more poor, sick, and old residents than other states.

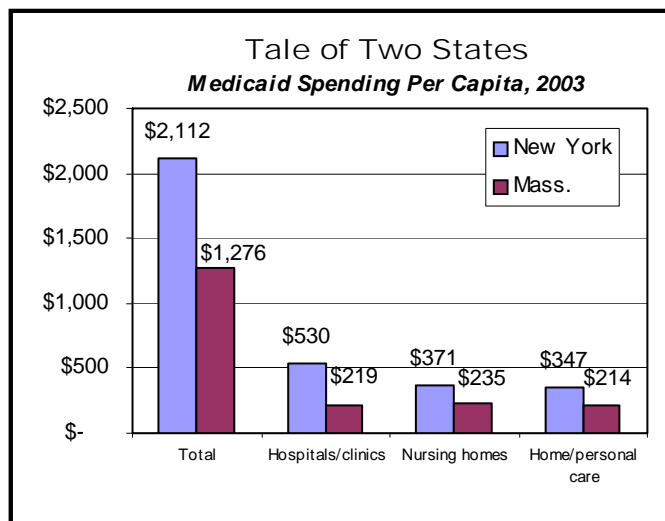
Besides, they ask, do we really want New York's health-care system to be like Alabama or another low-spending state?

No. But perhaps we could try to be more like Massachusetts.

The Bay State is home to hospitals and medical schools widely considered among the best and most prestigious in the world. There's no skimping on talent; its ratios of doctors and nurses to population are both the highest in the country. No one suggests the nursing homes in Massachusetts are noticeably inferior to those in New York.

True, the poverty rate is higher here in New York. But in Massachusetts, the proportion of residents who are elderly is higher than ours.

Yet, somehow, this neighboring state that has produced



some of the country's most liberal politicians and policies manages to spend far less on Medicaid than we do.

Adjusted for population, our overall Medicaid spending is two-thirds higher than that in Massachusetts. Spending on hospitals, in particular, is more than twice as high here in New York.

New York's program covers far more people, with 19 percent of our population enrolled

in Medicaid compared to 14.3 percent in Massachusetts.

Even if we assume that New York has more needy people, that doesn't explain the difference in spending. We spend more per recipient, not just per capita. In fact, New York spent \$7,609 on an average Medicaid enrollee in fiscal 2000, according to the Kaiser Family Foundation. That was 56 percent higher than Massachusetts' \$4,862.

HIGHER SPENDING DOESN'T GIVE NEW YORKERS BETTER CARE

Our billions in Medicaid spending are supposed to improve health outcomes for New Yorkers. Yet, compared to Massachusetts and many other states, we're not doing especially well.

In New York, 4.7 percent of expectant mothers receive late

or no prenatal care. That's more than twice the proportion in our neighboring state. Our infant mortality rate is 22 percent higher than Massachusetts'. Our child immunization rate is 73 percent, compared to 83 percent in the Bay State.

If all our spending doesn't

produce better care, one reason may be that the extra cost of government programs drains private spending. More than 74 percent of Massachusetts residents are covered by private health insurance, compared to 66 percent in New York.