



MEDICAID WATCH '05

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Some key facts to consider:

- The new \$80 million fund for Local 1199 is being criticized by AIDS advocates and others. The Legislature put it in the budget with no public notice.
- “Elder-law” lawyers offer free seminars on how middle-income patients can access Medicaid dollars — then recoup their costs through billable hours ultimately reimbursed by the taxpayers.
- Albany pays for TV commercials urging residents to take advantage of taxpayer-funded health care. The Senate proposed educating New Yorkers on alternatives to Medicaid financing of long-term care, but the proposal failed this year.
- On a per-capita basis, our Medicaid spending is 2.3 times the national average. If we could simply reduce that level to **twice** the national average, taxpayers would save \$5.3 billion.

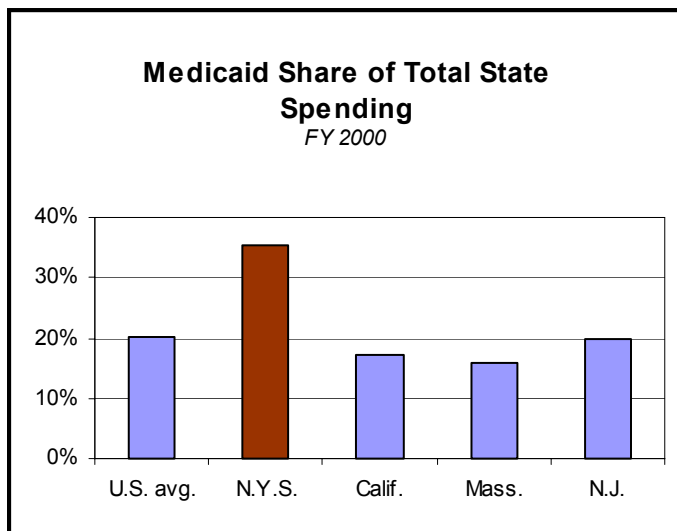
WHO IS STANDING IN THE WAY OF REAL MEDICAID REFORM IN NEW YORK STATE?

Virtually everyone agrees Medicaid costs too much in New York and does not deliver a commensurately high level of care. Why isn't there bold action, in Albany and at the local level, to reform the system?

The answer is a Catch-22: There's limited political will to tackle the problem, partly because elected officials know the interests who benefit from the status quo will paint any cost-saving reforms as a vicious attack on the aging and the needy. At the same time, those interests know they can get away with clinging to the status quo, because there's limited political will to push for change.

Over the past eight years, the high and rising cost of Medicaid has benefited one particular interest group more than any other: the health-care workers union, Local 1199 SEIU.

The budget adopted by the Legislature this year continues the practice of granting special favors to the union. This time, it's an \$80 million fund to raise union members' salaries in Upstate nursing homes.



Local 1199 uses millions of dues dollars to make political contributions, lobby, and engage in expensive TV and radio campaigns — all aimed at pressuring Albany not to reform Medicaid. So when legislators send even more taxpayer millions to the union, they give union President Dennis Rivera even more power to block reform.

Ever-higher Medicaid spending means not only higher taxes, but a growing

shift in resources away from other areas such as education and transportation. Over the past five years, state-funds spending on Medicaid is up \$4.4 billion. That compares to \$2.6 billion for the area with the second-biggest increase, aid to public schools.

New York leads the nation in the proportion of overall state spending that goes to Medicaid, according to the National Association of State Budget Officers.

THE LAWYERS TELL US WE SHOULDN'T PAY FOR OUR CARE

Want taxpayers to cover your spouse's nursing-home bill? New York is the place for you.

Reasons include our state laws, court rulings, and lawyers who spend heavily on marketing their “stick it to the taxpayers!” professional services.

Industry experts say New York's elder-law bar is a na-

tional leader in promoting the idea that even well-off families should not have to pay their own costs for long-term care. One Albany-based firm boasts it has prepared more than 1,000 applications for Medicaid in the past decade, with a success rate over 95 percent.

Lawyers who specialize in

Medicaid planning are resisting reform proposals by Senator Ray Meier and others that would require well-off individuals to pay part of their nursing-home bills.

The chair of the state Bar Association's Elder Law Section, Howard Krooks, told fellow lawyers, “We're under attack.”