

# *Medicaid* **Medicaid Matters New York** *Matters*

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Contacts: Michael Kink 518-527-2787 (mobile); Jack O'Connell 516-359-9238;  
Denise Soffel 212-614-5308

## **COMMENTS ON THE LEADERS' AGREEMENT ON HEALTH CARE SPENDING**

Medicaid Matters New York supported Governor Spitzer's health care budget for two big reasons: it protected Medicaid beneficiaries from cuts, and it began to move the Medicaid system in a new direction that will improve access and quality for those who need care the most.

We are disappointed at the erosion of some of the Governor's proposed initiatives as a result of negotiations with the Senate and Assembly. Reform and restructuring proposals that prioritize transparency, accountability, and community-based care were eliminated.

**It looks like the final budget agreement will take New York a few steps in a new, better direction on health care.**

**We might have taken quite a few more, if powerful lobbyists for hospital associations and 1199/SEIU hadn't blocked the path.**

### FUNDING DISTRIBUTION THWARTED

MMNY supports Governor Spitzer's efforts to target Medicaid funds towards the hospitals and institutions that provide the most care to Medicaid patients. And we support his efforts to prioritize primary, preventive and community-based care.

We recognize that significant changes in the way Medicaid dollars are allocated could destabilize some institutions, but we strongly support the principal that Medicaid money should be going to the places that actually care for Medicaid patients.

The leaders' agreement would base about a quarter-billion dollars in funding on this principle – that's a victory.

Patient-based reallocation of health care worker recruitment and retention dollars, in contrast, will be phased in over time. MMNY condemned the establishment of those pools when they were established in 2002; they remain a poor use of Medicaid dollars.

## COMMUNITY-BASED CARE NEEDED

MMNY is disappointed that this budget does not make good on the promise to move more health care into community-based settings.

Restoring hundreds of millions of dollars to institutional providers won't fundamentally reform New York's health care delivery system. We cannot hope to stem ever-rising Medicaid costs without realigning the delivery system away from costly hospital and nursing home services.

This area of compromise appears to be based on a "business as usual" agenda -- not the "patients first" agenda promised by the Governor.

The budget agreement so far does not provide funding for housing subsidies to help implement the Nursing Facility Transition and Diversion waiver, something that would help people who need long-term care services to live independently at home and receive care in non-institutional settings.

The budget agreement so far does not include any significant new investment in community-based primary care, despite universal agreement that strengthening and expanding the primary care infrastructure is critical to meeting the health care needs of all New Yorkers.

MMNY will continue to fight for the interests of Medicaid beneficiaries in the ongoing effort to reform and improve New York's public health care system.

We look forward to working with the Governor and the Legislature on needed improvement – and we will make sure that beneficiaries and taxpayers know who is supporting meaningful reform and who is blocking it.