

Health and Aging

Access to Care

The SFY 2006-07 Executive Budget makes some investments in health care, but falls short in meeting the health care needs of all New Yorkers. The Governor proposes a new \$600 million investment in Bio-Tech research, but fails to make a commitment to stem cell research. He advances second year funding under the Health Care Efficiency and Affordability Law for New Yorkers (HEAL NY), but also proposes nearly \$1.3 billion in Medicaid cuts, targeting the very providers HEAL NY was designed to help.

The Governor supports replacement of an outdated nursing home methodology, but ties it to the elimination of specific rate adjustments that aid some of the more financially distressed facilities. The Governor proposes a set of anti-fraud measures, including the codification of the Office of Medicaid Inspector General. The Governor makes investments in anti-tobacco activities and cancer research, and continues funding for some AIDS and public health programs. However, the Governor also proposes to eliminate the physician prevail provision from the Preferred Drug Program enacted in SFY 2005-06, to discontinue Medicaid wraparound coverage for prescription drugs for Medicare/Medicaid individuals, and imposes new eligibility restrictions on Family Health Plus.

In all but one of his past budget submissions, the Governor has proposed deep cuts to the Medicaid program, targeting both recipients and providers. Had these cuts been implemented, they would have had a devastating impact on the health

care delivery system in this State, not only hurting the quality of care available to all New Yorkers, but also severely limiting access to needed health care services.

The Governor has consistently put forward proposals that would have reduced Medicaid reimbursement to hospitals, nursing homes, clinics, and individual providers, cuts that would have exacerbated the problems facing these financially distressed providers. In order to maintain fiscal viability, these providers would have no choice but to reduce costs by implementing workforce reductions or cuts in services.

In State Fiscal Year 2005-06, the Governor proposed about \$3 billion in health care reductions, of which \$2.1 billion represented direct cuts and taxes on providers and \$860 million targeted cuts at recipients. Had these cuts been fully enacted, they would have led to an estimated loss of 45,500 jobs in New York. Fortunately, the Legislature rejected over 60 percent of the Governor's 2005-06 cuts and mitigated the impact of several others.

For this Governor, Medicaid reform has simply meant cuts rather than innovative change. The SFY 2006-07 Executive Budget, his twelfth and final submission, is no exception. Again, he proposes cuts to the Medicaid Program, targeting nearly \$1.3 billion in actions directed at

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providers and recipients that could derail our imperiled health care delivery system and cause the loss of an estimated 29,700 jobs.

In the past, the Governor has proposed cuts that would eliminate a variety of services, including: currently provided under Medicaid. Services include: adult dental services, podiatry services, private nurse services, psychologist services, and audiologist services. The elimination of these services would take away valuable care from individuals who need it, and would substantially reduce patient access to routine or preventative care. It is these services that help keep Medicaid costs down, because it is much easier and cheaper to manage a chronic condition early on, rather than letting it go untreated, resulting in an acute episode that requires more invasive and costly care.

The Governor has lauded his advances in providing the elderly with access to community-based services. These programs help the elderly to stay in their homes and communities, thereby avoiding more costly, institutional care. Unfortunately, it took the Governor 11 years to come to this important realization. Following 10 years of inaction during which programs serving the elderly under the direction of the State Office for the Aging received virtually no recommended increases from the Governor - - in fact, during the past five years he vetoed almost \$4 million in legislative additions to these vital programs - - the SFY 2005-06 Executive budget finally contained proposals to enhance community services. Included was a new initiative, Access to Home, to

help low and moderate income seniors make home improvements that would enable them to remain in their homes. The Expanded In-Home Services for the Elderly Program (EISEP) which provides in-home, non-medical care for the frail elderly who are not eligible for Medicaid was also increased by \$10 million.

This year, the Governor recommends increasing EISEP funding by another \$15 million, as well as adding \$5 million to the Access to Home initiative and proposing a new \$10 million initiative, aimed at promoting less expensive, more desirable community-based services.

EPIC

The Elderly Pharmaceutical Insurance Coverage (EPIC) Program provides over 350,000 seniors of limited means with the financial assistance they need to secure vital prescription medications at a time of soaring drug costs. The Governor has repeatedly attempted to undermine the program's success by proposing reductions in the reimbursement rate to pharmacies for filling prescriptions for participants. In fact, he again proposes a significant reduction in the reimbursement rate in SFY 2006-07. Such a prospect is especially frightening in view of the recent chaos created for pharmacists and recipients with the implementation of the new Medicare Part D Prescription Drug Program. Such proposals have the potential to deter pharmacists from participating in the program, which can subsequently lead to seniors losing access to needed medications.

The Uninsured

More often than not the Governor has been an impediment to, rather than a catalyst for, the expansion of health services to the uninsured.

There are still over 2.5 million uninsured in New York State of which 200,000 are uninsured children living in poverty. The Governor's proposals over the years would only have exacerbated the problem.

Through a variety of cuts to Medicaid and Family Health Plus, the Governor's policies, if enacted, would have further reduced the number of people eligible for these programs, swelling the ranks of the uninsured.

With more than 500,000 individuals eligible for coverage in a public program but not enrolled, now is not the time to reduce enrollment efforts. In years past, the Governor has proposed the elimination of facilitated enrollment, which is an important program for enrolling eligible individuals into Medicaid, Child Health Plus and Family Health Plus. This program not only provides needed assistance with the enrollment process, but also helps with

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recertification. Without this service, hundreds, if not thousands, of present enrollees would lose coverage on recertification. The Governor's rhetorical concern for the uninsured is contradicted by his past efforts to eliminate this vital program which enjoys a proven record of success.

Family Health Plus has been one of the most successful programs at providing health coverage to the working poor. At present, the program covers over 520,000 families and adults. The Governor, however, has repeatedly attempted to compromise the program's accomplishments by proposing cuts in the benefits offered, imposing stricter eligibility requirements and denying coverage to individuals that he has determined should receive health insurance through their employer. This penalizes the people the program was designed to serve, leaving them without any hope of affordable health coverage. The Governor's proposed changes to Family Health Plus have unfairly targeted working families throughout New York State that depend on Family Health Plus for their health care coverage. Without this program, many would have to choose between providing food and other necessities for their family and going to the doctor.

Rising Costs

Since 1995, rising Medicaid costs have placed an ever-increasing burden on State and local governments. In his efforts to reduce the growth of Medicaid expenditures, the Governor has consistently put forward proposals that would shift the cost of care to working families, the poor, and the disabled.

Long term care is one of the largest costs to the Medicaid system and the Governor has consistently proposed changes to the long term care system in New York. If implemented, these changes would shift the burden of a failed system from the State to the frailest and neediest among us.

The Governor's enacted takeover plan capped the local share of Medicaid at the 2005 level and included a growth factor of 3.5 percent for 2006; 3.25 percent for 2007; and 3 percent for 2008 and thereafter.

Reducing Local Costs

The Assembly has long recognized the strain Medicaid has placed on county budgets and the need to relieve this pressure. That is why the Assembly has a history of proposing new Medicaid expansions to improve quality care for New Yorkers while ensuring that local governments do not pay the price. The Governor, however, has repeatedly rejected numerous Assembly proposals that would have protected local budgets from new Medicaid costs.

For example, when the Family Health Plus program was created in 1999, the Governor rejected the Assembly's proposal to implement the program with no local share. Had the Governor accepted the Assembly's proposal, local governments could have saved over \$850 million to date and avoided massive increases in local tax levies.

In SFY 2004-05, the Governor accepted the budget action taken by the Legislature that provided for the takeover of the local share of Family Health Plus expenditures over the following two calendar years. Then, in State Fiscal Year (SFY) 2005-06, the Governor and Legislature agreed to a cap on the local share of Medicaid to provide relief to the counties from escalating property taxes needed to support ever-increasing Medicaid costs.