

RESOLUTION

May 10, 2004

By the Board of Directors

TOPIC : Fundamental Medicaid Reforms

BACKGROUND: The continually soaring cost of Medicaid is the single biggest reason for New York's highest-in-the-land state and local tax burden. If New York could bring its per-capita spending down to *twice* the national average, taxpayers would save more than \$3.3 billion a year. We could save taxpayers \$4 billion or more if we reduced per *recipient* costs to the level of Massachusetts, Pennsylvania or Minnesota – to name only a few examples.

RESOLVED: The Business Council's Board of Directors urges the Governor and state Legislature to agree on fundamental reforms in the state's Medicaid program as part of the 2004-05 budget:

- Make patient care more effective and more affordable.
- Create a new patient care and payment mechanism that promotes state-of-the-art care and case-management programs for high-cost or high-risk patients, such as asthma, diabetes or congestive heart failure.
- Improve the information system to provide more uniform and more useful data about health-care outcomes, utilization and patient safety.
- Cap, and then gradually eliminate, the local share of costs – with an ironclad requirement that counties and New York City use the savings to reduce taxes. Have the state take over administrative functions immediately; and immediately provide waivers that promote local accountability and creativity, as proposed by the Chemung County Executive.
- Reexamine benefits so that they more clearly mirror typical health insurance, and close loopholes that allow affluent citizens to move assets to make themselves eligible for Medicaid.
- Pass legislation to make *private* health insurance more affordable – including bills to promote the greater use health savings accounts – so that employees will choose private-sector coverage over public programs.