



Legislation Text

File #: Res 0825-2003, **Version:** *

Preconsidered Res. No. 825

Resolution calling upon Governor George Pataki to withdraw a Fiscal Year 2003-2004 budget proposal to cut Medicaid funds received by cities and counties, and further calling upon the New York State Legislature to reject all Fiscal Year 2003-2004 budget proposals that limit Medicaid funds received by cities and counties.

By The Speaker (Council Member Miller) and Council Members Quinn, Rivera, Lopez, DeBlasio, Baez, Barron, Brewer, Clarke, Comrie, Davis, Fidler, Gennaro, Katz, Koppell, Liu, Martinez, Monserrate, Nelson, Perkins, Reed, Sanders, Seabrook, Sears, Serrano, Stewart, Vann, Weprin and The Public Advocate (Ms. Gotbaum)

Whereas, Medicaid coverage provides access to essential health care services and functions as a life-line to millions of New Yorkers; and
Whereas, Approximately 68% of the individuals enrolled in Medicaid in New York State are New York City residents, representing 25% of all City residents, including an estimated 916,803 children, 656,150 adults, 199,983 elderly and 322,180 blind and disabled adults who access essential health care services through Medicaid every month; and
Whereas, Governor Pataki's State budget proposal for Fiscal Year 2003-2004 includes a \$1.6 billion cut to New York State's Medicaid program that would disproportionately impact New York City, given that the large majority of Medicaid recipients live in the City; and
Whereas, Additionally, Governor Pataki's budget plan includes a "swap" proposal, whereby New York State would assume 100% of the non-federal share of Medicaid prescription drug costs in exchange for a 12% increase in the localities' share for hospital stays, clinic visits and outpatient fee-for-service Medicaid; and
Whereas, Governor Pataki's "swap" proposal would cost New York City as much as \$225 million, since in-patient hospital stays represent approximately 35% of the City's overall Medicaid costs, while pharmacy costs make up only 15% of the City's Medicaid expenditures; and
Whereas, Furthermore, Governor Pataki's proposal would reduce the ability of children and families to access health care by severely limiting income eligibility levels for Family Health Plus, a program that extends coverage to families of the working poor, and eliminating temporary advanced enrollment for children into Child Health Plus-B, a health insurance program for children under the age of 19 who are not eligible for traditional Medicaid; and
Whereas, Governor Pataki's proposals to impose a temporary tax on hospital revenues, reduce per-diem hospital rates and require providers to offset inflationary cost increases - essentially imposing a rate freeze - would have a devastating impact on hospitals, costing hospitals approximately \$545 million in the budget's first year, with the New York City Health and Hospitals Corporation and the City's public hospital system absorbing approximately \$200 million of that cost; and
Whereas, Additionally, Governor Pataki's proposal to cap specialty clinic reimbursement rates and tax home care provider revenues would adversely impact specialty clinics and home care providers at a time when the demand for these services is increasing while their budgets are already stretched to the limit; and
Whereas, Governor Pataki's proposal to reduce pharmacy reimbursement rates would negatively affect pharmacies that already struggle to receive Medicaid reimbursements for the pharmaceuticals they dispense; and
Whereas, Medicaid cuts would result in thousands of lost jobs, millions of dollars in lost wages and a decrease in overall business activity, thus, negatively affecting the economies of New York State and, in particular, New York City, where the health care industry is the largest employment sector, employing approximately 375,000 people and largely funded by Medicaid dollars; and
Whereas, Furthermore, since the federal government pays for 50% of New York State's Medicaid costs, any reduction in State expenditures through eligibility and service reductions would result in an immediate loss of much-needed federal dollars; now, therefore, be it Resolved, That the Council of the City of New York calls upon Governor George Pataki to withdraw a Fiscal Year 2003-2004 budget proposal to cut Medicaid funds received by cities and counties; and, be it further Resolved, That the Council of the City of New York calls upon the New York State Legislature to reject all Fiscal Year 2003-2004 budget proposals that limit Medicaid funds received by cities and counties.

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