

## **Obama's Medicaid boo\$t for weak NY**

By JENNIFER FERMINO, NY Post, 1/30/2010

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New York's ailing Medicaid coffers would get a badly needed shot in the arm under the 2011 budget President Obama is set to unveil Monday, officials said yesterday.

The Obama administration -- which has come under fire from both Mayor Bloomberg and Gov. Paterson over cuts to Medicaid funding in health-care legislation before Congress -- is about to announce a proposal to give cash-strapped states roughly \$25 billion for their Medicaid programs.

The plan includes a 6.2 percent hike in the amount of money states get for Medicaid. States with higher unemployment rates would get even more help, White House officials said. And while the hike would apply to all 50 states, it'd be particularly beneficial to New York, which already provides generous Medicaid benefits to residents and typically receives an extremely low rate of reimbursement from the federal government.

A Bloomberg spokesman said, "This is the kind of relief we need, and under the proposal, New York would benefit."

Matt Anderson, spokesman for the governor's budget office, said they were still awaiting the final details but praised the proposal for providing "fiscal relief for state governments grappling with severe budget deficits during the current economic downturn."

"This critical aid would help New York as it continues the difficult transition process of addressing its long-term fiscal challenges," Anderson said.

With the economy in a tailspin, New York has seen its budget drained by expenses under the health program for the poor. In December alone, the state paid out \$1.3 billion in Medicaid costs.

The proposal would extend the help that states received in last year's economic stimulus bill for an extra six months.

The program provides a twofold benefit to states.

First, it helps ensure Medicaid coverage for the poor and disabled.

Advocates of the measure also say it helps states retain employees, since the additional Medicaid money allows them to shift funds elsewhere.

New York has long complained that it gets treated unfairly by the feds in regards to Medicaid funding.

Most recently, Bloomberg and Paterson blasted the Senate health-care reform bill -- which Obama backed -- for giving more generous reimbursements to states that don't provide much Medicaid coverage to residents in an effort to expand coverage.

Paterson also complained that the Senate health-care bill -- on hold after Democrats lost their majority -- would cost New York an extra \$1 billion and might mean a 15 percent reduction in payments to hospitals, nursing homes and other health-care providers.

New York -- which has one of the most generous Medicaid programs in the country -- consistently receives the lowest reimbursement rate from the federal government for its Medicaid program.

Help on the way

- \* Under an Obama administration plan, states would get an additional 6.2 percent in Medicaid funds.

- \* Most states would receive about \$25 billion in extra federal funding under the proposal.

- \* The additional Medicaid funding would go out to states in January 2011.

- \* New York paid \$1.3 billion to cover Medicaid costs in the month of December alone.

- \* New York typically has the lowest Medicaid reimbursement rate possible, about 50 cents on the dollar.