



CBC Statement on Medicaid Payment Delays in the New York State Budget

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New York, NY - October 3, 2019 - Statement by Citizens Budget Commission (CBC) President Andrew S. Rein on Medicaid Payment Delays in the New York State Budget:

"The State making an end of fiscal year 2019 Medicaid payment a week late was no mere delay. It was an obfuscation of the State's fiscal condition, allowing the State to avoid addressing a deep and recurring problem. The State budget does not include enough funding for its Medicaid program. Without significant changes, the State will be more than \$7 billion short of what it needs to pay its budgeted obligations over the next four years—in addition to the \$12.8 billion cumulative budget gap already projected by the State's most recent financial plan.

The State's financial plan does not reflect the State's fiscal reality. The Medicaid State funding shortfall totals more than \$3 billion in the current year and \$1.5 billion annually thereafter, likely exceeding an estimated \$7 billion over the four-year financial plan. This shortfall adds \$7 billion in unrecognized expenses to State budget gaps over the four-year plan, and increases the cumulative four-year projected State budget gaps from \$12.8 billion to more than \$20 billion.

Deferring payments to paper over unbudgeted spending growth is imprudent fiscal management. When releasing the midyear financial plan update, the State should provide a clear, accurate financial picture and take actions to reduce spending to bring the State's finances into balance. These actions can include reinvigorating the previously successful Medicaid Redesign Team efforts to control costs, slowing the rapid growth in school aid by better targeting aid to needy districts, and cutting wasteful economic development spending."

Further analysis will be available in the CBC's forthcoming brief "Overdue Bills: Time to Face the Reality of Rising Medicaid Costs."

About Citizens Budget Commission

The Citizens Budget Commission (CBC) is a nonpartisan, nonprofit civic organization whose mission is to achieve constructive change in the finances and services of New York City and New York State government. CBC's mission is rooted in serving the citizenry at large, rather than narrow special interests; preserving public resources, whether financial or human; and focusing on the well-being of future New Yorkers, the most underrepresented group in city and state government.