

THE BUFFALO NEWS

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Closing Medicaid gap: Several strategies could make a difference

Editorial Board

March 12, 2020

A story in The Buffalo News last week examined some slimming suggestions for New York State's massive Medicaid program.

Gov. Andrew M. Cuomo this year appointed a new Medicaid Redesign Team, which includes Erie County Medical Center President and CEO Thomas Quatroche Jr., to come up with a plan to find \$2.5 billion in savings to help close the \$6.1 deficit in Cuomo's proposed budget for fiscal year 2021, which begins April 1.

The team is due to make its recommendations this month. A few covered in Scott Scanlon's analysis were especially promising.

Home health care

A well-intentioned program that allows family members to be paid for taking care of elderly or disabled loved ones has grown too expensive for the state to sustain it without some modifications.

The cost of the Consumer Directed Personal Assistance Program has grown by 88% between 2014 and 2019. It serves some 74,000 chronically ill or disabled people, allowing them to remain in their homes and choose their caregivers.

Taking care of the elderly, the sick or the disabled can be a grueling and thankless task and CDPAP provides at least minimum-wage compensation. The program is a victim of its own success, in a way. The steep rise in the number of beneficiaries using the program has made costs skyrocket. It is expected to cost \$2.8 billion in the 2021 fiscal year, which starts April 1.

There is legitimate concern about waste and room for fraud in the system. Personal assistants are not supervised – they answer only to the individuals they are caring for. Some personal assistants can bill for hours when they are not working, and family members may be less likely to complain that they aren't receiving the proper amount of care.

More than 450 companies provide support services for enrollees, including filing billing claims through Medicaid. The state Department of Health in December began a new process for regulating them more closely.

The CDPAP program was conceived as a less expensive alternative to nursing homes for long-term care. It does a world of good to thousands of people, but needs some reining in.

Eligibility crackdown

Budget cutters look first for low-hanging fruit. Few parts of the program are as ripe and ready for pruning as ineligible enrollees. According to a study by researchers Brian Blase, formerly with President Trump's National Economic Council, and Aaron Yelowitz, a senior fellow at the Cato Institute, between 337,000 and 433,000 working-age New York State residents with incomes above the allowed limit are improperly enrolled in Medicaid. Nearly half of those are in New York City.

In a report last summer, the U.S. Department of Health and Human Services' Office of Inspector General concluded the state made hundreds of millions of dollars in payments to ineligible or "potentially ineligible" beneficiaries.

Enlisting inspectors from the state or federal government to perform more eligibility reviews would cost money, but with the potential to shave millions from New York's Medicaid tab of \$73 billion, which is second only to California. It sounds worth it.

No more hiding assets

One of the most rampant forms of Medicaid abuse is the all-too-common practice of shielding financial assets – moving them to a family member or close friend – so that they appear eligible for Medicaid to pay their tab for long-term care.

Bill Hammond, director of health policy research with the Empire Center, told The News there should be a five-year look-back on individuals' finances when they enter a nursing home. That would greatly cut down on the ability of people to cheat the system by squirreling away assets and then pleading poverty.

Such a move would be the opposite of popular, but it's the right thing to do. Cheating the Medicaid system is not a victimless crime. The price is paid by everyone who pays into the system. Uncle Sam is just a metaphor, not a rich relative who will write big checks. Stealing from "the government" is stealing from all of us.